LAW OF THE REPUBLIC OF ARMENIA

ON COMMERCIAL ARBITRATION

Adopted 25.12.2006

CHAPTER 1

GENERAL PROVISIONS

Article 1. General principles and scope of application

1. The provisions of this Law are founded on the following principles and shall be construed accordingly:

(1) The goal of conducting arbitration is to achieve fair resolution of disputes by an impartial arbitral tribunal without undue delay or expenses.

(2) The parties shall be free to agree on the procedure of dispute resolution, subject only to limitations as defined by law.

2. This Law applies to commercial arbitration, subject to any agreement in force between the Republic of Armenia and any other State or States.

3. The provisions of this Law, except Articles 8, 9, 35 and 36, apply only if the place of arbitration is in the territory of the Republic of Armenia.

4. This Law shall not affect any other law of the Republic of Armenia by virtue of which certain disputes may not be submitted to arbitration or may be submitted to arbitration only according to provisions other than those of this Law.

Article 2. Definitions and rules of interpretation

For the purposes of this Law:

(1) "arbitration" means any arbitration, whether or not administered by a permanent arbitral institution;

(2) "arbitral tribunal" means a sole arbitrator or a panel of arbitrators;

(3) "court" means a body or organ of the judicial system of a State;

(4) the term "commercial" shall cover matters arising from all relationships of a commercial nature, whether contractual or not. Relationships of commercial nature particularly include the following transactions: any transaction concluded between banks or other financial organizations and the customers thereof, transactions for the supply and exchange of goods or services; commercial representation or agency; factoring; leasing; construction of works, consulting; engineering; licensing; investment; financing; insurance; exploitation agreement or concession; joint venture or other forms of industrial and business cooperation; carriage by air, sea, rail or road.

(5) where provisions of this Law, except Article 28, leaves the parties free to determine a certain issue, such freedom includes the right of the parties to authorize a third party, including an institution, to make that determination;

(6) where a provision of this Law refers to the fact that the parties have agreed or that they may agree or in any other way refers to an agreement of the parties, such agreement includes any arbitration rules referred to in that agreement;
(7) where a provision of this Law, other than in Articles 25(1)(a) and 32(2)(a), refers to a claim, it also applies to a counter-claim, and where it refers to a defence, it also applies to a defence to such counterclaim

Article 3. Receipt of written communications

1. Unless otherwise agreed by the parties:
(1) any written communication is deemed to have been received if it is delivered to the addressee personally or if it is delivered at his place of business, habitual residence or mailing address; if none of these can be found after making a reasonable inquiry, a written communication is deemed to have been received if it is sent to the addressee's last-known place of business, habitual residence or mailing address by registered letter or any other means which provides a record of the attempt to deliver it;
(2) the communication is deemed to have been received on the day it is so delivered as per paragraph 1(a) of this Article.
2. The provisions of this Article do not apply to communications in court proceedings.

Article 4. Waiver of right to object

1. A party who knows that any provision of this Law from which the parties may derogate or any requirement under the arbitration agreement has not been complied with and yet proceeds with the arbitration without stating his objection to such non-compliance without undue delay or, if a time-limit is provided therefore, within such period of time, shall be deemed to have waived his right to object.
2. If a party to an arbitration agreement files a claim against the other party to the agreement in a court seeking final judgment to resolve a dispute that the parties have agreed to arbitrate, and if the other party fails to object the litigation on the ground of existing arbitration agreement, then both parties shall be deemed to have waived their rights to arbitrate the dispute.

Article 5. Extent of court intervention

In matters governed by this Law, no court shall intervene except where so provided in this Law.

Article 6. Court for certain functions of arbitration assistance and supervision

The functions referred to in Articles 9, 11(3), 11(4), 13(3), 14, 27 and 34 (2) shall be performed by the Court of First Instance of Kentron and Norq-Marash Districts of the Republic of Armenia.

CHAPTER 2.

ARBITRATION AGREEMENT

Article 7. Definition, form and scope of arbitration agreement

1. "Arbitration agreement" is an agreement by the parties to submit to arbitration all existing or potential or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not. An arbitration agreement may be in the form of an arbitration clause in a contract or in the form of a separate agreement (arbitration agreement).

2. Arbitration agreement shall be in writing. An agreement shall be deemed to be concluded in writing, if it is contained in a document signed by the parties or in an exchange of communications through sealed letters, telex, telegrams, electronic or other means of communication which provide a record of the agreement, or in an exchange of statements of claim and defense in which the existence of an agreement is alleged by one party and not denied by another. The reference in a contract to a document containing an arbitration clause constitutes an arbitration agreement provided that the contract is in writing and the reference is such as to make that clause a part of the contract. Arbitration agreement is also deemed to be in writing if a written offer to arbitrate from one party is in one way or another accepted by the other party.

3. Decease of one of the parties of an arbitration agreement shall not cause termination of the arbitration agreement, unless otherwise agreed by the parties or unless the disputed legal relations exclude legal succession.

Article 8. Arbitration agreement and substantive claim before court

1. A court before which an action is brought in a matter which is the subject of an arbitration agreement shall, if a party so requests not later than when submitting his first statement on the substance of the dispute, refer the parties to arbitration unless it finds that the agreement is null and void, inoperative or incapable of being performed.

2. Where an action referred to in paragraph 1 of this Article has been brought, arbitral proceedings may nevertheless be commenced or continued, and an award may be made, while the issue is pending before the court.

Article 9. Arbitration agreement and interim measures by court

It is not incompatible with an arbitration agreement, nor a waiver of rights referred to in arbitration agreement for a party to request, before or during arbitral proceedings, from a court an interim measure of protection and for a court to grant such measure.

CHAPTER 3.

COMPOSITION OF ARBITRAL TRIBUNAL

Article 10. Number of arbitrators

1. The number of arbitrators shall be determined by the consent of the parties and shall be odd. Where the arbitration agreement provides for formation of an arbitration tribunal of arbitrators of even number, the number thereof shall be added by one. In this case the added arbitrator shall be elected by the procedure referred to in Article 11(3)(1) of this law. 2. Failing such agreement, the number of arbitrators shall be three.

Article 11. Appointment of arbitrators

1. The parties are free to define by agreement qualifications for serving as arbitrator. No person shall be precluded by reason of his nationality from acting as an arbitrator, unless otherwise agreed by the parties. Any competent physical person at the age of 18 and above can be an arbitrator, unless a higher age is provided by the agreement of the parties.
2. The parties are free to agree on a procedure of appointing the arbitrator or arbitrators, subject to the provisions of paragraphs 4 and 5 of this Article
3. Failing such agreement,
(1) in an arbitration with three or more arbitrators, each party shall appoint the same number of arbitrators, and the arbitrators thus appointed shall appoint the last arbitrator, who shall act as the presiding officer of the tribunal. If a party fails to appoint the arbitrator within thirty days of receipt of a request to do so from the other party, or if the arbitrators appointed by the parties fail to agree on the appointment of the last arbitrator within thirty days of their appointment, the appointment shall be made, upon the request of a party, by the court specified in Article 6 of this Law;
(2) in an arbitration with a sole arbitrator, if the parties are unable to agree on the arbitrator, he shall be appointed, upon request of a party, by an appointing authority provided under the arbitration agreement, and in absence of such an agreement by the court specified in Article 6 of this Law.
4. Where the agreement on appointment procedure does not provide for measures ensuring the appointment, each of the parties can file a claim on taking necessary measures with the court established under Article 6 of this Law, in cases, where, under an appointment procedure agreed upon by the parties,
(1) a party fails to act as required under such procedure, or
(2) the parties, or the arbitrators appointed by the parties, are unable to reach an agreement expected of them under such procedure, or
(3) a third party, including an institution, fails to perform any function entrusted to it under such procedure.
5. A decision on a matter entrusted by paragraph (3) or (4) of this Article to the court specified in Article 6 shall be subject to no appeal. The court, in appointing an arbitrator, shall have due regard to any qualifications required of the arbitrator by the agreement of the parties and to such considerations as are likely to secure the appointment of an

independent and impartial arbitrator and, in the case of a sole or third arbitrator, shall take into account as well the advisability of appointing an arbitrator of a nationality other than those of the parties.

Article 12. Grounds for challenge

1. When a person is approached in connection with his possible appointment as an arbitrator, he shall disclose any circumstances likely to give rise to justifiable doubts as to his impartiality or independence. An arbitrator, from the time of his appointment and throughout the arbitral proceedings until the final award has been rendered or the proceedings have otherwise finally ended, shall without delay disclose any such circumstances to the parties unless they have already been informed of them by him.
2. An arbitrator may be challenged only if circumstances exist that give rise to justifiable doubts as to his impartiality or independence, or if he does not possess qualifications agreed to by the parties.
3. A party may challenge an arbitrator appointed by him, or in whose appointment he has participated, only for reasons of which he has become aware after the appointment has been made.

Article 13. Challenge procedure

1. The parties are free to agree on a procedure for challenging an arbitrator, subject to the provisions of paragraph (3) of this Article.
2. Failing such agreement, a party who intends to challenge an arbitrator shall, within fifteen days after becoming aware of the constitution of the arbitral tribunal or of any circumstance referred to in Article 12(2), send a written statement of the reasons for the challenge to the arbitral tribunal. Unless the challenged arbitrator withdraws from his office or the other party agrees to the challenge, the arbitral tribunal shall decide on the challenge.
3. If a challenge under any procedure agreed upon by the parties or under the procedure of paragraph 2 of this Article is not successful, the challenging party may request, within thirty days after having received notice of the decision rejecting the challenge, the court specified in Article 6 of this Law to decide on the challenge, which decision shall be subject to no appeal. While such a request is pending, the arbitral tribunal, including the challenged arbitrator, may continue the arbitral proceedings and make an award.

Article 14. Failure or impossibility to act

1. If an arbitrator becomes de jure or de facto unable to perform his functions or for other reasons fails to act without undue delay, his mandate terminates if he withdraws from his office or if the parties agree on the termination. Otherwise, if a controversy remains concerning any of these grounds, any party may request the court specified in Article 6 of this Law to decide on the termination of the mandate, which decision shall be subject to no appeal.
2. If, under this Article or Article 13(2) of this Law, an arbitrator withdraws from his office or a party agrees to the termination of the mandate of an arbitrator, this does not imply acceptance of the validity of any ground referred to in this Article or Article 12(2) of this Law.

Article 15. Appointment of Substitute Arbitrator

1. Where the mandate of an arbitrator terminates under Article 13 or 14 or because of his withdrawal from office for any other reason or because of the revocation of his mandate by

agreement of the parties or in any other case of termination of his mandate, a substitute arbitrator shall be appointed according to the rules that were applicable to the appointment of the arbitrator being replaced.

2. Unless otherwise agreed by the parties, if under Articles 12, 13 and 14 a sole arbitrator or a presiding

officer of the arbitral tribunal is substituted, any hearings held previously shall resume, or, if any other arbitrator is substituted, such prior hearings may resume at the discretion of the arbitral tribunal.

CHAPTER 4.

JURISDICTION OF ARBITRAL TRIBUNAL

Article 16. Competence of arbitral tribunal to rule on its jurisdiction

1. The arbitral tribunal may rule on its own jurisdiction, including any objections with respect to the existence or validity of the arbitration agreement. For that purpose, an arbitration clause which forms part of a contract shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitral tribunal that the contract is null and void shall not entail ipso jure the invalidity of the arbitration clause.

2. A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than the submission of the statement of defence. A party is not precluded from raising such a plea by the fact that he has appointed, or participated in the appointment of, an arbitrator. A plea that the arbitral tribunal is exceeding the scope of its authority shall be raised as soon as the matter alleged to be beyond the scope of its authority is raised during the arbitral proceedings. The arbitral tribunal may, in either case, admit a later plea if it considers the delay justified.

3. The arbitral tribunal may rule on a plea referred to in paragraph 2 of this Article either as a preliminary question or in an award on the merits. If the arbitral tribunal rules as a preliminary question that it has jurisdiction, any party may request, within thirty days after having received notice of that ruling, the court specified in Article 6 of this Law to decide the matter, which decision shall be subject to no appeal. While such a request is pending, the arbitral tribunal may continue the arbitral proceedings and make an award.

Article 17. Power of arbitral tribunal to order interim measures

1. Unless otherwise agreed by the parties, the arbitral tribunal may, at the request of a party, grant such interim measures, as the arbitral tribunal may consider necessary in respect of the subject-matter of the dispute. The arbitral tribunal may require any party to provide appropriate security in connection with such measure for the purpose of preventing or compensating the potential losses to be incurred to the other party through application of interim measures.

2. Decisions specified under paragraph 1 of this Article may be established in the form of an interim award.

3 Interim measures that are claimed or ordered by the arbitral tribunal by taking an interim decision in accordance with the procedure defined under this Article, can be recognized, enforced or rendered ineffective by the Court specified under Article 6 of this Law without prejudice to the requirements of Articles 34, 35 and 36.

CHAPTER 5

CONDUCT OF ARBITRAL PROCEEDINGS

Article 18. Equal treatment of parties

The parties shall be treated with equality and each party shall be given a full opportunity of presenting his case.

Article 19. Determination of rules of procedure

1. Subject to the provisions of this Law, the parties are free to agree on the procedure to be followed by the arbitral tribunal in conducting the proceedings.
2. Failing such agreement, the arbitral tribunal may, subject to the provisions of this Law, conduct the arbitration in such manner as it considers appropriate (proper, relevant). The power conferred upon the arbitral tribunal includes the power to determine the admissibility, relevance, materiality and weight of any evidence.

Article 20. Place of arbitration

1. The parties are free to agree on the place of arbitration. Failing such agreement, the place of arbitration shall be determined by the arbitral tribunal having regard to the circumstances of the case, including the convenience of the parties.
2. Notwithstanding the provisions of paragraph 1 of this Article, the arbitral tribunal may, unless otherwise agreed by the parties, meet at any place it considers appropriate for consultation among its members, for hearing witnesses, experts or the parties, or for inspection (examination) of goods, other property or documents.

Article 21. Commencement of arbitral proceedings

Unless otherwise agreed by the parties, the arbitral proceedings in respect of a particular dispute commence on the date on which a notice for that dispute to be referred to arbitration is received by the respondent.

Article 22. Language

1. The parties are free to agree on the language (languages) to be used in the arbitral proceedings. Failing such agreement, the arbitral tribunal shall determine the language (languages) to be used in the proceedings. This agreement or determination, unless otherwise specified therein, shall apply to any written statement by a party, any hearing and any award, decision or other communication by the arbitral tribunal.

2. The arbitral tribunal may order that any documentary evidence shall be accompanied by a translation into the language or languages agreed upon by the parties or determined by the arbitral tribunal.

Article 23. Statements of claim and defence

1. Within the period of time agreed by the parties or determined by the arbitral tribunal, the claimant shall file his claims and state the facts supporting his claims, and the claims on relief or remedy sought, and the respondent shall state his defence in respect of these particulars, unless the parties have otherwise agreed as to the required elements of such statements. The parties may submit with their statements all documents they consider to be relevant or may add a reference to the documents or other evidence they will submit.

2. Unless otherwise agreed by the parties, either party may amend or supplement his claim or defence during the course of the arbitral proceedings, unless the arbitral tribunal considers it inappropriate to allow such amendment having regard to the delay in making it.

Article 24. Case hearings and written proceedings

1. Subject to any contrary agreement by the parties, the arbitral tribunal shall decide whether to hold oral hearings for the presentation of evidence or for oral argument, or whether the proceedings shall be conducted on the basis of documents and other materials. However, unless the parties have agreed that no hearings shall be held, the arbitral tribunal shall hold such hearings at an appropriate stage of the proceedings, if so requested by a party

2. The parties shall be given sufficient advance notice of any hearing and of any meeting of the arbitral tribunal for the purposes of inspection of goods, other property or documents.

3. All statements, documents or other information supplied to the arbitral tribunal by one party shall be communicated to the other party. Any expert report or other evidentiary document on which the arbitral tribunal may rely in making its decision shall be communicated to the parties.

4. . Unless otherwise specified by the law or by court order, or unless otherwise agreed by the parties, all arbitration proceedings shall be private and closed, and no document or other evidence submitted or statement ever made in any arbitration shall be disclosed to third parties or to any court or other state entity or official, except in response to a court order, or as may be necessary in any court proceeding to recognize, enforce or set aside an arbitral award. The provisions specified in this paragraph shall not apply, however, to the extent that documents, other evidence or statements have been previously disclosed without breach of any duty not to disclose.

Article 25. Default of a party (non-observance by a party of own obligations).

Unless otherwise agreed by the parties, if, without showing sufficient cause,

(1) the claimant fails to communicate his statement of claim in accordance with Article 23(1) of this Law, the arbitral tribunal shall terminate the proceedings;

(2) the respondent fails to communicate his statement of defence in accordance with Article 23(1),

the arbitral tribunal shall continue the proceedings without treating such failure in itself as an admission of the claimant's allegations;
(3) any party fails to appear at a hearing or to produce documentary evidence within time limits defined by the arbitration tribunal or by consent of parties, the arbitral tribunal may continue the proceedings and make the award on the evidence before it.

Article 26. Expert appointed by arbitral tribunal

1. Unless otherwise agreed by the parties, the arbitral tribunal may:
(1) appoint one or more experts to report on specific issues determined by the arbitral tribunal;
(2) may require a party to give the expert any relevant information or to produce, or to provide access to, any relevant documents, goods or other property for his inspection;
2. Unless otherwise agreed by the parties, if a party so requests or if the arbitral tribunal considers it necessary, the expert shall, after delivery of his written or oral report, participate in a hearing where the arbitral tribunal and parties have the opportunity to put questions to him, as well the parties may present expert -witnesses in order to provide explanations on the points at issue.

Article 27. Court assistance in taking evidence

At any stage in an arbitral proceeding, the arbitral tribunal or a party with the approval of the arbitral tribunal may request from the court specified in Article 6 of this Law or any other competent court an order compelling any person to deliver to one or more parties in an arbitration or to the arbitral tribunal any document or other evidence relevant to the arbitral proceeding, to order any person to appear as a witness at an arbitral hearing, or otherwise to provide assistance in taking evidence. The court may execute the request within its competence.

CHAPTER 6.

MAKING OF AWARD OF ARBITRATION COURT AND TERMINATION OF PROCEEDING

Article 28. Rules applicable to substance of dispute

1. The arbitral tribunal shall decide the dispute in accordance with such rules of law as are chosen by the parties. Any designation of the law or legal system of a given State shall be construed as directly referring to the substantive law of that State and not to its conflict of laws rules.
2. Failing any designation by the parties, the arbitral tribunal shall apply the law determined by the conflict of laws rules which it considers applicable.
3. Irrespective of the choice of law, before an award is made, the parties may expressly authorize the arbitral tribunal to decide ex aequo et bono or as amiable compositeur.
4. In all cases, the arbitral tribunal shall decide in accordance with the terms of the contract and shall take into account the usages of the trade applicable to the transaction.

Article 29. Decision making by arbitral tribunals

In arbitral proceedings with more than one arbitrator, any decision of the arbitral tribunal shall be made, unless otherwise agreed by the parties, by a majority of all its members. However, questions of procedure may be decided by a presiding arbitrator, if so authorized by the parties or all members of the arbitral tribunal.

Article 30. Settlement

1. If, during arbitral proceedings, the parties settle the dispute, the arbitral tribunal shall terminate the proceedings and, if requested by the parties and not objected to by the arbitral tribunal, shall make an award on reconciliation agreement on agreed terms. 2. An award on agreed terms shall be made in accordance with the provisions of Article 31 and shall state that it is an award. Such an award has the same status and effect as any other award on the merits of the case.

Article 31. Form and contents of award of arbitral tribunal

1. The award of arbitral tribunal shall be made in writing and shall be signed by the arbitrator or arbitrators. In arbitral proceedings with more than one arbitrator, the signatures of the majority of all members of the arbitral tribunal shall suffice, provided that the reason for any omitted signature is stated.
2. The award of an arbitral tribunal shall state the reasons upon which it is based, unless the parties have agreed that no reasons are to be given in the award or the award is an award on agreed terms under Article 30. Unless otherwise agreed by the parties, the award of arbitral tribunal shall state the arbitration costs and distribution thereof among the parties.
3. The award shall state its date and the place of arbitration as determined in accordance with Article 20(1). The award shall be deemed to have been made at that place.
4. After the award is made, a copy signed by the arbitrators in accordance with paragraph 1 of this Article shall be delivered to each party.

Article 32. Termination of Arbitration

1. The arbitral proceedings are terminated by the final award or by an order of the arbitral tribunal in accordance with paragraph (2) of this Article.
2. The arbitral tribunal shall issue an order for the termination of the arbitral proceedings when:
(1) the claimant withdraws his claim, unless the respondent objects the end of the case proceedings and the arbitral tribunal recognizes a legitimate interest on his part in obtaining a final settlement of the dispute;
(2) the parties agree on the termination of the proceedings;
(3) the arbitral tribunal finds that the continuation of the proceedings has for any other reason become unnecessary or impossible.
3. The mandate of the arbitral tribunal terminates with the termination of the arbitral proceedings, subject to the provisions of Articles 33 and 34(4) of this Law.

Article 33. Correction and interpretation of award; additional award

1. Within thirty days of receipt of the award, unless another period of time has been agreed upon by the parties:
(1) a party, with notice to the other party, may request the arbitral tribunal to correct in the award any errors in computation, any clerical or typographical errors or any errors of similar nature;
(2) if so agreed by the parties, a party, with notice to the other party, may request the arbitral tribunal to give an interpretation of a specific point or part of the award.
(3) If the arbitral tribunal considers the request of a party to be justified, it shall make appropriate corrections or give the interpretation within thirty days of receipt of the request. The interpretation shall form part of the award.
2. The arbitral tribunal may correct any error of the type referred to in paragraph (1)(a) of this Article on its own initiative within thirty days of the date of the award. 3. Unless otherwise agreed by the parties, a party, with notice to the other party, may request, within thirty days of receipt of the award, the arbitral tribunal to make an additional award as to the claims presented in the arbitral proceedings but omitted from the award. If the arbitral tribunal considers the request to be justified, it shall make the additional award within sixty days of its receipt. 4. The arbitral tribunal may extend, if necessary, the period of time within which it shall make a correction of mistakes, interpretation or an additional award under paragraph 1 or 3 of this Article. 5. The provisions of Article 31 shall apply to a correction or interpretation of the award or to an additional award.

CHAPTER 7.

RECOURSE AGAINST AWARD

Article 34. Setting aside as exclusive recourse against arbitral award

1. Recourse to a court against an arbitral award may be made only by an application for setting aside in accordance with paragraphs 2 and 3 of this Article. 2. An arbitral award may be set aside by the court specified in Article 6 of this Law only if: (1) the party making the application furnishes proof that:
(a) a party to the arbitration agreement referred to in Article 7 of this Law has been under some incapacity as per the law applicable thereto; or the arbitral agreement is not valid under the law to which the parties have subjected it or, failing any indication thereon, under the law of the Republic of Armenia;
or (b) the party making the application was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case; or
(c) the award deals with a dispute not contemplated by or not falling within the terms of the

submission to arbitration, or contains decisions on matters beyond the scope of the submission to arbitration, provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the award which contains decisions on matters not submitted to arbitration may be set aside; or

(d) the composition of the arbitral tribunal or the arbitral procedure has not been in accordance with the arbitration agreement of the parties, unless such agreement conflicts with compulsory provisions of this Law from with the parties cannot derogate, or, failing such agreement, has not been in accordance with this Law; or

(2) the court finds that:

(a) the subject-matter of the dispute is not capable of settlement by arbitration under the law of the Republic of Armenia; or

(b) the award is in conflict with the public order of the Republic of Armenia.

3. An application for setting aside may not be made after three months have elapsed from the date on which the party making that application had received the award or, if a request has been made under Article 33 of this Law, after three months from the date on which that request had been disposed of by the arbitral tribunal.

4. The court, when asked to set aside an award, may, where so requested by a party or upon own initiative, suspend the setting aside proceedings for a period of time in order to give the arbitral tribunal an opportunity to resume the arbitral proceedings or to take such other action as in the arbitral tribunal's opinion will eliminate the grounds for setting aside.

CHAPTER 8

RECOGNITION AND ENFORCEMENT OF AWARDS

Article 35. Recognition and enforcement of an arbitral award

1. An arbitral award made in the territory of the Republic of Armenia or in the territory of another member state of the New York Convention on Recognition and Enforcement of Foreign Arbitral Awards, shall be recognized as binding and, upon application in writing to the competent court, shall be enforced subject to the provisions of this Article and Article 36.

2. The party relying on an award or applying for its enforcement shall supply the duly authenticated original award or a duly certified copy thereof, as well as the original arbitration agreement referred to in Article 7 of this Law or a duly certified copy thereof. If the award or the agreement is not made in Armenian, the party shall submit a duly certified translation thereof into Armenian.

3. Arbitral awards made outside the Republic of Armenia shall be recognized and enforced pursuant to the principle of reciprocity throughout the territory of the Republic of Armenia, on the basis of this law, other legal acts and international agreements of the Republic of Armenia. Reciprocity shall be presumed in the absence of proof to the contrary.

Article 36. Grounds for refusing recognition or enforcement

1. Recognition or enforcement of an arbitral award, whether made in the territory of the Republic of Armenia or in the territory of another member state of the New York Convention on

Recognition and Enforcement of Foreign Arbitral Awards, may be refused only:
(1) at the request of the party against whom it is invoked, if that party furnishes to the competent court where recognition or enforcement is sought proof that:
(a) a party to the arbitration agreement referred to in Article 7 of this Law has been under some incapacity as per the law applicable thereto; or the said agreement is not valid under the law to which the parties have subjected it or, failing any indication thereon, under the law of the country where the award was made; or
(b) the stated party was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case; or
(c) the award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration, provided that, if the decisions on matters submitted to arbitration by arbitration agreement can be separated from those not so submitted, that part of the award which contains decisions on matters not submitted to arbitration may be set aside; or
(d) the composition of the arbitral tribunal or the arbitral procedure has not been in accordance with the arbitration agreement of the parties or, failing such agreement, has not been in accordance with the law of the country where the award was made; or
(e) the award has not yet become binding on the parties or has been set aside or its enforcement has been suspended by a court of the country in which, or under the law of which, that award was made; or

(2) if the court finds that:
(a) the subject-matter of the dispute is not capable of settlement by arbitration under the law of the Republic of Armenia; or
(b) the award would be contrary to the public order of the Republic of Armenia.
2. If an application for setting aside or suspension of an award has been made to a court referred to in paragraph (1)(a)(v) of this Article, the court where recognition or enforcement is sought may adjourn its decision at its own discretion and may also, on the application of the party claiming recognition or enforcement of the award, order the other party to provide appropriate security.

Article 37. Entry of the Law into Force

1.Authenticity of mediation agreements concluded before enactment of this Law shall be defined by virtue of the Law of the Republic of Armenia “On Arbitration Courts and Arbitration Procedures”.
2.Cases pending before arbitration courts before enactment of this Law shall be proceeded in accordance with the Law of the Republic of Armenia “On Arbitration Courts and Arbitration Procedures”. In agreement of the parties, the litigation of their dispute can be pursued in accordance this law.
3.Before enactment of this Law, cases pending before courts with claims of getting an execution writ for enforcement on the basis of the award issued by the arbitration court and those resulting from newly disclosed circumstances shall be heard pursuant to the Law of the Republic of Armenia “On Arbitration Courts and Arbitration Procedures”. 4.Upon enactment of this law, the Law of the Republic of Armenia AL-219, “On Arbitration Courts and Arbitration Procedures”, dated May 5,

1998, shall be invalidated.

5.This Law shall come into force on the 10th day following the official promulgation thereof.

R. Qocharyan
The president of the
Republic of Armenia

22.01.2007
HO-55-N
Yerevan