



# International Arbitration Comparative Guide



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## International Arbitration Comparative Guide

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## 1. Legal framework

1. 1. What is the relevant legislation on arbitration in your jurisdiction? Are there any significant limitations on the scope of the statutory regime – for example, does it govern oral arbitration agreements?

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Arbitration in Armenia is governed by the Law on Commercial Arbitration and certain provisions of the Civil Procedure Code.

There are no significant limitations on the scope of this statutory regime. The law does not govern oral arbitration agreements.

The statutory regime is not specifically restrictive, provided that the arbitration agreement is concluded in accordance with the law. In light of this, oral arbitration agreements are not enforceable under Armenian law, as the Law on Commercial Arbitration explicitly provides that arbitration agreements must be in writing.

1. 2. Does this legislation differentiate between domestic arbitration and international arbitration? If so, how is each defined?

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The law does not differentiate between domestic arbitration and international arbitration.

Article 1(3) of the Law on Commercial Arbitration provides that the law applies to arbitrations whose seat is Armenia. Although it does not specifically distinguish between domestic and international arbitration, its scope of application is limited to arbitrations in Armenia.

1. 3. Is the arbitration legislation in your jurisdiction based on the UNCITRAL Model Law on International Commercial Arbitration?

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Yes, it is based on the UNCITRAL Model Law on International Commercial Arbitration.

1. 4. Are all provisions of the legislation in your jurisdiction mandatory?

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The Law on Commercial Arbitration is mainly dispositive and usually provides ‘default options’ which apply where the parties have not reached agreement on certain matters. For example, if the parties have not agreed on the process for the appointment of an arbitrator, the law envisages a default option for the parties to apply to a relevant court to appoint an arbitrator. However, there are certain mandatory provisions, such as the

requirement that the arbitration agreement be in writing.

## 1. 5. Are there any current plans to amend the arbitration legislation in your jurisdiction?

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As of the time of writing, there have been no official announcements or drafts of laws (which are published officially on e-draft.am) to amend the arbitration regime in Armenia.

## 1. 6. Is your jurisdiction a signatory to the New York Convention? If so, have any reservations been made?

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Armenia is a signatory to the New York Convention, which entered into force in the country in 1998. No reservations to the convention were made.

## 1. 7. Is your jurisdiction a signatory to any other treaties relevant to arbitration?

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The only convention relating to arbitration which has been ratified by Armenia is the New York Convention. On a related note, in 2019 Armenia signed the United Nations Convention on International Settlement Agreements resulting from Mediation.

## 2. Arbitrability and restrictions on arbitration

### 2. 1. How is it determined whether a dispute is arbitrable in your jurisdiction?

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The parties are free to agree on the dispute resolution procedure, subject only to the limitations set out by law. In particular, in certain cases – for example, those involving consumer rights issues – consumers can apply to court even if an arbitration agreement is in place. Moreover, certain other cases, such as those relating to divorce, can only be resolved by the court.

### 2. 2. Are there any restrictions on the choice of seat of arbitration for certain disputes?

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There are no restrictions on the choice of arbitration for certain disputes. As a general rule, the parties are free to agree on the place of arbitration. Failing such agreement, the place of arbitration will be determined by the arbitral tribunal, having regard to the circumstances of the case, including the convenience of the

parties

### 3. Arbitration agreement

#### 3. 1. What are the validity requirements for an arbitration agreement in your jurisdiction?

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The arbitration agreement must be concluded in writing. An agreement is deemed to be concluded in writing if it is contained in:

- a document signed by the parties;
- an exchange of communications through sealed letters, telexes, telegrams, electronic or other means of communication which provide a record of the agreement; or
- an exchange of statements of claim and defence in which the existence of an agreement is alleged by one party and not denied by another.

A 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.

An arbitration agreement is also deemed to be concluded in writing if a written offer to arbitrate from one party is accepted by the other party in one way or another.

#### 3. 2. Are there any provisions of legislation or any other legal sources in your jurisdiction concerning the separability of arbitration agreements?

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The Law on Commercial Arbitration regulates the process through which the arbitral tribunal decides on its jurisdiction. To this end, it provides that where the tribunal is deciding on the existence of an arbitration agreement, an agreement which is included as part of another contract will be regarded as a separate agreement. The law further provides that the invalidity of the contract does not automatically result in the invalidity of the arbitration agreement.

#### 3. 3. Are there provisions on the seat and/or language of the arbitration if there is no agreement between the parties?

Armenia

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The Law on Commercial Arbitration provides default options for the parties if no agreement has been reached on the seat and language of arbitration. In particular, unless otherwise agreed by the parties, the place of arbitration will be determined by the arbitral tribunal, having regard to the circumstances of the case,

including the convenience of the parties. Unless otherwise agreed by the parties, the tribunal may meet at any place it considers appropriate for:

- consultation among its members;
- the hearing of witnesses, experts or the parties; or
- the inspection of goods, other property or documents.

Unless the parties have agreed otherwise, the arbitral tribunal will determine the language or languages to be used in the proceedings.

## 4. Objections to jurisdiction

4. 1. When must a party raise an objection to the jurisdiction of the tribunal and how can this objection be raised?

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Objections to the jurisdiction of the tribunal must be brought by no later than submission of the response to the claim. The Law on Commercial Arbitration explicitly states that the participation of the objecting party in the selection and appointment of the arbitrators does not preclude it from objecting to the tribunal's jurisdiction.

The tribunal will make an announcement on whether its jurisdiction has been exceeded if a party suggests that it has considered a question which is outside of its jurisdiction.

4. 2. Can a tribunal rule on its own jurisdiction?

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The arbitral tribunal may rule on its own jurisdiction.

The arbitration tribunal has competence; and in case of a challenge to the arbitration agreement, the tribunal is first obliged to consider and make a decision on its jurisdiction, including the existence or validity of the arbitration agreement.

4. 3. Can a party apply to the courts of the seat for a ruling on the jurisdiction of the tribunal? In what circumstances?

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A party can apply to court for a ruling on the jurisdiction of the arbitral tribunal.

If the arbitral tribunal, as a preliminary question, issues a decision on its jurisdiction, any party may request the court to decide the matter within 30 days of receiving notice of this decision. The court's decision is final and cannot be appealed.

## 5. The parties

### 5. 1. Are there any restrictions on who can be a party to an arbitration agreement?

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There are no restrictions on who can be a party to an arbitration agreement.

### 5. 2. Are the parties under any duties in relation to the arbitration?

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The main obligations of the parties relate to the submission of their respective claims and responses and participation in the hearings.

The duties of the parties are as follows:

- Within the timeframe agreed by the parties or specified by the arbitral tribunal, and unless the parties have agreed otherwise:
  - the claimant must file its claims and state the facts supporting its claims and the relief or remedy sought; and
  - the respondent must state its defence in respect of these particulars.
- A party that intends to challenge an arbitrator must send a written statement of the reasons for the challenge to the arbitral tribunal within 15 days of becoming aware of the constitution of the arbitral tribunal or of any grounds for challenge.

If the claimant does not bring its claim, the arbitration proceedings will be terminated. If a response is not submitted, the tribunal will continue the proceeding without *prima facie* presuming that the absence of a response constitutes acceptance of the claim. Should any party fail to present written evidence in the manner indicated by the tribunal or to attend the hearings as requested, the tribunal will continue the proceedings and issue an award based on the available evidence.

### 5. 3. Are there any provisions of law which deal with multi-party disputes?

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There are no specific provisions dealing with multi-party disputes.

## 6. Applicable law issues

### 6. 1. How is the law of the arbitration agreement determined in your jurisdiction?

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The Law on Commercial Arbitration provides that it applies to arbitrations whose seat is Armenia. Thus,

where the seat is in Armenia, Armenian laws will apply.

Furthermore, with regard to the enforcement of an award, the Civil Procedure Code provides that the court will consider the validity of the underlying arbitration agreement according to the law chosen by the parties or the law of the place where the award was issued.

## 6. 2. Will the tribunal uphold a party agreement as to the substantive law of the dispute? Where the substantive law is unclear, how will the tribunal determine what it should be?

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The general rule under Armenian law is the freedom of parties to choose any law applicable to their dispute. However, the parties can choose a law other than Armenian law to govern the substance of their dispute only where the relationship has a foreign element (ie, one or more of the parties are foreign entities or persons).

The Law on Commercial Arbitration provides that the arbitral tribunal will decide the dispute in accordance with such rules of law as are chosen by the parties. Failing any such designation by the parties, the arbitral tribunal will apply the law as determined by the conflict of laws rules which it considers applicable. In the absence of the parties' consent, if the seat of arbitration is in Armenia and the party to the arbitration is a citizen of Armenia or a legal entity registered in Armenia, the arbitral tribunal will apply the norms of Armenian law in resolving the dispute.

## 7.Consolidation and third parties

### 7. 1. Does the law in your jurisdiction permit consolidation of separate arbitrations into a single arbitration proceeding? Are there any conditions which apply to consolidation?

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The consolidation of separate arbitrations into a single arbitration proceeding is not regulated by law.

### 7. 2. Does the law in your jurisdiction permit the joinder of additional parties to an arbitration which has already commenced?

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The joinder of additional parties to an arbitration which has already commenced is not regulated by law.

### 7. 3. Does an arbitration agreement bind assignees or other third parties?

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The arbitration agreement cannot be binding on third parties, as an agreement creates obligations only for the parties thereto.



As regards assignees, if consent for assignment is indicated under the agreement or is further issued by the other party, the rights and obligations under the arbitration agreement can be assigned.

Finally, the demise of one of the parties to an arbitration agreement will not cause the arbitration agreement to terminate, unless otherwise agreed by the parties or unless the disputed legal relations exclude legal succession.

## 8. The tribunal

### 8. 1. How is the tribunal appointed?

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The parties are free to agree on the procedure for appointing the arbitrator or arbitrators.

Failing such agreement:

- in an arbitration with three or more arbitrators, each party will appoint the same number of arbitrators and the arbitrators thus appointed will appoint the last arbitrator, who will act as the presiding officer of the tribunal. If a party fails to appoint an arbitrator within 30 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 30 days of their appointment, the appointment will be made, upon the request of a party, by the court of arbitration assistance and supervision; or
- in an arbitration with a sole arbitrator, if the parties are unable to agree on the arbitrator, he or she will be appointed, upon the request of a party, by the appointing authority specified in the arbitration agreement or, in absence of such an agreement, by the court of arbitration assistance and supervision.

### 8. 2. Are there any requirements as to the number or qualification of arbitrators in your jurisdiction?

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The parties are free to agree on the number of arbitrators, although this number must be odd. If the arbitration agreement provides for an even number of arbitrators, this number will be increased by one.

Failing such agreement, the number of arbitrators will be three.

The parties are free to define by agreement the qualifications for serving as arbitrator. No one may be precluded by reason of nationality from acting as an arbitrator, unless otherwise agreed by the parties. Any legally capable individual who has reached the age of 25 and has a higher education can serve as an arbitrator. An arbitrator may not be a person who:

- has been recognised by a court decision as incapable or as having limited legal capacity;
- has been convicted of a crime; or
- is the subject of criminal prosecution.

### 8. 3. Can an arbitrator be challenged in your jurisdiction? If so, on what basis? Are there

any restrictions on the challenge of an arbitrator?

Armenia

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An arbitrator may be challenged if:

- circumstances exist that give rise to justifiable doubts as to his or her impartiality or independence; or
- he or she does not possess the qualifications agreed to by the parties.

The parties may bring a challenge against an arbitrator within 15 days of the date on which they learn of the existence of grounds for such challenge or of the appointment of the arbitrator. The challenge must be made in writing. If the other party does not agree with the challenge, the arbitral tribunal will issue a decision accordingly. The tribunal's decision may be appealed to the court, whose decision is final.

8. 4. If a challenge is successful, how is the arbitrator replaced?

Armenia

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A substitute arbitrator will be appointed according to the rules that applied to the appointment of the arbitrator being replaced.

8. 5. What duties are imposed on arbitrators? Are these all imposed by legislation?

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An arbitrator must adhere to high standards of behaviour, both personally in observing the rules of conduct and in ensuring their compliance by his or her fellow arbitrators.

Arbitrators are obliged to:

- respect and obey the law;
- ensure the fairness and impartiality of arbitration;
- identify any benefits or relationships that may adversely affect the impartiality of the tribunal;
- ensure the equal, respectful and impartial treatment of all parties and participants in the arbitration;
- explain the powers and rules of arbitration to all parties and participants of the arbitration;
- maintain the confidentiality of the arbitration;
- refrain from inappropriate behaviour; and
- be guided by the principles of justice, legality and honesty.

These duties are all imposed by law.

8. 6. What powers does an arbitrator have in relation to: (a) procedure, including evidence; (b) interim relief; (c) parties which do not comply with its orders; (d) issuing partial final awards; (e) the remedies it can grant in a final award and (f) interest?

***(a) Procedure, including evidence?***

The parties are free to agree on the procedure to be followed by the arbitral tribunal in conducting the proceedings. Failing such agreement, the arbitration proceedings will be conducted in the form established by the arbitration rules; or otherwise in accordance with the relevant procedural rules of the Civil Procedure Code. The powers conferred upon the arbitral tribunal include the power to determine the admissibility, relevance, materiality and weight of any evidence.

***(b) Interim relief?***

Unless the parties have agreed otherwise, the tribunal, based on the motion of either party, can adopt a decision on such interim measures as it considers necessary considering the subject of the dispute. The tribunal is entitled to require the provision of security or counter-security with the aim of:

- preventing or compensating for potential damages caused to the other party; or
- preserving evidence.

***(c) Parties which do not comply with its orders?***

If the claimant fails to file its statement of claim in accordance with the Law on Commercial Arbitration, the arbitral tribunal will terminate the proceedings.

If the respondent fails to file its statement of defence in accordance with the law, the arbitral tribunal will continue the proceedings without treating such failure in itself as an admission of the claimant's allegations.

If any party fails to appear at a hearing or to produce documentary evidence within the timeframes specified by the arbitration tribunal or agreed by the parties, the arbitral tribunal may continue the proceedings and make its award on the evidence before it.

***(d) Issuing partial final awards?***

The possibility of issuing a partial final award is not regulated by the law.

***(e) The remedies it can grant in a final award?***

The Law on Commercial Arbitration does not include specific regulations or peculiarities with respect to the remedies to be granted by the arbitral tribunal. The Civil Code sets out the remedies which can be sought to protect the rights of persons, which can equally be exercised by a tribunal. In particular, these include the following:

- recognising the right;
- restoring the situation that existed before breach of the right;
- preventing activities that breach the rights or create a risk of breach;
- exercising the results of the invalidity of a void transaction;
- declaring a transaction void;
- declaring an act of a state or municipal authority invalid;
- enforcing the performance of an obligation through self-protection;
- ordering compensation for damages;

- imposing penalties;
- ordering the termination or change of a legal relationship; or
- issuing other remedies as determined under the law.

**(f) Interest?**

As is the case for remedies, there are no specific regulations on interest in relation to an arbitration award. If, based on the merits of the dispute (arising from the applicable law or an applicable agreement), it is possible to calculate interest, the tribunal is entitled to award it.

**8. 7. How may a tribunal seated in your jurisdiction proceed if a party does not participate in the arbitration?**

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If a party fails to appear at a hearing or to produce documentary evidence within the timeframes specified by the arbitration tribunal or agreed by the parties, the arbitral tribunal may continue the proceedings and make its award on the evidence before it.

**8. 8. Are arbitrators immune from liability?**

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There are no regulations indicating immunity or other similar benefits for the arbitrators.

**9. The role of the court during an arbitration**

**9. 1. Will the court in your jurisdiction stay proceedings and refer parties to arbitration if there is an arbitration agreement?**

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If a dispute in relation to which an arbitration agreement exists is brought before the court, the court must reject the claim without consideration on the request of one of the parties (brought no later than the submission of its first application on the merits of the dispute), unless arbitration is no longer possible (eg, because the arbitration agreement is void, has become invalid or cannot be fulfilled). This does not apply to cases established by law in which the existence of an arbitration agreement does not limit the right of a party to apply to the court.

**9. 2. Does the court in your jurisdiction have any powers in relation to an arbitration seated in your jurisdiction and/or seated outside your jurisdiction? What are these powers? Under what conditions are these powers exercised?**

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Yes, the court has certain powers, which include the following:

- deciding on interim measures;
- appointing an arbitrator;
- deciding on a challenge to an arbitrator;
- deciding on the termination of an arbitrator's mandate;
- making a decision 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.

### 9. 3. Can the parties exclude the court's powers by agreement?

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The parties cannot exclude the court's powers by agreement.

## 10. Costs

### 10. 1. How will the tribunal approach the issue of costs?

#### Armenia

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The tribunal addresses the issue of costs in the award. The award of the arbitral tribunal will state the arbitration costs and their allocation between the parties.

### 10. 2. Are there any restrictions on what the parties can agree in terms of costs in an arbitration seated in your jurisdiction?

#### Armenia

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There are no restrictions on what the parties can agree in terms of costs.

## 11. Funding

### 11. 1. Is third-party funding permitted for arbitrations seated in your jurisdiction?

#### Armenia

#### Concern Dialog

There are no restrictions on third-party funding for arbitrations in Armenia. However, the issue has never been addressed and has not been considered by the courts, so there is a lack of judicial practice in this area.

## 12. Award

## 12. 1. What procedural and substantive requirements must be met by an award?

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The award of the arbitral tribunal must be executed in writing and signed by the arbitrator or arbitrators. In arbitral proceedings with more than one arbitrator, the signatures of a majority of the arbitral tribunal will suffice, provided that the reason for any omitted signatures is stated.

The award must state the reasons upon which it is based, unless the parties have agreed that no reasons need be given in the award. Unless otherwise agreed by the parties, the award must state the arbitration costs and their allocation between the parties. The award must further state its date and the place of arbitration.

## 12. 2. Must the award be produced within a certain timeframe?

Armenia

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There are no specific requirements indicated for this.

## 13. Enforcement of awards

### 13. 1. Are awards enforced in your jurisdiction? Under what procedure?

Armenia

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An arbitral award made in the territory of Armenia or in the territory of another member state of the New York Convention on Recognition and Enforcement of Foreign Arbitral Awards will be recognised as binding and, upon application in writing to the competent court, will be enforced. The party relying on the award or applying for its enforcement must submit:

- the duly authenticated original award or a duly certified copy thereof; and
- the original arbitration agreement or a duly certified copy thereof.

If the award or the agreement is not made in the Armenian language, the party must submit a duly certified translation thereof into Armenian.

## 14. Grounds for challenging an award

### 14. 1. What are the grounds on which an award can be challenged, appealed or otherwise set aside in your jurisdiction?

Armenia

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An arbitral award may be set aside by the court if:

- the party making the application submits proof that:
  - a party to the arbitration agreement was 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 thereof, under Armenian law;
- 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 its case;
- 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; however, 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
- the composition of the arbitral tribunal or the arbitral procedure did not accord with the arbitration agreement, unless that agreement conflicts with compulsory provisions of the law from which the parties cannot derogate, or, failing such agreement, does not accord with the law; or
- the court finds that:
  - the subject matter of the dispute is not capable of settlement by arbitration under Armenian law; or
  - the award conflicts with the public order of Armenia.

#### 14. 2. Are there any time limits and/or other requirements to bring a challenge?

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Yes, an application to set aside an award may not be brought once three months have elapsed from the date on which the party making the application received the award.

#### 14. 3. Are parties permitted to exclude any rights of challenge or appeal?

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The parties are not permitted to exclude any rights of challenge or appeal.

### 15. Confidentiality

#### 15. 1. Is arbitration seated in your jurisdiction confidential? Is a duty of confidentiality found in the arbitration legislation?

[Armenia](#)  
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Unless otherwise specified by the law or by court order, or unless otherwise agreed by the parties, all arbitration proceedings are private and closed, and no documents or other evidence submitted or statements made in any arbitration may be disclosed to third parties or to any court or other state entity or official.

There is thus a duty of confidentiality. The arbitrators are likewise obliged to maintain the confidentiality of all information about the arbitration.

## 15. 2. Are there any exceptions to confidentiality?

Armenia

Concern Dialog

Yes, there are exceptions to confidentiality.

Unless otherwise specified by the law or by court order, or unless otherwise agreed by the parties, all arbitration proceedings are private and closed, and no documents or other evidence submitted or statements made in arbitration may be disclosed to third parties or to any court or other state entity or official, except where this information is provided by a court decision or is necessary for court proceeding to recognise, enforce or set aside an arbitral award.





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