

JUDICIAL CODE

Provisions Relating to Arbitration



EPANI

THE BELGIAN CENTRE FOR ARBITRATION AND MEDIATION

PREFACE

On June 28, 2013 the new Belgian law of June 24, 2013 amending Part 6 of the Judicial Code on arbitration was published in the *Official Gazette* after its unanimous approval by the Belgian Parliament. On September 1, 2013 the new arbitration law entered into force.

The new arbitration law, which was prepared in close collaboration with CEPANI, the Belgian Centre for Arbitration and Mediation, is based on the most recent version of the 1985 UNCITRAL Model Law on International Commercial Arbitration (as amended in 2006) and replaces the formerly existing Belgian arbitration law.

Compared to its predecessor, the new law introduces important changes. However, certain particularities related to the Belgian legal order are maintained. The major improvements are:

- the introduction of the patrimonial nature of a dispute as new criterion for arbitrability;
- laying down the main principles that should guide the arbitration proceedings: equality of the parties, respect for the rights of defence, and loyalty of the debates;
- the confirmation that parties in a dispute may contractually organise arbitration proceedings, including rules with respect to challenging an arbitrator and, more specifically with a reference to the rules of an arbitration centre;
- the support by the state courts in gathering evidence;
- the organisation of a system of interim measures that can be rendered by the arbitration tribunal;
- the centralisation of the enforcement and annulment proceedings of arbitral awards at the level of the 5 principal Courts of First Instance which will lead to more specialisation among judges and more operational efficiency;
- the abolishment of the double degree of jurisdiction in annulment proceedings against arbitral awards in order to reduce the length of such procedures. However, a limited appeal remains in place at the level of the Supreme Court;
- the reduced possibility to annul arbitral awards due to its limitation to a number of specific grounds and circumstances, and only if it is established that the alleged ground influenced the arbitral award;

The last couple of years, enterprises – big and small – have been confronted with major challenges due to a severe financial and economic downturn. Furthermore, commercial transactions have become increasingly complex in legal terms. At the same time a growing interconnectedness of economic operators on a national, regional and global level can be witnessed. Against this background of a swiftly changing economic context and a legally highly complex business environment, I find it extremely important as the first Belgian Minister of Justice with an economic background to offer companies a sound, coherent, rapid, and efficient legal framework for alternative dispute resolution in commercial matters.

As a matter of fact it is in the interest of a company to settle a dispute promptly, at a reasonable price while trying to avoid economic losses and preferably without destroying business partnerships. The new legal framework enhances the possibilities to realise these aims. Furthermore, I also firmly believe that our new legal framework for arbitration could serve as a mechanism for settling other, non-commercial disputes in the future.

In providing for a new state-of-the-art law on arbitration, Belgium wants to send a clear message to the national and international business community that it has a positive attitude towards arbitration as a means of alternative commercial dispute resolution in these challenging times for our business community. As a multilingual state hosting the capital of the European Union as well as a range of highly specialised law firms, Belgium should have the ambition to strengthen its position as a respected arbitration forum in Europe. The recent enlisting by UNCITRAL of Belgium as one of the few Western-European countries having based their arbitration law on the UNCITRAL Model Law has been therefore warmly welcomed as a positive signal.



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Minister of Justice

BELGIAN JUDICIAL CODE

Part Six: Arbitration

CHAPTER I. GENERAL PROVISIONS

Art. 1676

§ 1. Any pecuniary claim may be submitted to arbitration. Non-pecuniary claims with regard to which a settlement agreement may be made may also be submitted to arbitration.

§ 2. Whosoever has the capacity or is empowered to make a settlement may conclude an arbitration agreement.

§ 3. Without prejudice to specific laws, public legal entities may only enter into an arbitration agreement if the object thereof is to resolve disputes relating to an agreement. The conditions that apply to the entering into of the agreement, which constitutes the object of the arbitration, also apply to the entering into of the arbitration agreement. Moreover, public legal entities may enter into arbitration agreements on all matters defined by law or by royal decree decided by the Council of Ministers. The decree may also set forth the conditions and rules to be respected for the entering into of such an agreement.

§ 4. The above-mentioned provisions shall apply without prejudice to the exceptions provided by law.

§ 5. Without prejudice to the exceptions provided by law, an arbitration agreement entered into prior to any dispute that falls under the jurisdiction of the Labour Court pursuant to articles 578 through 583, shall be automatically null and void.

§ 6. Where the place of arbitration has not been determined, the Belgian courts have jurisdiction to take the measures set out in articles 1682 and 1683.

§ 7. Part 6 of this Code shall apply and the Belgian courts shall have jurisdiction when the place of arbitration as defined in article 1701, § 1 is located in Belgium or when the parties have so agreed.

§ 8. By way of derogation from § 7, the provisions of articles 1682, 1683, 1696 through 1698, 1708 and 1719 through 1722 shall apply irrespective of the place of arbitration and notwithstanding any clause to the contrary.

Art. 1677

§ 1. In this Part of the Code,

1. the words “arbitral tribunal” mean a sole arbitrator or a panel of arbitrators;
2. the word “communication” means the transmission of a written document between the parties, between the parties and the arbitrators or between the parties and third parties organising the arbitration, by means of a method of communication or in a manner that provides proof of sending.

§ 2. Where a provision of this Part, with the exception of article 1710, leaves the parties free to determine an issue referred to herein, this freedom includes the right of the parties to authorise a third party to make that determination.

Art. 1678

§ 1. Unless otherwise agreed by the parties, the communication is delivered or sent to the addressee, either to his domicile, his residence or his email address, or, in the case of a legal entity, to its registered office, main place of business or email address.

If none of these can be found after making reasonable inquiries, a communication is deemed to have been received if it is sent to the addressee's last-known domicile or residence, or, in the case of a legal entity, to its last-known registered office, its last-known main place of business or its last-known email address.

§ 2. Unless otherwise agreed by the parties, periods starting to run with regard to the addressee from the communication date are calculated as follows:

- a) where the communication is made by hand in return for a dated acknowledgement of receipt, from the following day;
- b) where the communication is made by email or other method of communication that provides proof of sending, from the first day after the date indicated on the acknowledgement of receipt;
- c) where the communication is made by registered post with acknowledgement of receipt, from the first day following the date on which the letter was delivered in person to the addressee at his domicile or residence, or to its registered office or main place of business or, where applicable, to the last-known domicile or residence or to the last-known registered office or main place of business;
- d) where the communication is made by registered letter, from the third working day after the date on which the letter was delivered to the postal service, unless the addressee provides proof to the contrary.

§ 3. This article does not apply to communications in court proceedings.

Art. 1679

A party that, knowingly and for no legitimate reason refrains from raising, in due time, an irregularity before the arbitral tribunal is deemed to have waived its right to assert such irregularity.

Art. 1680

§ 1. The President of the Court of First Instance, ruling as in summary proceedings, on a unilateral request by the most diligent party, shall appoint the arbitrator in accordance with article 1685, § 3 and § 4.

The President of the Court of First Instance, ruling as in summary proceedings, following the issue of a writ of summons, shall replace the arbitrator in accordance with article 1689, § 2.

The decision to appoint or replace the arbitrator shall not be subject to any recourse.

However, this decision may be appealed where the President of the Court of First Instance rules that there are no grounds for an appointment.

§ 2. The President of the Court of First Instance, ruling as in summary proceedings, following the issue of a writ of summons, shall rule on the withdrawal of an arbitrator in accordance with article 1685, §7, challenge of an arbitrator in accordance with article 1687, § 2, and on the failure or impossibility to act of an arbitrator in the case provided for in article 1688, § 2. This decision shall not be subject to any recourse.

§ 3. The President of the Court of First Instance, ruling as in summary proceedings, may set a time limit for an arbitrator to render his award as set out in article 1713, § 2. This decision shall not be subject to any recourse.

§ 4. The President of the Court of First Instance, ruling as in summary proceedings, shall take all necessary measures for the taking of evidence in accordance with article 1708. This decision shall not be subject to any recourse.

§ 5. The Court of First Instance shall have jurisdiction to decide on the matters set out in Part 6 of this Code, except in the cases mentioned in § 1 through § 4 and in articles 1683 and 1698. Its decisions are final and not subject to recourse.

§ 6. Subject to articles 1696, § 1 and 1720, the claims referred to in this article fall under the jurisdiction of the Court whose seat is that of the Court of Appeal in whose jurisdiction the place of arbitration is fixed.

Where this place is not fixed or is not located in Belgium, the Court having jurisdiction shall be the Court whose seat is that of the Court of Appeal in whose jurisdiction is situated the Court that would have had jurisdiction over the matter, had the matter not been submitted to arbitration.

CHAPTER II.

ARBITRATION AGREEMENT

Art. 1681

An arbitration agreement is an agreement by the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not.

Art. 1682

§ 1. The Court before which is brought a dispute that is also the object of an arbitration agreement shall declare itself without jurisdiction at the request of a party, unless the arbitration agreement is invalid with regard to this dispute or has ceased to exist. The plea must be raised before any other plea or defence, failing which it shall be inadmissible.

§ 2. Where an action referred to in § 1 has been brought, arbitral proceedings may nevertheless be commenced or continued, and an award may be made”.

Art. 1683

It is not incompatible with an arbitration agreement for a request to be made to a court for an interim or conservatory measure before or during arbitral proceedings and for a court to grant such measure, nor shall any such request imply a waiver of the arbitration agreement.

CHAPTER III.

COMPOSITION OF ARBITRAL TRIBUNAL

Art. 1684

§1. The Arbitral Tribunal must be composed of an odd number of arbitrators. A sole arbitrator is allowed.

§ 2. Should the arbitration agreement provide for an even number of arbitrators, an additional arbitrator shall be appointed.

§ 3. Where the parties have not agreed on the number of arbitrators, the arbitral tribunal shall be composed of three arbitrators.

Art. 1685

§ 1. No person shall be precluded by reason of his nationality from acting as an arbitrator, unless otherwise agreed by the parties.

§ 2. The parties are free to agree on a procedure for appointing the arbitrator or arbitrators, subject to the provisions of § 3 and § 4 of this article and the general requirement of independence and impartiality of the arbitrator or of the arbitrators.

§ 3. Failing such determination;

- a) in an arbitration with three arbitrators, each party shall appoint one arbitrator, and the two arbitrators thus appointed shall appoint the third arbitrator; 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 two arbitrators fail to agree on the third arbitrator within thirty days of the appointment of the second arbitrator, the appointment shall be made by the President of the Court of First Instance, ruling on the request of the most diligent party, in accordance with article 1680, § 1;
- b) in an arbitration with a sole arbitrator, if the parties are unable to agree on the selection of the arbitrator, he shall be appointed by the President of the Court of First Instance, ruling on the request of the most diligent party, in accordance with article 1680, § 1;
- c) in an arbitration with more than three arbitrators, if the parties are unable to agree on the composition of the arbitral tribunal, it shall be appointed by the President of the Court of First Instance, ruling on the request of the most diligent party, in accordance with article 1680, § 1;

§ 4. Where, under an appointment procedure agreed upon by the parties,

- a) a party fails to act as required under such procedure, or
- b) the parties, or two arbitrators, are unable to reach an agreement under such procedure, or a third party, including an institution, fails to perform any function entrusted to it under such procedure, any party may request the President of the Court of First Instance ruling in accordance with article 1680, § 1 to take the necessary measure, unless the agreement on the appointment procedure provides other means for securing the appointment.

§ 5. The President of the Court of First Instance, when 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.

§ 6. The appointment of an arbitrator, once notified, may not be withdrawn.

§ 7. Once he has accepted his mission, an arbitrator may not withdraw without the consent of the parties or without being so authorised by the President of the Court of First Instance ruling in accordance with article 1680, § 2.

Art. 1686

§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 independence or impartiality. An arbitrator, from the time of his appointment and throughout the arbitral proceedings, shall disclose without delay any such circumstances to the parties

§ 2. An arbitrator may be challenged only if circumstances exist that give rise to justifiable doubts as to his independence or impartiality, or if he does not have the qualifications agreed to by the parties. A party may challenge an arbitrator appointed by the said party, or in whose appointment it participated, only for reasons of which it becomes aware after the appointment has been made.

Art. 1687

§1. The parties are free to agree on a procedure for challenging an arbitrator.

§ 2. Failing such agreement,

- a) a party who intends to challenge an arbitrator shall send a written statement of the reasons for the challenge to the relevant arbitrator and, where applicable, to the other arbitrators if the tribunal has more than one arbitrator, and to the opposing party. This statement must be sent within fifteen days after the challenging party has become aware of the constitution of the arbitral tribunal or after becoming aware of any circumstance referred to in article 1686, § 2, failing which the statement shall be inadmissible.
- b) Unless the challenged arbitrator withdraws from his office or the other party agrees to the challenge within ten days of the challenging statement being sent, the challenging party shall summon the arbitrator and the other parties within ten days, failing which the challenge shall be inadmissible, to appear before the President of the Court of First Instance ruling in accordance with article 1680, § 2. Pending a ruling by the President of the Court of First Instance, the arbitral tribunal, including the challenged arbitrator, may continue the arbitral proceedings and make an award.

Art. 1688

§1. Unless otherwise agreed by the parties, 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 in the conditions foreseen in article 1685, § 7, or if the parties agree on the termination of the mandate.

§ 2. Otherwise, if a controversy remains concerning any of these grounds, the most diligent party shall summon the other parties and the arbitrator referred to in § 1 to appear before the President of the Court of First Instance who shall rule in accordance with article 1680, § 2.

§ 3. If, under this article or under article 1687, 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 article 1687 or in this article.

Art. 1689

§1. In all cases where the arbitrator's mandate is terminated before the final award is made, a substitute arbitrator shall be appointed. This appointment shall be made in accordance with the rules that were applicable to the appointment of the arbitrator being replaced unless otherwise agreed by the parties.

§ 2. If the arbitrator is not replaced in accordance with § 1, either party may refer the matter to the President of the Court of First Instance who will rule in accordance with article 1680, §1.

§ 3. Once the substitute arbitrator has been appointed, the arbitrators, after hearing the parties, shall decide if there are grounds to repeat the arbitral proceedings entirely or in part; they may not revise any partial final awards already made.

CHAPTER IV. JURISDICTION OF ARBITRAL TRIBUNAL

Art. 1690

§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 agreement 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 agreement.

§ 2. A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than the communication of the first written pleadings by the asserting party, within a period and in a manner in accordance with article 1704.

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.

In either case, the arbitral tribunal may admit a later plea if it considers the delay justified.

§ 3. The arbitral tribunal may rule on the pleas mentioned in § 2 either as a preliminary question or in its award on the merits.

§ 4. The arbitral tribunal's decision that it has jurisdiction may only be contested together with the award on the merits and in the course of the same procedure.

At the request of one of the parties, the Court of First Instance may also rule on the merits of the arbitral tribunal's decision that it lacks jurisdiction.

Art. 1691

Without prejudice to the powers accorded to the courts and tribunals by virtue of article 1683, and unless otherwise agreed by the parties, the arbitral tribunal may order any interim or conservatory measures it deems necessary.

However, the arbitral tribunal may not authorise attachment orders.

Art. 1692

At the request of one of the parties, the arbitral tribunal may amend, suspend or terminate an interim or conservatory measure.

Art. 1693

The arbitral tribunal may require the party requesting an interim or conservatory order to provide appropriate security.

Art. 1694

The arbitral tribunal may require any party promptly to disclose any material change in the circumstances on the basis of which the measure was requested or granted.

Art. 1695

The party requesting an interim or conservatory measure shall be liable for any costs and damages caused by the measure to another party if the arbitral tribunal later determines that, in the circumstances, the measure should not have been granted. The arbitral tribunal may award such costs and damages at any point during the proceedings.

Art. 1696

§ 1. An interim or protective measure issued by an arbitral tribunal shall be recognised as binding and, unless otherwise provided by the arbitral tribunal, enforced by the Court of First Instance, irrespective of the country in which it was issued, subject to the provisions of article 1697.

§ 1/1. The request shall be filed by and decided pursuant to an *ex parte* application. Pursuant to article 1680, § 5, the decision of the Court of First Instance is final and not subject to further recourse.

§ 1/2. Where the interim or conservatory measure was granted by a foreign tribunal, the court with territorial jurisdiction is the Court of First Instance of the seat of the Court of Appeal in the jurisdiction in which the person against whom the enforcement is requested has his domicile or, in the absence of a domicile, his usual place of residence or, where applicable,

its registered office or, failing this, its place of business or branch office. If that person is neither domiciled in, nor a usual resident of, Belgium, nor has its registered office, place of business or branch office in Belgium, the application is made to the Court of First Instance of the seat of the Court of Appeal in the jurisdiction in which the measure is to be enforced.

§ 2. The party who is seeking or has obtained recognition or enforcement of an interim or conservatory measure shall promptly so inform the arbitral tribunal and shall also inform the said tribunal of any termination, suspension or modification of same.

§ 3. The Court of First Instance where recognition or enforcement is sought may, if it considers it proper, order the requesting party to provide appropriate security if the arbitral tribunal has not already made a determination with respect to security or where such a decision is necessary to protect the rights of the respondent and of third parties.

Art. 1697

§1. Recognition or enforcement of an interim or conservatory measure may be refused only:

a) At the request of the party against whom it is invoked:

- i) If such refusal is warranted on the grounds set forth in article 1721, §1(a), i., ii., iii., iv. or v.; or
- ii) if the arbitral tribunal's decision with respect to the provision of security has not been complied with; or
- iii) if the interim or conservatory measure has been terminated or suspended by the arbitral tribunal or, where so empowered, by the court of the State in which the arbitration takes place or under the law of which that interim measure was granted;

or

b) if the Court of First Instance finds that any of the grounds set forth in article 1721, §1(b) apply to the recognition and enforcement of the interim or conservatory measure.

§ 2. Any determination made by the Court of First Instance on any ground in § 1 shall be effective only for the purposes of the application to recognise and enforce the interim or conservatory measure. The Court of First Instance where recognition or enforcement is sought shall not, in making that determination, undertake a review of the substance of the interim or conservatory measure.

Art. 1698

The Court ruling in summary proceedings shall have the same power of issuing an interim or conservatory measure in relation to arbitration proceedings,

irrespective of whether they take place on Belgian territory, as it has in relation to court proceedings. The Court shall exercise such power in accordance with its own procedures taking into account the specific features of arbitration.

CHAPTER V.

CONDUCT OF ARBITRAL PROCEEDINGS

Art. 1699

Notwithstanding any agreement to the contrary, the parties shall be treated with equality and each party shall be given a full opportunity of presenting his case, pleas in law and arguments in conformity with the principle of adversarial proceedings. The arbitral tribunal shall ensure that this requirement as well as the principle of fairness of the debates are respected.

Art. 1700

§1. 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 Part 6 of this Code, determine the rules of procedure applicable to the arbitration in such manner as it considers appropriate.

§3. Unless otherwise agreed by the parties, the arbitral tribunal shall freely assess the admissibility and weight of the evidence.

§4. The arbitral tribunal shall set the necessary investigative measures unless the parties authorise it to entrust this task to one of its members.

It may hear any person and such hearing shall be taken without oath.

If a party holds a piece of evidence, the arbitral tribunal may enjoin it to disclose the evidence according to such terms as the arbitral tribunal shall decide and, if necessary, on pain of a penalty payment.

§5. With the exception of applications relating to authentic instruments, the arbitral tribunal shall have the power to rule on applications to verify the authenticity of documents and to rule on allegedly forged documents. For applications relating to authentic instruments, the arbitral tribunal shall leave it to the parties to refer the matter to the Court of First Instance within a given time limit.

In the circumstances referred to in § 2, the time limits of the arbitral proceedings are automatically suspended until such time as the arbitral tribunal has been informed by the most diligent party of the final court decision on the incident.

Art. 1701

§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.

If the place of arbitration has not been determined by the parties or the arbitrators, the place where the award is rendered is deemed to be the place of arbitration.

§ 2. Notwithstanding the provisions of § 1 and unless otherwise agreed by the parties, the arbitral tribunal, after consulting the parties, may hold its hearings and meetings at any place it deems appropriate.

Art. 1702

Unless otherwise agreed by the parties, the arbitral proceedings start on the on the date on which the request for arbitration is communicated in accordance with article 1678, § 1.

Art. 1703

§1. The parties are free to agree on the language or languages to be used in the arbitral proceedings. Failing such agreement, the arbitral tribunal shall determine the language or languages to be used in the proceedings. This agreement or determination, unless otherwise specified therein, shall apply to any communication between the parties, 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.

Art. 1704

§1. Within the period of time and as agreed by the parties or determined by the arbitral tribunal, the parties shall develop all the pleas and arguments supporting their claim or defence as well as all facts in support thereof.

The parties may agree on, or the arbitral tribunal may order, the exchange of additional written pleadings between the parties as well as the terms for such exchange.

The parties shall submit with their written pleadings all documents that they wish to produce in evidence.

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

Art. 1705

§1. 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 chairman of the arbitral tribunal shall set the schedule of the hearings and shall preside over them.

Art. 1706

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

a) the claimant fails to communicate his statement of claim in accordance with article 1704, § 1, the arbitral tribunal shall terminate the proceedings, without prejudice to the handling of the claims of another party.

b) the respondent fails to communicate his statement of defence in accordance with article 1704, § 1, the arbitral tribunal shall continue the proceedings without treating such failure in itself as an admission of the claimant's allegations;

c) any party fails to appear at an oral hearing or to produce documentary evidence, the arbitral tribunal may continue the proceedings and make the award on the evidence before it.

Art. 1707

§1. Unless otherwise agreed by the parties, the arbitral tribunal may

a) appoint one or more experts to report to it on specific issues to be determined by the arbitral tribunal;

b) 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. If a party so requests or if the arbitral tribunal considers it necessary, the expert shall participate in a hearing where the parties have the opportunity to put questions to him.

§ 3. § 2 applies to the technical experts appointed by the parties.

§ 4. An expert may be challenged on grounds outlined in article 1686 and according to the procedure set out in article 1687.

Art. 1708

With the approval of the arbitral tribunal, a party may apply to the President of the Court of First Instance ruling as in summary proceedings to order all necessary measures for the taking of evidence in accordance with article 1680, § 4.

Art. 1709

§ 1. Any interested third party may apply to the arbitral tribunal to join the proceedings. The request must be put to the arbitral tribunal in writing, and the tribunal shall communicate it to the parties.

§ 2. A party may call upon a third party to join the proceedings.

§ 3. In any event, the admissibility of such joinder requires an arbitration agreement between the third party and the parties involved in the arbitration. Moreover, such joinder is subject to the unanimous consent of the arbitral tribunal.

CHAPTER VI. ARBITRAL AWARD AND TERMINATION OF PROCEEDINGS

Art. 1710

§1. The arbitral tribunal shall decide the dispute in accordance with such rules of law as are chosen by the parties as applicable to the substance of the dispute.

Any designation of the law of a given State shall be construed, unless otherwise expressed, 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. The arbitral tribunal shall decide *ex aequo et bono* or as *amiable compositeur* only if the parties have expressly authorized it to do so.

§ 4. Irrespective of whether it decides on the basis of rules of law or *ex aequo et bono* or as *amiable compositeur*, the arbitral tribunal shall decide in accordance with the terms of the contract if the dispute opposing the parties is contractual in nature and shall take into account the usages of the trade if the dispute is between commercial parties.

Art. 1711

§1. 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 of its members.

§ 2. Questions of procedure may be decided by the chairman of the arbitral tribunal if so authorised by the parties.

§ 3. The parties are also free to decide that the chairman's vote shall be decisive where no majority can be formed.

§ 4. Where an arbitrator refuses to participate in deliberations or in the voting on the arbitral award, the other arbitrators are free to decide without him, unless otherwise agreed by the parties. The parties shall be given advance notice of the intention to make an award without the arbitrator refusing to participate in the deliberations or in the vote.

Art. 1712

§1. If, during arbitral proceedings, the parties settle the dispute, the arbitral tribunal shall terminate the proceedings and, if requested by the parties, shall record the settlement in an award on agreed terms, unless this violates public policy.

§ 2. An award on agreed terms shall be made in accordance with the provisions of article 1713 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.

§ 3. The decision granting enforceability to the award becomes ineffective when the award on agreed terms is set aside.

Art. 1713

§1. The arbitral tribunal shall make a final decision or render interlocutory decisions by way of one or several awards.

§ 2. The parties may determine the time limit within which the Arbitral Tribunal must render its award, or the terms for setting such a time limit.

Failing this, if the arbitral tribunal is late in rendering its award, and a period of six months has elapsed between the date on which the last arbitrator has been appointed, the President of the Court of First Instance, at the request of one of the parties, may impose a time limit on the arbitral tribunal in accordance with article 1680, § 3.

The mission of the arbitrators ends if the arbitral tribunal has not rendered its award at the expiry of this time limit.

§ 3. The award shall be made in writing and shall be signed by the arbitrator. 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.

§ 4. The award shall state the reasons upon which it is based.

§ 5. In addition to the decision itself, the award shall contain, inter alia:

- a) the names and domiciles of the arbitrators;
- b) the names and domiciles of the parties;

- c) the object of the dispute;
- d) the date on which the award is rendered;
- e) the place of arbitration determined in accordance with article 1701, § 1.

§ 6. The final award shall fix the costs of the arbitration and decide which of the parties shall bear them or in what proportion they shall be borne by the parties. Unless otherwise agreed by the parties, these costs shall include the fees and expenses of the arbitrators, the fees and expenses of the parties' counsel and representatives, the costs of services rendered by the instances in charge of the administration of the arbitration and all other expenses arising from the arbitral proceedings.

§ 7. The arbitral tribunal may order a party to pay a penalty. Articles 1385 bis through octies shall apply *mutatis mutandis*.

§ 8. A copy of the award shall be communicated, in accordance with article 1678, to each party by the sole arbitrator or by the chairman of the arbitral tribunal. If the method of communication retained in accordance with article 1678 does not entail the delivery of an original copy, the sole arbitrator or the chairman of the arbitral tribunal shall also send said original to the parties.

§ 9. The award shall have the same effect as a court decision in the relationship between the parties.

Art. 1714

§ 1. The arbitral proceedings are terminated by the signing of the arbitral award which exhausts the jurisdiction of the arbitral tribunal or by a decision of the arbitral tribunal to terminate the proceedings in accordance with § 2.

§ 2. The arbitral tribunal shall issue an order for the termination of the arbitral proceedings when:

- a) the claimant withdraws his claim, unless the respondent objects thereto and the arbitral tribunal recognises a legitimate interest on his part in obtaining a final settlement of the dispute;
- b) the parties agree on the termination of the proceedings.

§ 3. The mandate of the arbitral tribunal terminates with the termination of the arbitral proceedings and the communication of the award, subject to the provisions of articles 1715 and 1717, § 6.

Art. 1715

§ 1. Within one month of the communication of the award, in accordance with article 1678, unless another period of time has been agreed upon by the parties.

- a) a party, with notice to the other party, may request the arbitral tribunal to correct in the award any errors in calculation, any clerical or

typographical errors or any errors of similar nature;

- b) 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.

If the arbitral tribunal considers the request to be justified, it shall make the correction or give the interpretation within one month 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 §1(a) on its own initiative within one month of the date of the award.

§ 3. Unless otherwise agreed by the parties, a party, with notice to the other party, may request, within one month of the communication of the award in accordance with article 1678, the arbitral tribunal to make an additional award as to 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 two months, even if the time limits set out in article 1713, § 2 have expired.

§ 4. The arbitral tribunal may, if necessary, extend the period of time within which it may make a correction, interpretation or an additional award under § 1 or § 3.

§ 5. Article 1713 shall apply to a correction or interpretation of the award or to an additional award.

§ 6. When the same arbitrators can no longer be reunited, the request for interpretation, correction or an additional award shall be submitted to the Court of First Instance.

§ 7. If the Court of First Instance remits an arbitral award by virtue of article 1717, § 6, article 1713 and this article shall apply *mutatis mutandis* to the award rendered in accordance with the decision to remit.

CHAPTER VII. RECOURSE AGAINST ARBITRAL AWARD

Art. 1716

An appeal can only be made against an arbitral award if the parties have provided for that possibility in the arbitration agreement. Unless otherwise stipulated, the time limit for an appeal is one month as of the communication of the award, in accordance with article 1678.

Art. 1717

§ 1. The application to set aside the award is admissible only if the award

can no longer be contested before the arbitrators.

§ 2. The arbitral award may only be contested before the Court of First Instance, by means of a writ of summons. Its decision is final and not subject to further recourse. The award may be set aside solely for a cause mentioned in this article.

§ 3. The arbitral award may only be set aside if:

a) the party making the application furnishes proof that:

i) a party to the arbitration agreement referred to in article 1681 was under some incapacity; 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 Belgium; or

ii) 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; in this case, the award may not be set aside if it is established that the irregularity has had no effect on the arbitral award; or

iii) the award deals with a dispute not provided for in, or not falling within, the terms of the arbitration agreement, or contains decisions on matters beyond the scope of the arbitration agreement, provided that, if the provisions of the award 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

iv) if the award is not reasoned; or

v) the composition of the arbitral tribunal or the arbitral proceedings were not in accordance with the agreement of the parties, unless such agreement was in conflict with a provision of Part 6 of this Code from which the parties cannot derogate, or, failing such agreement, was not in accordance with Part 6 of this Code; with the exception of an irregularity affecting the composition of the arbitral tribunal, such irregularities may however not give rise to a setting aside of the arbitral award if it is established that they have had no effect on the award; or

vi) the arbitral tribunal has exceeded its powers; or

b) the Court of First Instance finds:

i) that the subject-matter of the dispute is not capable of settlement by arbitration; or

ii) that the award is in conflict with public policy; or

iii) that the award was obtained by fraud;

§ 4. Except in the case mentioned in article 1690, § 4 (1), an application for setting aside may no longer be made after three months have elapsed from the date on which the award was communicated in accordance with article 1678 to the party making that application or, if an application has been made under article 1715, from the date on which the arbitral tribunal's decision on the application made under article 1715 was communicated in accordance with article 1678 to the party making the application for setting aside.

§ 5. The causes mentioned in § 2(a), (i), (ii), (iii) and (v) shall not give rise to the setting aside of the arbitral award, whenever the party that invokes them has learned of the said cause in the course of the proceedings but failed to invoke it at that time.

§ 6. The Court of First Instance, when asked to set aside an arbitral award, may, where appropriate and if so requested by a party, suspend the setting aside proceedings for a period of time determined by it in order to give the arbitral tribunal an opportunity to resume the arbitral proceedings or to take such other action as in its opinion will eliminate the grounds for setting aside.

§ 7. The party who opposes a decision to authorise enforcement and who also wishes to move to set aside the award but has not yet filed for same, must lodge its motion to set aside the award e, provided the term provided in § 4 has not elapsed, within the same proceedings, failing which its right to have the award set aside shall automatically lapse.

Art. 1718

By an explicit declaration in the arbitration agreement or by a later agreement, the parties may exclude any application for the setting aside of an arbitral award, where none of them is a natural person of Belgian nationality or a natural person having his domicile or normal residence in Belgium or a legal person having its registered office, its main place of business or a branch office in Belgium.

CHAPTER VIII. RECOGNITION AND ENFORCEMENT OF ARBITRAL AWARDS

Art. 1719

§ 1. The arbitral award rendered in Belgium or abroad may only be enforced after the Court of First Instance has granted enforcement in full or in part in accordance with the procedure set out in article 1720.

§ 2. The Court of First Instance can render the award enforceable only if it can no longer be contested before the arbitrator(s) or if the arbitrators have declared it to be provisionally enforceable notwithstanding an appeal.

Art. 1720

§ 1. The Court of First Instance has jurisdiction over an application relating to the recognition and enforcement of an arbitral award rendered in Belgium or abroad.

§ 1/1. The request shall be filed by and decided pursuant to an ex parte application. Pursuant to article 1680, § 5, the decision of the court is final and not subject to further recourse. The applicant shall elect domicile in the judicial district of the Court.

§ 2. When the award was rendered abroad, the court with territorial jurisdiction is the Court of First Instance of the seat of the Court of Appeal in the jurisdiction of which the person against whom the enforcement is requested has his domicile or, in the absence of a domicile, his usual place of residence or, where applicable, its registered office or, failing this, its place of business or branch office. If that person is neither domiciled in, or a resident of, Belgium, nor has its registered office, place of business or branch office in Belgium, the application is made to the Court of First Instance of the seat of the Court of Appeal in the judicial district of which the award is to be enforced.

§ 3. The applicant shall enclose with its request the original copy or a certified copy of the arbitral award.

§ 4. The award may only be recognised or enforced if it does not violate the conditions of article 1721.

Art. 1721

§ 1. The Court of First Instance may only refuse to recognise or enforce an arbitral award, irrespective of the country in which it was made, in the following circumstances:

- a) at the request of the party against whom it is invoked, if that party furnishes proof that:
 - i) a party to the arbitration agreement referred to in article 1681 was under some incapacity; or the said agreement is not valid under the law to which the parties have subjected it or, failing any such indication, under the law of the country where the award was rendered; or
 - ii) the party against whom the award is invoked was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case; in this case, recognition or enforcement of the arbitral award may not be refused if it is established that the irregularity has had no effect on the arbitral award; or
 - iii) the award deals with a dispute not contemplated by, or not falling within, the terms of the arbitration agreement, or it contains decisions on matters beyond the scope of the arbitration agreement, provided that, if the provisions of the

award on matters submitted to arbitration can be separated from those not so submitted, only that part of the award which contains decisions on matters submitted to arbitration may be recognised or enforced ; or

- iv) the award is not reasoned whereas such reasons are prescribed by the rules of law applicable to the arbitral proceedings under which the award was rendered; or
- v) the composition of the arbitral tribunal or the arbitral proceedings was not in accordance with the agreement of the parties or, failing such agreement, was not in accordance with the law of the country where the arbitration took place; with the exception of an irregularity affecting the composition of the arbitral tribunal, such irregularities may however not give rise to a refusal to recognise or enforce the arbitral award if it is established that they have had no effect on the award; or
- vi) the award has not yet become binding on the parties or has been set aside or suspended by a court of the country in which, or under the law of which, that award was made; or;
- vii) the arbitral tribunal has exceeded its powers; or

b) if the Court of First Instance finds that:

- i) the subject-matter of the dispute is not capable of settlement by arbitration; or
- ii) the recognition or enforcement of the award would be contrary to public policy.

§ 2. The Court of First Instance shall ipso jure stay the application for as long as a written award signed by the arbitrators in accordance with article 1713, § 3 is not provided in support of the application.

§ 3. Where there is a reason to apply an existing treaty between Belgium and the country in which the award was rendered, the treaty shall prevail.

CHAPTER IX. TIME BAR

Art. 1722

The condemnation pronounced by an arbitral award shall be time barred ten years after the date on which the arbitral award has been communicated.



THE BELGIAN CENTRE FOR ARBITRATION AND MEDIATION