

Convention on the Settlement by Arbitration of Civil Law Disputes Resulting from Relations of Economic and Scientific-Technical Cooperation

Preamble

The Governments of the People's Republic of Bulgaria, the German Democratic Republic, the Hungarian People's Republic, the Mongolian People's Republic, the Polish People's Republic, the Socialist Republic of Romania, the Union of Soviet Socialist Republics and the Czechoslovak Socialist Republic,

Guided by the endeavour to guarantee favourable legal conditions for the further deepening and improvement of the mutual economic and scientific-technical cooperation,

Proceeding from the experience, that the proper settlement of disputes arising in the process of the realization of that cooperation contributes towards its successful development,

Taking into account, that the courts of arbitration in their countries have proved in practice to be effective instruments for the solving of disputes connected with foreign trade transactions and

Aiming at taking even more advantage of these courts of arbitration by transfer into their competence the civil law disputes arising out of relations of all kinds of economic and scientific-technical cooperation,

Have agreed upon the following:

Article I

1. All disputes between economic organizations resulting from contractual and other civil law cases arising between them in the course of economic and scientific-technical cooperation of the countries-parties to the present Convention shall be subject to arbitration proceedings with the exclusion of the above disputes from jurisdiction of the courts of law.
2. The term "cases" referred to in paragraph 1 shall mean those arising from contracts of purchase, contracts of specialization and cooperation of production, carrying out of building industrial and construction industry works, on assembling, projecting, prospecting, research, designing and exploratory development, transport, forwarding and other services as well as other civil law cases arising in the course of economic and scientific-technical cooperation of the countries-parties to the Convention.
3. For the purpose of the present Convention the Term "economic organization" shall mean enterprises, trusts, associations, combines, main boards on the basis of profit-and-loss accounting, as well as scientific research institutes, planning and design bureaux and

other organizations of the same kind, which are civil law subjects and are located in different countries to the present Convention.

Article II

1. The disputes, referred to in Article I shall be subject to arbitration by the Court of Arbitration attached to the Chamber of Commerce in the country of the respondent or, subject to agreement of the parties concerned, in a third country-party to the present Convention.
2. Should specialized arbitration courts for settlement of defined categories of disputes exist in the countries-parties to the Convention, such disputes with mutual consent of the parties shall be submitted to such arbitration courts.
3. For a counterclaim and a set off originating from the same legal case as the principle claim, the same arbitration court which deals with the principle claim shall be competent.

Article III

1. Claims concerning demands for the conclusion of a contract or for the acceptance of special contractual clauses shall not be submitted to arbitration courts.
2. The provision of paragraph 1 of the present Article shall not affect the competence of the arbitration court to deal with the claim of the aggrieved party for payment of liquidated damages as provided for a breach of the agreement to make a contract in future or for compensation of losses caused by the said breach.

Article IV

1. The arbitration awards rendered by arbitration courts referred to in paragraph 1, Article II, shall be final and binding. The parties shall execute them voluntarily.
2. These awards shall be recognized without any further procedure and shall be subject to enforcement in any country party to the Convention in the same manner as judgments passed by the state courts of the country of execution and which have come into legal force.
3. The provisions of paragraphs 1 and 2 of the present Article shall be accordingly applied to settlements confirmed by the arbitration court.
4. The provisions of paragraphs 1 and 2 of the present Article shall also affect both the awards made by specialized arbitration courts referred to in paragraph 2, Article II of the present Convention, and settlements confirmed by a specialized arbitration court unless otherwise provided for by the national legislation of the country where the arbitration court has its seat.

5. The awards of arbitration courts referred to in Article II of the present Convention, which have not been voluntarily executed and settlements confirmed by these arbitration courts may be brought to execution by enforcement within two years. This limitation period shall be reckoned from the date of serving an award to the party applying for enforcement and in the case when an award had been sent by post, from the date of the postmark indicating acceptance of a registered letter for delivery. In relation to settlements the said limitation period is reckoned from the date of agreement on such settlement.

Article V

1. The enforcement of an arbitral award may be refused by the judicial executive body of the country of enforcement only if:

(a) the award has been made in violation of the rules of competence, established by the present Convention, or

(b) the party against which the award has been made proves that it was deprived of the possibility to exercise its rights owing to violation of rules of arbitral procedure or other circumstances which it could not prevent and to inform the arbitration court about these circumstances, or

(c) the party against which the award had been made proves that this award has been set aside or its enforcement has been suspended on the basis of national legislation of the country in which it was made.

2. In case of refusal to enforce an award for the reasons referred to in points "a" and "b", paragraph 1 of the present Article, the party in whose favour the award has been made is entitled to lodge a new claim on the same grounds with the competent body within the period of three months from the date of coming into force of the order for this refusal.

Article VI

1. The provisions of previously concluded bilateral and multilateral agreements of the countries-parties to the Convention shall not be applied to the cases treated by this Convention with the exclusion of agreements in accordance with which certain categories of civil law disputes are subject to exclusive jurisdiction of specified authorities.

2. The present Convention shall not be applied to civil law disputes which in accordance with the national legislation effective at the moment of signing of the Convention fall under exclusive jurisdiction of courts of law or other state authorities.

Article VII

The present Convention shall not be applied to the cases being under consideration on the day of entry into force of the Convention.

Article VIII

1. The present Convention shall be subject to ratification by signatory countries. Instruments of ratification shall be deposited with the Secretariat of the Council for Mutual Economic Assistance which is to perform the duties of the depositary of the Convention.
2. The present Convention becomes effective on the ninetieth day following the date of deposit of the fifth instrument of ratification.
3. For any country, the instruments of ratification of which will be deposited after the entry into force of the Convention, the Convention becomes effective on the ninetieth day after deposit by such country of its instrument of ratification.

Article IX

1. Any country may accede to the present Convention after its entry into force with the consent of the countries parties to the Convention by submitting to the depositary the instrument of accession. Accession is considered to be in force 90 days after receipt by the depositary of the last notice of consent of such accession.
2. The country which accedes to the present Convention shall inform the depositary which arbitration court, corresponding to the arbitration court referred to in Paragraph 1 of Article II of the present Convention, is to deal in this country with disputes specified in Article I of the present Convention.

Article X

Any country-party to the present Convention may withdraw from the Convention by notice to that effect given to the depositary. Denunciation becomes effective 12 months after the receipt of this notice by the depositary. Withdrawal of a country from the Convention shall not effect the cases which are under consideration in accordance with this Convention on the day of entry into force of the denunciation.

Article XI

The depositary shall immediately inform all signatory and acceding countries about the date of deposit of each instrument of ratification or document of accession, the date of entry of the Convention into force and all other notices it has received, specified by the present Convention.

Article XII

The depositary of the present Convention shall take the necessary measures to effect the registration of this Convention at the Secretariat of the United Nations Organization pursuant to the Charter of the United Nations.

Article XIII

The present Convention shall be deposited with the depositary which shall send duly certified copies of the Convention to the signatory and acceding countries.

Done in the city of Moscow in one copy, in the Russian language.