

International Arbitration

Description

By Mahlet Mesganaw, Partner at DMLF



Ethiopia adopted a new set of arbitration rules to the standard level of international experience. Arbitration and Conciliation Working Procedure Proclamation No 1237/2021 was signed into law by the President as of 2nd April, 2021 (the Proclamation here after). The Proclamation applies to international arbitration whose seat is in Ethiopia. Where the international arbitration is situated outside of Ethiopia, then eight of the provisions of the Proclamation shall apply. In this article the definition of international arbitration on the Proclamation and the scope of application shall be discussed.

International Arbitration

An arbitration shall be deemed to be International arbitration for one of the following three grounds. Article 4 of the Proclamation defines the conditions that make an arbitration international in the following manner: a) *Where the principal business place of the contracting parties are in two different countries at the time of the conclusion of the agreement;* b) *Where the legal place of the arbitration chosen in accordance with the arbitration agreement or the place of the principal business where the substantial part of the obligations of the commercial or contractual relationship is to be performed or the place of business with which the subject-matter of the dispute is arisen and most closely connected is located in a foreign country;* c) *Where the parties have expressly agreed that the subject-matter of the arbitration agreement relates to more than one country.* For the purpose of identifying whether the arbitration is international or not, if a party has more than one place of business, the place of business shall be that which has the closest to the arbitration agreement. Also where there is no place of

business, it will be the principal residence of the contracting parties.

Scope of Application

The Proclamation is applicable to commercial related national arbitration, international arbitration whose seat is in Ethiopia and national conciliation proceedings. However, when Ethiopia is not the seat of Arbitration, 8 provisions of the Proclamation will apply to International arbitration situated outside of Ethiopia. The provisions that apply to international arbitration situated outside of Ethiopia are the following: Article 8 Arbitration Agreement and Suits to be Submitted to Court; Article 9. Arbitration Agreement and Provisional Interim Measure taken by Courts; Article 25. Recognition and Enforcement of an Order of Interim Measure; Article 26. Refusal of the Request for Recognition or Enforcement of Interim Measure by the Court; Article 27. Interim Measures Granted by Court; Article 51. Execution of Arbitral Awards; Article 52. Objection to Enforcement of Arbitral Award and Article 53. Recognition and Enforcement of Foreign Arbitral Awards.



To sum up, Ethiopia has developed arbitration laws and endorsed [international treaties](#) for being a favorable hub for international arbitration whose seats will be in Ethiopia. In addition to the legal regime, favorable climate, Ethiopian airlines and hospitality of the people make Ethiopia the desired international arbitration destination.

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Date Created

June 11, 2023

Author

dmethiol_admin