

Relation between State Courts and Arbitral Tribunals – Iranian Perspective



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Arbitration in Iran

- **Domestic Arbitration** (Iranian Code of Civil Procedure)
- **International Arbitration** (Law on International Commercial Arbitration)



Arbitration is “International” if one of the parties to the arbitration agreement is of non-Iranian nationality under Iranian Law (article 1.b. LICA)



Main Arbitral Institutions:

- Tehran Regional Arbitration Centre (TRAC) www.trac.ir
- **Arbitration Center of Iran Chamber of Commerce**

Areas excluded to be referred to arbitration according to Iranian law:

- Family law
- Criminal matters
- Bankruptcy
- Disputes concerning public and state properties (requirement of the approval of the cabinet of Ministers and the parliament)





Intervention of State Courts in arbitration process:

(a) Only for supporting or controlling the arbitration proceeding;

(b) In 3 different phases:
Prior to the constitution of the arbitral tribunal, during the arbitration proceeding and after the arbitration process



- No special court designate for arbitration matters
- Competent court is public court located in the seat of arbitration / Tehran's public court if the seat of arbitration is not yet determined

Involvement of State court before the commencement of arbitration:

- Appoitment of arbitrator(s) (article 11 of LICA) / only ad hoc. arbitration
- Competence (article 16)
- Challenge of arbitrators (article 12)



During the arbitration proceeding

➤ Request of Interim Measures

Article 9 of LICA: “Each party may demand, prior to or during arbitration investigation ... issuance of a writ of attachment or injunction”.



After arbitration proceeding:

- Enforcement of arbitration award
- Request of setting aside an arbitration award
- Nullification of an award



Enforcement of arbitration award

- Arbitration award is final and binding
- Party to the NY Convention since 2001
- With two reservations:
 - 1) on the basis of reciprocity;
 - 2) referral to arbitration of disputes concerning public and governmental properties requires approval of the Council of Ministers and of the Parliament





Request of setting aside an arbitration award (within three months from the date of notification of the award):

- (a) lack of legal capacity
- (b) Non validity of arbitration agreement
- (c) Non accordance whit arbitration agreement



Nullification of an award:

- Subject can not be settled by arbitration
- Incompatibility of award with public order or good morals or imperative regulations of LICA,
- Incompatibility of award with Iranian imperative regulations concerning immovable properties located in Iran



THANK YOU!

ANY QUESTIONS?

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