

# The Swedish Arbitration Act (SFS 1999:116)

## The Arbitration Agreement

### **Section 1**

Disputes concerning matters in respect of which the parties may reach a settlement may, by agreement, be referred to one or several arbitrators for resolution. Such an agreement may relate to future disputes pertaining to a legal relationship specified in the agreement. The dispute may concern the existence of a particular fact.

In addition to interpreting agreements, the filling of gaps in contracts can also be referred to arbitrators.

Arbitrators may rule on the civil law effects of competition law as between the parties.

### **Section 2**

The arbitrators may rule on their own jurisdiction to decide the dispute. The aforesaid shall not prevent a court from determining such a question at the request of a party. The arbitrators may continue the arbitral proceedings pending the determination by the court.

Notwithstanding that the arbitrators have, in a decision during the proceedings, determined that they possess jurisdiction to resolve the dispute, such decision is not binding. The provisions of sections 34 and 36 shall apply in respect of an action to challenge an arbitration award which entails a decision in respect of jurisdiction.

### **Section 3**

Where the validity of an arbitration agreement which constitutes part of another agreement must be determined in conjunction with a determination of the jurisdiction of the arbitrators, the arbitration agreement shall be deemed to constitute a separate agreement.

### **Section 4**

A court may not, over an objection of a party, rule on an issue which, pursuant to an arbitration agreement, shall be decided by arbitrators.

A party must invoke an arbitration agreement on the first occasion that a party pleads his case on the merits in the court. The invocation of an arbitration agreement raised on a later occasion shall have no effect unless the party had a legal excuse and invoked such as soon as the excuse ceased to exist. The invocation of an arbitration agreement shall be considered notwithstanding that the party who invoked the agreement has allowed an issue which is covered by the arbitration agreement to be determined by the Debt Enforcement Authority in a case concerning expedited collection procedures.

During the pendency of a dispute before arbitrators or prior thereto, a court may, irrespective of the arbitration agreement, issue such decisions in respect of security measures as the court has jurisdiction to issue.

### **Section 5**

A party shall forfeit his right to invoke the arbitration agreement as a bar to court proceedings where the party:

1. has opposed a request for arbitration;
2. failed to appoint an arbitrator in due time; or
3. fails, within due time, to provide his share of the requested security for compensation to the arbitrators.

### **Section 6**

Where a dispute between a business enterprise and a consumer concerns goods, services, or any other products supplied principally for private use, an arbitration agreement may not be invoked where such was entered into prior to the dispute. However, such agreements shall apply with respect to rental or lease relationships where, through the agreement, a regional rent tribunal or a regional tenancies tribunal is appointed as an arbitral tribunal and the provisions of Chapter 8, section 28 or Chapter 12, section 66 of the Real Estate Code do not prescribe otherwise.

The first paragraph shall not apply where the dispute concerns an agreement between an insurer and a policy-holder concerning insurance based on a collective agreement or group agreement and handled by representatives of the group. Nor shall the first paragraph apply where Sweden's international obligations provide to the contrary.

The Arbitrators

### **Section 7**

Any person who possesses full legal capacity in regard to his actions and his property may act as an arbitrator.

### **Section 8**

An arbitrator shall be impartial.

If a party so requests, an arbitrator shall be discharged if there exists any circumstance which may diminish confidence in the arbitrator's impartiality. Such a circumstance shall always be deemed to exist:

1. where the arbitrator or a person closely associated to him is a party, or otherwise may expect benefit or detriment worth attention, as a result of the outcome of the dispute;
2. where the arbitrator or a person closely associated to him is the director of a company or any other association which is a party, or otherwise represents a party or any other person who may expect benefit or detriment worth attention as a result of the outcome of the dispute;
3. where the arbitrator has taken a position in the dispute, as an expert or otherwise, or has

assisted a party in the preparation or conduct of his case in the dispute; or

4. where the arbitrator has received or demanded compensation in violation of section 39, second paragraph.

### **Section 9**

A person who is asked to accept an appointment as arbitrator shall immediately disclose all circumstances which, pursuant to sections 7 or 8, might be considered to prevent him from serving as arbitrator. An arbitrator shall inform the parties and the other arbitrators of such circumstances as soon as all arbitrators have been appointed and thereafter in the course of the arbitral proceedings as soon as he has learned of any new circumstance.

### **Section 10**

A challenge of an arbitrator on account of a circumstance set forth in section 8 shall be presented within fifteen days commencing on the date on which the party became aware both of the appointment of the arbitrator and of the existence of the circumstance. The challenge shall be adjudicated by the arbitrators, unless the parties have decided that it shall be determined by another party.

If the challenge is successful, the decision shall be subject to no appeal.

A party who is dissatisfied with a decision denying a motion or dismissing a motion on the grounds that the motion was not timely filed may file an application with the District Court that the arbitrator be removed from his post. The application must be submitted within thirty days commencing on the date on which the party receives the decision. The arbitrators may continue with the arbitral proceedings pending the determination of the District Court.

### **Section 11**

The parties may agree that a motion as referred to in section 10, first paragraph shall be conclusively determined by an arbitration institution.

### **Section 12**

The parties may determine the number of arbitrators and the manner in which they shall be appointed.

Sections 13–16 shall apply unless the parties have agreed otherwise.

Where the parties have so agreed, and any of the parties so requests, the District Court shall appoint arbitrators also in situations other than those stated in sections 14–17.

### **Section 13**

The arbitrators shall be three in number. Each party shall appoint one arbitrator, and the arbitrators so appointed shall appoint the third.

### **Section 14**

Where each party is required to appoint an arbitrator and one party has notified the opposing

party of his choice of arbitrator in a request for arbitration pursuant to section 19, the opposing party must, within thirty days of receipt of the notice, notify the first party in writing in respect of his choice of arbitrator.

A party who, in this manner, has notified the opposing party of his choice of arbitrator may not revoke the appointment without the consent of the other party.

If the opposing party fails to appoint an arbitrator within the stipulated time, the District Court shall appoint an arbitrator upon request by the first party.

### **Section 15**

Where an arbitrator shall be appointed by other arbitrators, but they fail to do so within thirty days commencing on the date on which the last arbitrator was appointed, the District Court shall appoint the arbitrator upon request by a party.

Where an arbitrator shall be appointed by someone other than a party or arbitrators, but such is not done within thirty days of the date on which a party desiring the appointment of an arbitrator requested that the person responsible for the appointment make such appointment, the District Court shall, upon the request by a party, appoint the arbitrator. The same shall apply where an arbitrator shall be appointed by the parties jointly, but they have failed to agree within thirty days commencing on the date on which the question was raised through receipt by one party of notice from the opposing party.

### **Section 16**

Where an arbitrator resigns or is discharged, the District Court shall, upon request by a party, appoint a new arbitrator. Where the arbitrator cannot fulfil his duties due to circumstances which arise after his appointment, the person who originally was required to make the appointment shall, instead, appoint a new arbitrator. Sections 14 and 15 shall apply in conjunction with such an appointment. The period of time within which a new arbitrator shall be appointed, even for the party who requested the arbitration, is thirty days calculated, with respect to all parties, from the date on which the person who shall appoint the arbitrator became aware thereof.

### **Section 17**

Where an arbitrator has delayed the proceedings, the District Court shall, upon request by a party, discharge the arbitrator and appoint another arbitrator. The parties may decide that such a request shall, instead, be conclusively determined by an arbitration institution.

### **Section 18**

Where a party has requested that the District Court appoint an arbitrator pursuant to section 12, third paragraph or sections 14–17, the Court may reject the request on the grounds that the arbitration is not legally permissible only where such is manifest.

## **The Proceedings**

### **Section 19**

Unless otherwise agreed by the parties, the arbitral proceedings are initiated when a party

receives a request for arbitration in accordance with the second paragraph hereof.

A request for arbitration must be in writing and include:

1. an express and unconditional request for arbitration;
2. a statement of the issue which is covered by the arbitration agreement and which is to be resolved by the arbitrators; and
3. a statement of the party's choice of arbitrator where the party is required to appoint an arbitrator.

#### **Section 20**

Where the arbitral tribunal is composed of more than one arbitrator, one of them shall be appointed chairman. Unless the parties or the arbitrators have decided otherwise, the chairman shall be the arbitrator appointed by the other arbitrators or the District Court, in their stead.

#### **Section 21**

The arbitrators shall handle the dispute in an impartial, practical, and speedy manner. They shall thereupon act in accordance with the decisions of the parties insofar as there is no impediment to so doing.

#### **Section 22**

The parties shall determine the place of arbitration. Where this is not the case, the arbitrators shall determine the place of arbitration.

The arbitrators may hold hearings and other meetings elsewhere in Sweden, or abroad, unless otherwise agreed by the parties.

#### **Section 23**

Within the period of time determined by the arbitrators, the claimant shall state his claims in respect of the issue stated in the request for arbitration, as well as the circumstances invoked by the party in support thereof. Thereafter, within the period of time determined by the arbitrators, the respondent shall state his position in relation to the claims, and the circumstances invoked by the respondent in support thereof.

The claimant may submit new claims, and the respondent his own claims, provided that the claims fall within the scope of the arbitration agreement and, taking into consideration the time at which they are submitted or other circumstances, the arbitrators do not consider it inappropriate to adjudicate such claims. Subject to the same conditions, during the proceedings, each party may amend or supplement previously presented claims and may invoke new circumstances in support of his case.

The first and second paragraphs hereof shall not apply where the parties have decided otherwise.

#### **Section 24**

The arbitrators shall afford the parties, to the extent necessary, an opportunity to present their respective cases in writing or orally. Where a party so requests, and provided that the parties have not otherwise agreed, an oral hearing shall be held prior to the determination of an issue referred to the arbitrators for resolution.

A party shall be given an opportunity to review all documents and all other materials pertaining to the dispute which are supplied to the arbitrators by the opposing party or another person.

Where one of the parties, without valid cause, fails to appear at a hearing or otherwise fails to comply with an order of the arbitrators, such failure shall not prevent a continuation of the proceedings and a resolution of the dispute on the basis of the existing materials.

### **Section 25**

The parties shall supply the evidence. However, the arbitrators may appoint experts, unless both parties are opposed thereto.

The arbitrators may refuse to admit evidence which is offered where such evidence is manifestly irrelevant to the case or where such refusal is justified having regard to the time at which the evidence is offered.

The arbitrators may not administer oaths or truth affirmations. Nor may they impose conditional fines or otherwise use compulsory measures in order to obtain requested evidence.

Unless the parties have agreed otherwise, the arbitrators may, at the request of a party, decide that, during the proceedings, the opposing party must undertake a certain interim measure to secure the claim which is to be adjudicated by the arbitrators. The arbitrators may prescribe that the party requesting the interim measure must provide reasonable security for the damage which may be incurred by the opposing party as a result of the interim measure.

### **Section 26**

Where a party wishes a witness or an expert to testify under oath, or a party to be examined under truth affirmation, the party may, after obtaining the consent of the arbitrators, submit an application to such effect to the District Court. The aforementioned shall apply where a party wishes that a party or other person be ordered to produce as evidence a document or an object. If the arbitrators consider that the measure is justified having regard to the evidence in the case, they shall approve the request. Where the measure may lawfully be taken, the District Court shall grant the application.

The provisions of the Code of Judicial Procedure shall apply with respect to a measure as referred to in the first paragraph. The arbitrators shall be summoned to hear the testimony of a witness, an expert, or a party, and be afforded the opportunity to ask questions. The absence of an arbitrator from the giving of testimony shall not prevent the hearing from taking place.

The Award

### **Section 27**

The issues which have been referred to the arbitrators shall be decided in an award. Where the arbitrators terminate the arbitral proceedings without deciding such issues, such shall also take place through an award.

Where the parties enter into a settlement agreement, the arbitrators may, at the request of the parties, confirm it in an award.

Other determinations, which are not embodied in an award, are designated as decisions. The mandate of the arbitrators shall be deemed to be completed when they have delivered a final award, unless otherwise provided in sections 32 or 35.

### **Section 28**

Where a party withdraws a claim, the arbitrators shall dismiss that part of the dispute, unless the opposing party requests that the arbitrators rule on the claim.

### **Section 29**

A part of the dispute, or a certain issue which is of significance to the resolution of the dispute, may be decided through a separate award, unless opposed by both parties. However, a claim invoked as a defence by way of set off shall be adjudicated in the same award as the main claim.

Where a party has admitted a claim, in whole or in part, a separate award may be rendered in respect of that which has been admitted.

### **Section 30**

Where an arbitrator fails, without valid cause, to participate in the determination of an issue by the arbitral tribunal, such failure will not prevent the other arbitrators from ruling on the matter.

Unless the parties have decided otherwise, the opinion agreed upon by the majority of the arbitrators participating in the determination shall prevail. If no majority is attained for any opinion, the opinion of the chairman shall prevail.

### **Section 31**

An award shall be made in writing, signed by the arbitrators. It suffices that the award is signed by a majority of the arbitrators, provided that the reason why all of the arbitrators have not signed the award is noted therein. The parties may decide that the chairman of the arbitral tribunal alone shall sign the award.

The award shall state the place of arbitration and the date when the award is made.

The award shall be delivered to the parties immediately.

### **Section 32**

If the arbitrators find that an award contains any obvious inaccuracy as a consequence of a typographical, computational, or other similar mistake by the arbitrators or any another person, or if the arbitrators by oversight have failed to decide an issue which should have been dealt with in the award, they may, within thirty days of the date of the announcement of the award, decide

to correct or supplement the award. They may also correct or supplement an award, or interpret the decision in an award, where any of the parties so requests within thirty days of receipt of the award by that party.

Where, upon request by any of the parties, the arbitrators decide to correct an award or interpret the decision in an award, such shall take place within thirty days from the date of receipt by the arbitrators of the party's request. Where the arbitrators decide to supplement the award, such shall take place within sixty days.

Before any decision is made pursuant to this section, the parties should be afforded an opportunity to express their views with respect to the measure.

#### Invalidity of Awards and Setting Aside Awards

### **Section 33**

An award is invalid:

1. if it includes determination of an issue which, in accordance with Swedish law, may not be decided by arbitrators;
2. if the award, or the manner in which the award arose, is clearly incompatible with the basic principles of the Swedish legal system; or
3. if the award does not fulfil the requirements with regard to the written form and signature in accordance with section 31, first paragraph.

The invalidity may apply to a certain part of the award.

### **Section 34**

An award which may not be challenged in accordance with section 36 shall, following an application, be wholly or partially set aside upon motion of a party:

1. if it is not covered by a valid arbitration agreement between the parties;
2. if the arbitrators have made the award after the expiration of the period decided on by the parties, or where the arbitrators have otherwise exceeded their mandate;
3. if arbitral proceedings, according to section 47, should not have taken place in Sweden;
4. if an arbitrator has been appointed contrary to the agreement between the parties or this Act;
5. if an arbitrator was unauthorized due to any circumstance set forth in sections 7 or 8; or
6. if, without fault of the party, there otherwise occurred an irregularity in the course of the proceedings which probably influenced the outcome of the case.

A party shall not be entitled to rely upon a circumstance which, through participation in the proceedings without objection, or in any other manner, he may be deemed to have waived. A party shall not be regarded as having accepted the arbitrators' jurisdiction to determine the issue referred to arbitration solely by having appointed an arbitrator. Pursuant to sections 10 and 11, a party may lose the right in accordance with the first paragraph, sub-section 5 to rely upon a circumstance as set forth in section 8.

An action must be brought within three months from the date upon which the party received the award or, where correction, supplementation, or interpretation has taken place pursuant to section 32, within a period of three months from the date when the party received the award in its final wording. Following the expiration of the time limit, a party may not invoke a new ground of objection in support of his claim.

### **Section 35**

A court may stay proceedings concerning the invalidity or setting aside of an award for a certain period of time in order to provide the arbitrators with an opportunity to resume the arbitral proceedings or to take some other measure which, in the opinion of the arbitrators, will eliminate the ground for the invalidity or setting aside:

1. provided the court holds that the claim in the case shall be accepted and either of the parties requests a stay; or
2. both parties request a stay.

Where the arbitrators make a new award, a party may, within the period of time determined by the court and without issuing a writ of summons, challenge the award insofar as it was based upon the resumed arbitral proceedings or an amendment to the first award.

Notwithstanding Chapter 43, section 11, second paragraph of the Code of Judicial Procedure, a trial may continue even where the period of the stay exceeds fifteen days.

### **Section 36**

An award whereby the arbitrators concluded the proceedings without ruling on the issues submitted to them for resolution may be amended, in whole or in part, upon the application of a party. An action must be brought within three months from the date upon which the party received the award or, where correction, supplementation, or interpretation has taken place in accordance with section 32, within a period of three months from the date upon which the party received the award in its final wording. The award shall contain clear instructions as to what must be done by a party who wishes to challenge the award.

An action in accordance with the first paragraph which only concerns an issue as referred to in section 42 is permissible where the award means that the arbitrators have considered themselves to lack jurisdiction to determine the dispute. Where the award entails another matter, a party who desires to challenge the award may do so in accordance with the provisions of section 34.

## Costs of Arbitration

### **Section 37**

The parties shall be jointly and severally liable to pay reasonable compensation to the arbitrators for work and expenses. However, where the arbitrators have stated in the award that they lack jurisdiction to determine the dispute, the party that did not request arbitration shall be liable to make payment only insofar as required due to special circumstances.

In a final award, the arbitrators may order the parties to pay compensation to them, together with interest from the date occurring one month following the date of the announcement of the award. The compensation shall be stated separately for each arbitrator.

### **Section 38**

The arbitrators may request security for the compensation. They may fix separate security for individual claims. Where a party fails to provide its share of the requested security within the period specified by the arbitrators, the opposing party may provide the entire security. Where the requested security is not provided, the arbitrators may terminate the proceedings, in whole or in part.

During the proceedings, the arbitrators may decide to realise security in order to cover expenses. Following the determination of the arbitrators' compensation in a final award and where the award in that respect has become enforceable, the arbitrators may realise their payment from the security, in the event the parties fail to fulfil their payment obligations in accordance with the award. The right to security also includes income from the property.

### **Section 39**

The provisions of sections 37 and 38 shall apply unless otherwise jointly decided by the parties in a manner that is binding upon the arbitrators.

An agreement regarding compensation to the arbitrators that is not entered into with the parties jointly is void. Where one of the parties has provided the entire security, such party may, however, solely consent to the realisation of the security by the arbitrators in order to cover the compensation for work expended.

### **Section 40**

The arbitrators may not withhold the award pending the payment of compensation.

### **Section 41**

A party or an arbitrator may bring an action in the District Court against the award regarding the payment of compensation to the arbitrators. Such action must be brought within three months from the date upon which the party received the award and, in the case of an arbitrator, within the same period from the announcement of the award. Where correction, supplementation, or interpretation has taken place in accordance with section 32, the action must be brought by a party within three months from the date upon which the party received the award in its final wording and, in the case of an arbitrator, within the same period from the date when the award was announced in its final wording. The award shall contain clear instructions as to what must be

done by a party who wishes to bring an action against the award in this respect.

A judgment pursuant to which the compensation to an arbitrator is reduced shall also apply to the party who did not bring the action.

#### **Section 42**

Unless otherwise agreed by the parties, the arbitrators may, upon request by a party, order the opposing party to pay compensation for the party's costs and determine the manner in which the compensation to the arbitrators shall be finally allocated between the parties. The arbitrators' order may also include interest, if a party has so requested.

#### **Forum and Limitation Periods**

#### **Section 43**

An action against an award pursuant to sections 33, 34, and 36 shall be considered by the Court of Appeal within the jurisdiction where the arbitral proceedings were held. Where the place of arbitration is not stated in the award, the action may be brought before the Svea Court of Appeal.

The determination of the Court of Appeal may not be appealed. However, the Court of Appeal may grant leave to appeal the determination where it is of importance as a matter of precedent that the appeal be considered by the Supreme Court.

An action regarding compensation to an arbitrator shall be considered by the District Court at the place of arbitration. Where the place of arbitration is not stated in the award, the action may be brought before the Stockholm District Court.

#### **Section 44**

Applications to appoint or discharge an arbitrator shall be considered by the District Court at the place where one of the parties is domiciled or by the District Court at the place of arbitration. The application may also be considered by the Stockholm District Court. Where possible the opposing party shall be afforded the opportunity to express his opinion upon the application before it is granted. Where the application concerns the removal of an arbitrator, the arbitrator should also be heard.

Applications concerning the taking of evidence in accordance with section 26 shall be considered by the District Court determined by the arbitrators. In the absence of such decision, the application shall be considered by the Stockholm District Court.

Where the District Court has granted an application to appoint or remove an arbitrator, such decision may not be appealed. Nor may a determination of the District Court in accordance with section 10, third paragraph otherwise be appealed.

#### **Section 45**

Where, according to law or by agreement, an action by a party must be brought within a certain period, but the action is covered by an arbitration agreement, the party must request arbitration in accordance with section 19 within the stated period.

Where arbitration has been requested in due time but the arbitral proceedings are terminated without a legal determination of the issue which was submitted to the arbitrators, and this is not due to the negligence of the party, the action shall be deemed to have been instituted in due time where a party requests arbitration or institutes court proceedings within thirty days of receipt of the award, or where the award has been set aside or declared invalid or an action against the award in accordance with section 36 has been dismissed, from the time that this decision becomes final.

## International Matters

### **Section 46**

This Act shall apply to arbitral proceedings which take place in Sweden notwithstanding that the dispute has an international connection.

### **Section 47**

Arbitral proceedings in accordance with this Act may be commenced in Sweden, where the arbitration agreement provides that the proceedings shall take place in Sweden, or where the arbitrators or an arbitration institution pursuant to the agreement have determined that the proceedings shall take place in Sweden, or the opposing party otherwise consents thereto.

Arbitral proceedings in accordance with this Act may also be commenced in Sweden against a party which is domiciled in Sweden or is otherwise subject to the jurisdiction of the Swedish courts with regard to the matter in dispute, unless the arbitration agreement provides that the proceedings shall take place abroad.

In other cases, arbitral proceedings in accordance with this Act may not take place in Sweden.

### **Section 48**

Where an arbitration agreement has an international connection, the agreement shall be governed by the law agreed upon by the parties. Where the parties have not reached such an agreement, the arbitration agreement shall be governed by the law of the country in which, by virtue of the agreement, the proceedings have taken place or shall take place.

The first paragraph shall not apply to the issue of whether a party was authorised to enter into an arbitration agreement or was duly represented.

### **Section 49**

Where foreign law is applicable to the arbitration agreement, section 4 shall apply to issues which are covered by the agreement, except when:

1. in accordance with the applicable law, the agreement is invalid, inoperative, or incapable of being performed; or
2. in accordance with Swedish law, the dispute may not be determined by arbitrators.

The jurisdiction of a court to issue such decisions regarding security measures as the court is entitled to issue in accordance with law, notwithstanding the arbitration agreement, is set forth in section 4, third paragraph.

### **Section 50**

The provisions of sections 26 and 44 regarding the taking of evidence during the arbitral proceedings in Sweden shall also apply in respect of arbitral proceedings which take place abroad, where the proceedings are based upon an arbitration agreement and, pursuant to Swedish law, the issues which are referred to the arbitrators may be resolved by arbitrators.

### **Section 51**

Where none of the parties is domiciled or has its place of business in Sweden, such parties may in a commercial relationship through an express written agreement exclude or limit the application of the grounds for setting aside an award as are set forth in section 34.

An award which is subject to such an agreement shall be recognised and enforced in Sweden in accordance with the rules applicable to a foreign award.

Recognition and Enforcement of Foreign Awards, etc.

### **Section 52**

An award made abroad shall be deemed to be a foreign award.

In conjunction with the application of this Act, an award shall be deemed to have been made in the country in which the place of arbitration is situated.

### **Section 53**

Unless otherwise stated in sections 54–60, a foreign award which is based on an arbitration agreement shall be recognised and enforced in Sweden.

### **Section 54**

A foreign award shall not be recognised and enforced in Sweden where the party against whom the award is invoked proves:

1. that the parties to the arbitration agreement, pursuant to the law applicable to them, lacked capacity to enter into the agreement or were not properly represented, or that the arbitration agreement was not valid under the law to which the parties have subjected it or, failing any indication thereon, under the law of the country where the award was made;
2. that the party against whom the award is invoked was not given proper notice of the appointment of the arbitrator or of the arbitration proceedings, or was otherwise unable to present his case;
3. that 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 which are beyond the scope of the arbitration agreement, provided that, if the decision on a matter which falls within the mandate

can be separated from those which fall outside the mandate, that part of the award which contains decisions on matters falling within the mandate may be recognised and enforced;

4. that the composition of the arbitral tribunal, or the arbitral procedure, 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; or

5. that the award has not yet become binding on the parties, or has been set aside or suspended by a competent authority of the country in which, or under the law of which, the award was made.

### **Section 55**

Recognition and enforcement of a foreign award shall also be refused where a court finds:

1. that the award includes determination of an issue which, in accordance with Swedish law, may not be decided by arbitrators; or

2. that it would be clearly incompatible with the basic principles of the Swedish legal system to recognise and enforce the award.

### **Section 56**

An application for the enforcement of a foreign award shall be lodged with the Svea Court of Appeal.

The original award or a certified copy of the award must be appended to the application. Unless the Court of Appeal decides otherwise, a certified translation into the Swedish language of the entire award must also be submitted.

### **Section 57**

An application for enforcement shall not be granted unless the opposing party has been afforded an opportunity to express his opinion upon the application.

### **Section 58**

Where the opposing party objects that an arbitration agreement was not entered into, the applicant must submit the arbitration agreement in an original or a certified copy and, unless otherwise decided by the Court of Appeal, must submit a certified translation into the Swedish language, or in some other manner prove that an arbitration agreement was entered into.

Where the opposing party objects that a petition has been lodged to set aside the award or a motion for a stay of execution has been submitted to the competent authority as referred to in section 54, sub-section 5, the Court of Appeal may postpone its decision and, upon request by the applicant, order the opposing party to provide reasonable security in default of which enforcement might otherwise be ordered.

### **Section 59**

Where the Court of Appeal grants the application, the award shall be enforced as a final

judgment of a Swedish court, unless otherwise determined by the Supreme Court following an appeal of the Court of Appeal's decision.

### **Section 60**

Where a security measure has been granted in accordance with Chapter 15 of the Code of Judicial Procedure, in conjunction with the application of section 7 of the same Chapter, a request for arbitration abroad which might result in an award which is recognised and may be enforced in Sweden shall be equated with the commencement of an action.

Where an application for the enforcement of a foreign award has been lodged, the Court of Appeal shall examine a request for a security measure or a request to set aside such decision.

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1. This Act shall enter into force on 1 April 1999, at which time the Arbitration Act (SFS 1929:145) and the Foreign Arbitration Agreements and Awards Act (SFS 1929:147) shall be repealed.
  2. The previous Act shall apply to arbitral proceedings which have been commenced prior to the entry into force or, with respect to enforcement of a foreign award, when the application for enforcement was lodged prior to the entry into force.
  3. Where an arbitration agreement has been concluded prior to the entry into force, the provisions of section 18, second paragraph, section 21, first paragraph, sub-section 1, and section 26, second and third paragraphs of the Arbitration Act (SFS 1929:145) shall apply, with respect to the period within which the award shall be rendered, to proceedings that are commenced within two years from the date of the entry into force of the new Act.
  4. In the circumstances set forth in sub-sections 2 and 3, the parties may agree that only the new Act shall apply.
  5. References in statutes or other legislation to the Arbitration Act (SFS 1929:145) shall refer instead to the new Act.