



ICLG

The International Comparative Legal Guide to:

International Arbitration 2014

11th Edition

A practical cross-border insight into international arbitration work

Published by Global Legal Group, in association with CDR, with contributions from:

Abreu Advogados – Sociedade de Advogados, RL.

Advokatfirman Vinge

Aivar Pilv Law Office

Akerman LLP

Akinci Law Office

Ali Budiardjo, Nugroho, Reksodiputro

Anderson Mori & Tomotsune

Ashurst

Baker & McKenzie.Habib Al Mulla

Batliner Gasser

Bizlink Lawyers & Consultants

Boss & Young, Attorneys-At-Law

Brödermann Jahn RA GmbH

Camilleri Preziosi

Cárdenas & Cárdenas Abogados Ltda.

Clifford Chance CIS Limited

Costa, Waisberg e Tavares Paes

Sociedade de Advogados

DLA Piper UK LLP

Dr. Colin Ong Legal Services

Ferreira Rocha Advogados

in Partnership with Abreu Advogados

Figueroa, Illanes, Huidobro y Salamanca

Geni & Kebe

Gleiss Lutz

Hajji & Associés

Haley & Co

Homburger

K&L Gates LLP

Kachwaha and Partners

KKG Kubas Kos Gaertner

Kobre & Kim

Law Office “Sysouev, Bondar, Khrapoutski SBH”

Lazareff Le Bars

Lendvai Partners

Linklaters LLP

Loyens & Loeff Luxembourg S.à r.l.

Luke & Associates

Macesic & Partners Law Offices

MARTIAL AKAKPO & Partners LLP

Matheson

Medina & Rizek Abogados

Mortimer Blake LLC

Motieka & Audzevičius

Nunziante Magrone Studio Legale Associato

Olleros Abogados, S.L.P.

Paul, Weiss, Rifkind, Wharton & Garrison LLP

PUNUKA Attorneys & Solicitors

Sedgwick Chudleigh Ltd.

Sefrioui Law Firm

Shuke Law

Sidley Austin LLP

Van Doorne N.V.

Vasil Kisil & Partners

Weber & Co.

Werksmans Attorneys

Wilmer Cutler Pickering Hale and Dorr LLP



GLG

Global Legal Group

Contributing Editors

Steven Finizio, Wendy Miles and Charlie Caher, Wilmer Cutler Pickering Hale and Dorr LLP

Account Managers

Edmond Atta, Antony Dine, Dror Levy, Maria Lopez, Florjan Osmani, Paul Regan, Gordon Sambrooks, Oliver Smith, Rory Smith

Sales Support Manager

Toni Wyatt

Sub Editors

Nicholas Catlin
Sam Friend
Amy Hirst

Editors

Beatriz Arroyo
Gemma Bridge

Senior Editor

Suzie Levy

Group Consulting Editor

Alan Falach

Group Publisher

Richard Firth

Published by

Global Legal Group Ltd.
59 Tanner Street
London SE1 3PL, UK
Tel: +44 20 7367 0720
Fax: +44 20 7407 5255
Email: info@glgroup.co.uk
URL: www.glgroup.co.uk

GLG Cover Design

F&F Studio Design

GLG Cover Image Source

iStockphoto

Printed by

Ashford Colour Press Ltd
July 2014

Copyright © 2014
Global Legal Group Ltd.
All rights reserved
No photocopying
ISBN 978-1-910083-09-3
ISSN 1741-4970

Strategic Partners



Preface:

- Preface by Gary Born, Chair, International Arbitration and Litigation Groups, Wilmer Cutler Pickering Hale and Dorr LLP

General Chapters:

1	Recent Developments in the Regulation of Counsel and Professional Conduct in International Arbitration – Charlie Caher & Jonathan Lim, Wilmer Cutler Pickering Hale and Dorr LLP	1
2	Corruption as a Defence in International Arbitration: Are There Limits? – Tanya Landon & Diana Kuitkowski, Sidley Austin LLP	9
3	The Toolbox of International Arbitration Institutions: How to Make the Best of It? – Prof. Dr. Eckart Brödermann & Tina Denso, Brödermann Jahn RA GmbH	15

Asia Pacific:

4	Overview Dr. Colin Ong Legal Services: Dr. Colin Ong	20
5	Australia Ashurst Australia: Georgia Quick & Peter Ward	32
6	Brunei Dr. Colin Ong Legal Services: Dr. Colin Ong	43
7	China Boss & Young, Attorneys-At-Law: Dr. Xu Guojian	51
8	Hong Kong Haley & Co: Glenn Haley & Patrick Daley	62
9	India Kachwaha and Partners: Sumeet Kachwaha & Dharmendra Rautray	74
10	Indonesia Ali Budiardjo, Nugroho, Reksodiputro: Sahat A.M. Siahaan & Ulyarta Naibaho	84
11	Japan Anderson Mori & Tomotsune: Yoshimasa Furuta & Aoi Inoue	94
12	Singapore Ashurst LLP: Ben Giaretta & Rob Palmer	102
13	Vietnam Bizlink Lawyers & Consultants: Do Trong Hai & Tran Duc Son	110

Central and Eastern Europe and CIS:

14	Overview Wilmer Cutler Pickering Hale and Dorr LLP: Kenneth Beale & Franz Schwarz	119
15	Albania Shuke Law: Enyal Shuke & Kleta Paloka	128
16	Austria Weber & Co.: Stefan Weber & Katharina Kitzberger	135
17	Belarus Law Office “Sysouev, Bondar, Khrapoutski SBH”: Timour Sysouev & Alexandre Khrapoutski	143
18	Croatia Macesic & Partners Law Offices: Ivana Manovelo & Mirosljub Macesic	155
19	Estonia Aivar Pilv Law Office: Pirkka-Marja Pöldvere & Ilmar-Erik Aavakivi	162
20	Hungary Lendvai Partners: András Lendvai & Gergely Horváth	170
21	Kyrgyzstan Mortimer Blake LLC: Stephan Wagner & Leyla Gulieva	178
22	Lithuania Motieka & Audzevičius: Ramūnas Audzevičius	186
23	Poland KKG Kubas Kos Gaertner: Rafał Kos & Maciej Durbas	194
24	Russia Clifford Chance CIS Limited: Timur Aitkulov & Julia Popelysheva	202
25	Turkey Akinci Law Office: Ziya Akinci	214
26	Ukraine Vasil Kasil & Partners: Oleksiy Filatov & Pavlo Byelousov	222

Western Europe:

27	Overview Gleiss Lutz: Dr. Stefan Rützel & Dr. Stephan Wilske	232
28	Belgium Linklaters LLP: Joost Verlinden & Olivier van der Haegen	237
29	England & Wales Wilmer Cutler Pickering Hale and Dorr LLP: Wendy Miles & Charlie Caher	246
30	France Lazareff Le Bars: Benoit Le Bars & Raphaël Kaminsky	264
31	Germany DLA Piper UK LLP: Dr. Frank Roth & Dr. Daniel H. Sharma	273
32	Ireland Matheson: Nicola Dunleavy & Gearóid Carey	282
33	Italy Nunziante Magrone Studio Legale Associato: Prof. Dr. Gabriele Crespi Reghizzi	291

Continued Overleaf →

Further copies of this book and others in the series can be ordered from the publisher. Please call +44 20 7367 0720

Disclaimer

This publication is for general information purposes only. It does not purport to provide comprehensive full legal or other advice. Global Legal Group Ltd. and the contributors accept no responsibility for losses that may arise from reliance upon information contained in this publication. This publication is intended to give an indication of legal issues upon which you may need advice. Full legal advice should be taken from a qualified professional when dealing with specific situations.

Western Europe, cont.:

34	Liechtenstein	Batliner Gasser: Dr. Johannes Gasser & MMag. Benedikt König	301
35	Luxembourg	Loyens & Loeff Luxembourg S.à r.l.: Véronique Hoffeld & Antoine Laniez	309
36	Malta	Camilleri Preziosi: Dr Marisa Azzopardi & Dr Kristina Rapa Manché	317
37	Netherlands	Van Doorne N.V.: Jasper Leedekerken & Bas van Zelst	325
38	Portugal	Abreu Advogados – Sociedade de Advogados, R.L.: José Maria Corrêa de Sampaio & Nuno Pimentel Gomes	333
39	Spain	Olleros Abogados, S.L.P.: Iñigo Rodríguez-Sastre & Elena Sevilla Sánchez	345
40	Sweden	Advokatfirman Vinge: Krister Azelius & Lina Bergqvist	353
41	Switzerland	Homburger: Felix Dasser & Balz Gross	361

Latin America:

42	Overview	Akerman LLP: Luis M. O’Naghten & Manuel F. Reyna	371
43	Brazil	Costa, Waisberg e Tavares Paes Sociedade de Advogados: Ivo Waisberg & Vamilson José Costa	381
44	Chile	Figueroa, Illanes, Huidobro y Salamanca: Juan Eduardo Figueroa Valdes & Sergio Huidobro Corbett	388
45	Colombia	Cárdenas & Cárdenas Abogados Ltda.: Alberto Zuleta-Londoño & Silvia Patiño-Rodríguez	396
46	Dominican Republic	Medina & Rizek Abogados: Fabiola Medina Games & Jose Alfredo Rizek	403

Middle East / Africa:

47	Overview – MENA	Baker & McKenzie.Habib Al Mulla: Gordon Blanke & Soraya Corm-Bakhos	411
48	Overview – Sub-Saharan Africa	Werksmans Attorneys: Des Williams	415
49	OHADA	Geni & Kebe: Mouhamed Kebe & Hassane Kone	418
50	Botswana	Luke & Associates: Edward W. F. Luke II & Galaletsang P. Ramokate	425
51	Libya	Sefrioui Law Firm: Kamal Sefrioui	434
52	Morocco	Hajji & Associés: Amin Hajji	442
53	Mozambique	Ferreira Rocha Advogados in Partnership with Abreu Advogados: Rodrigo Ferreira Rocha	449
54	Nigeria	PUNUKA Attorneys & Solicitors: Anthony Idigbe & Omone Tiku	457
55	South Africa	Werksmans Attorneys: Des Williams	473
56	Togo	MARTIAL AKAKPO & Partners LLP: Martial Koffi Akakpo & Dr. Jean Yaovi Dégli	484
57	UAE	Baker & McKenzie.Habib Al Mulla: Gordon Blanke & Soraya Corm-Bakhos	491

North America:

58	Overview	Paul, Weiss, Rifkind, Wharton & Garrison LLP: H. Christopher Boehning & Melissa C. Monteleone	501
59	Bermuda	Sedgwick Chudleigh Ltd.: Mark Chudleigh & Alex Potts	507
60	BVI	Kobre & Kim: Tim Prudhoe & Arielle Goodley	517
61	Cayman Islands	Kobre & Kim: James Corbett QC & Alison Maxwell	527
62	USA	K&L Gates LLP: Peter J. Kalis & Roberta D. Anderson	538

Poland



Rafał Kos



Maciej Durbas

KKG Kubas Kos Gaertner

1 Arbitration Agreements

1.1 What, if any, are the legal requirements of an arbitration agreement under the laws of Poland

The Polish law prescribes both the formal and material requirements for the arbitration agreement.

As to the form, an arbitration agreement, under Article 1162.1 of the Polish Code of Civil Procedure of 17 November 1964 (hereinafter: “CCP”), has to be made in writing. This requirement is also fulfilled when this agreement is included in letters or recordable communications exchanged between the parties, provided they refer in their agreement to a document containing a decision to resolve their dispute in arbitration, and if such an agreement is made in writing and the reference incorporates that clause into the agreement (Article 1162.2 CCP).

As to the content of the arbitration agreement, Article 1161.1 CCP stipulates that the arbitration agreement has to specify the matter of the dispute or the legal relationship from which a dispute arose or could arise, i.e. the scope of the dispute. In the case of labour disputes, under Article 1164 CCP it is only possible to conclude a written agreement after the dispute emerged.

1.2 What other elements ought to be incorporated in an arbitration agreement?

As demonstrated in question 1.1, it is sufficient if the arbitration agreement stipulates its scope. However, the parties are free to specify other elements of the arbitration agreement, e.g.:

- an arbitral institution to administer their dispute;
- a set of rules to apply in proceedings;
- the number of arbitrators;
- the manner of selection and removal of arbitrators;
- the language of the proceedings; and
- the location of the hearings.

1.3 What has been the approach of the national courts to the enforcement of arbitration agreements?

If a case falling within the scope of an arbitration agreement is brought before a state court, the defendant can request the court to refer the parties to arbitration (Article 1165.1 CCP; see also question 3.3).

Even if the defendant decides to do so, the state court examines if the arbitration agreement is valid, effective, enforceable, has not

expired, or whether an arbitral tribunal has already declined its jurisdiction (Article 1165.2 CCP).

The abovementioned analysis of the jurisdiction of arbitral tribunals by the state courts is generally conducted in a professional manner. Consequently, there is no problem in enforcing an arbitration agreement as long as it is not defective. Moreover, initiating a case before a state court does not impede the possibility for arbitral proceedings to take place (Article 1165.3 CCP).

2 Governing Legislation

2.1 What legislation governs the enforcement of arbitration proceedings in Poland?

The following acts make up the Polish arbitration law:

- **Code of Civil Procedure** – In 2005, the Polish legislature amended the CCP by adopting the UNCITRAL Model Law. The Model Law, adopted by over 70 states, serves to harmonise arbitral legislation worldwide.
- **Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 10 June 1958 (the New York Convention; ca. 150 signatories)** – This act prescribes the basic and uniform rules for both recognising arbitration agreements and enforcing arbitral awards. It is applicable to arbitral awards made on the territory of a state other than the state in which the recognition and enforcement of such awards are sought, i.e. to international arbitrations.
- **The European Convention on International Commercial Arbitration of 21 April 1961 (the Geneva Convention; ca. 30 signatories)** – This act also applies to international arbitration, however, only to disputes arising from international trade. The number of issues which are regulated by the Geneva Convention is much broader, when compared to the New York Convention.

2.2 Does the same arbitration law govern both domestic and international arbitration proceedings? If not, how do they differ?

Polish law does not provide a separate complete regulation for domestic and international arbitration proceedings. Under Article 1154 CCP, Polish arbitration law applies if the venue of proceedings before an arbitration court is located in the territory of Poland and also, in some events, if the venue of proceedings before an arbitration court is located abroad or is not defined at all. The same applies to the jurisdiction of the Polish state courts (Article 1156 CCP). However, certain differences regarding international

arbitration proceedings may result from the application of international conventions preceding Polish regulation (see question 2.1). A notable example of differences in rules governing domestic and international arbitration is the recognition and enforcement of awards (see question 11.1). However, in fact, taking into account the possibility to motion for the setting aside of the award, the scope of control of domestic and foreign awards is similar (see question 10.1).

2.3 Is the law governing international arbitration based on the UNCITRAL Model Law? Are there significant differences between the two?

The Polish CCP adopted a vast majority of rules stemming from the UNCITRAL Model Law, however only of its version of 1985, without the amendments made in 2006.

2.4 To what extent are there mandatory rules governing international arbitration proceedings sited in Poland?

The CCP consists of both mandatory and non-mandatory rules. Most rules on procedure in front of arbitral tribunals are of a non-mandatory nature. However, for example, provisions on recourse against the award (see section 10) and the recognition and enforcement of awards (see section 11) are, by principle, of a mandatory nature. The same applies to rules referring to basic principles of the proceedings, e.g. due process and the right to be heard.

3 Jurisdiction

3.1 Are there any subject matters that may not be referred to arbitration under the governing law of Poland? What is the general approach used in determining whether or not a dispute is “arbitrable”?

Under Article 1157 CCP, parties may bring to arbitration disputes that involve property rights or disputes involving non-property rights which can be resolved by a court settlement, except maintenance (alimony) cases. There is no statutory list of cases in which a party can conclude a settlement. In some cases the settlement is excluded, e.g. in social insurance cases, cases involving unfair contract terms, divorce, and certain other family cases.

Apart from these, a vast majority of typical disputes are arbitrable in Poland. Nevertheless, parties have to be careful when submitting, for example, bankruptcy claims (see question 3.7) and consumer disputes to arbitration (an arbitration clause in a contract between an entrepreneur and a consumer is treated, in principle, as an unfair contract term).

3.2 Is an arbitrator permitted to rule on the question of his or her own jurisdiction?

Polish arbitration law recognises the possibility for the tribunal to decide on its own jurisdiction in Article 1180.1 CCP. However, this decision can be challenged before a state court.

3.3 What is the approach of the national courts in Poland towards a party who commences court proceedings in apparent breach of an arbitration agreement?

Under Article 1165.1 CCP, if a case is brought before a state court

concerning a dispute covered by an arbitration agreement, the court shall reject a statement of claim only if the defendant invokes the existence of the arbitration clause before entering into the dispute as to its merits.

Therefore, it is up to defendant to raise such an issue. There are no adverse consequences drawn against the claimant, e.g. liability for any damages.

3.4 Under what circumstances can a court address the issue of the jurisdiction and competence of the national arbitral tribunal? What is the standard of review in respect of a tribunal’s decision as to its own jurisdiction?

A Polish state court can decide on the jurisdiction of the arbitral tribunal in the following cases:

- When a dispute brought before a court falls within the scope of an arbitration agreement and the defendant asks the court to refer the parties to arbitration. In such a case, the court examines if the arbitration agreement is valid, effective, enforceable, has not expired, or whether an arbitral tribunal has already declined its jurisdiction (see questions 1.3 and 3.3).
- When an arbitral tribunal decides that it has jurisdiction, each party can ask a state court to control this decision (and therefore rule on the issue of the tribunal’s jurisdiction) within two weeks counting from the date of its receipt (Article 1180.3 CCP).
- In post-arbitral proceedings; the lack of the tribunal’s jurisdiction is one of the reasons to set the award aside (see section 10) and to refuse the recognition or enforcement of a national arbitral award (see section 11).

3.5 Under what, if any, circumstances does the national law of Poland allow an arbitral tribunal to assume jurisdiction over individuals or entities which are not themselves party to an agreement to arbitrate?

It is not clear whether the Polish law allows for the extension of the arbitration agreement to non-signatories. The courts and tribunals would most probably not assume jurisdiction in this regard.

3.6 What laws or rules prescribe limitation periods for the commencement of arbitrations in Poland and what is the typical length of such periods? Do the national courts of Poland consider such rules procedural or substantive, i.e., what choice of law rules govern the application of limitation periods?

There are no limitation periods to commence arbitration under the CCP. Such periods, however, form part of the substantive law, and can result in the dismissal of a particular claim brought to arbitration after their expiration. The general limitation period in the Polish law is 10 years, and three years for periodical payments and payments referring to business activities. These periods may even be shorter.

Under Article 26 of the Act on Private International Law of 4 February 2011 (hereinafter: “APIL”) the limitation periods of a claim are governed by the law applicable to that claim.

3.7 What is the effect in Poland of pending insolvency proceedings affecting one or more of the parties to ongoing arbitration proceedings?

When a party becomes bankrupt, the arbitration agreements

concluded by this party lose their legal effect and all pending arbitral proceedings shall be discontinued. All the claims should therefore be brought before a state court, usually in the bankruptcy proceedings.

4 Choice of Law Rules

4.1 How is the law applicable to the substance of a dispute determined?

Under Article 1194.1 and 2 CCP, tribunals should apply the law applicable to a given relationship or, where expressly authorised by the parties, rule on the basis of the general principles of law or equity. In each case, the arbitrators shall take the provisions of an agreement and the established customs into consideration. The applicable law is therefore established on the basis of private international law (especially APIL and EU Rome I and Rome II Regulations).

4.2 In what circumstances will mandatory laws (of the seat or of another jurisdiction) prevail over the law chosen by the parties?

Under Article 8.1 of the APIL, provisions – the aim or content of which explicitly demonstrate that they should govern a given legal relationship irrespective of the applicable law – are of a mandatory nature.

4.3 What choice of law rules govern the formation, validity, and legality of arbitration agreements?

Under Articles 39-40 of the APIL, the following laws are applicable to the arbitration agreement:

- the law chosen by parties;
- in the absence of such an agreement – the law of the seat of arbitration;
- in the absence of designation of the seat – the law applicable to the merits of the dispute; it is, however, sufficient if the agreement is effective under the law of the place where the proceedings take place or where the award was rendered; and
- the law of the seat of arbitration apply to the form of arbitration agreement; it is, however, sufficient if the agreement was drafted in a form effective under the law applicable to the arbitration agreement.

5 Selection of Arbitral Tribunal

5.1 Are there any limits to the parties' autonomy to select arbitrators?

Under Article 1170.1 and 2 CCP, any natural person, irrespective of their nationality, with full capacity to perform acts in law can be an arbitrator (save for judges on duty). Unless the parties provide for special characteristics of arbitrators (e.g. nationality, fields of expertise, language), their choice is free. The rules of Polish arbitral institutions usually specify further rules in this regard, e.g. that the presiding arbitrator has to be chosen from a list of suggested arbitrators.

There are rules as to the selection of arbitrators that can be modified by the parties, as long as they have equal rights (Articles 1168-1177 CCP).

5.2 If the parties' chosen method for selecting arbitrators fails, is there a default procedure?

If the sole arbitrator, any of party-appointed arbitrators, or the presiding arbitrator were not appointed in due time, any of the parties can motion the state court to appoint an arbitrator (Article 1171.2 and 1172 CCP). The court can also appoint a new arbitrator upon the request of a party, if an arbitrator appointed by one of the parties resigns or is dismissed twice by the parties or by the court (Article 1178.2 CCP).

5.3 Can a court intervene in the selection of arbitrators? If so, how?

State courts can intervene in the process of the selection of arbitrators (see question 5.2) and their removal (see question 5.4). Furthermore, an arbitrator can be removed by a state court if it is evident that they will not perform their actions in due time or if they delay the performance of their activities without due cause (Article 1177.2 CCP).

5.4 What are the requirements (if any) as to arbitrator independence, neutrality and/or impartiality and for disclosure of potential conflicts of interest for arbitrators imposed by law or issued by arbitration institutions within Poland?

A person appointed as an arbitrator should immediately disclose any circumstances that could raise doubts as to their impartiality or independence to the parties (Article 1174.1 CCP).

Parties can challenge arbitrators, i.e. motion for their removal from the tribunal. If an arbitrator is not excluded within one month from the day on which a party requested the exclusion by the tribunal or arbitral institution, this party has a further two weeks to motion a state court to exclude the arbitrator (Article 1176.2 CCP).

The party that wants to exclude an arbitrator should notify all arbitrators and parties thereof. If an arbitrator does not resign, or the other parties agree to a joint motion for exclusion within two weeks, the party may also motion to court to exclude the arbitrator (Article 1176.3-4 CCP).

6 Procedural Rules

6.1 Are there laws or rules governing the procedure of arbitration in Poland? If so, do those laws or rules apply to all arbitral proceedings sited in Poland?

The arbitral proceedings in Poland are governed by the CCP, mostly in Articles 1183-1193. A majority of these provisions is not mandatory; parties are even invited to shape their own procedural scheme (Article 1184.1 CCP).

6.2 In arbitration proceedings conducted in Poland, are there any particular procedural steps that are required by law?

In principle, to initiate the proceedings, a claimant has to file a request for arbitration (Article 1186 CCP). Subsequently, the parties file a statement of claim and a reply to the statement of claim (Article 1189 CCP), however, quite often, procedural rules of arbitral institutions require only the statement of claim and the reply.

6.3 Are there any particular rules that govern the conduct of counsel from Poland in arbitral proceedings sited in Poland? If so: (i) do those same rules also govern the conduct of counsel from Poland in arbitral proceedings sited elsewhere; and (ii) do those same rules also govern the conduct of counsel from countries other than Poland in arbitral proceedings sited in Poland?

There are two main legal professions in Poland: attorneys and legal counsels. Both are organised in bars, which have special and detailed codes of conduct. The rules contained therein are the same for all kinds of proceedings, including arbitration. Those rules are binding in principle only for members of Polish Bars and not for foreign lawyers who participate in arbitral proceedings in Poland. However, Polish lawyers who act abroad are bound not only by appropriate foreign codes of conduct, but also by Polish rules in this regard.

6.4 What powers and duties does the national law of Poland impose upon arbitrators?

The arbitrators' main right and at the same time duty is to decide on all issues raised by the parties in the case and to render an enforceable award. As arbitral tribunals do not have disciplinary and penal powers, they can ask the state courts for assistance, especially in evidentiary matters (Article 1192 CCP). They can decide on their own jurisdiction and have broad power to organise the proceedings as they see fit, limited only by the mandatory provisions of law and the will of the parties. Last but not least, they are entitled to remuneration and reimbursement of their costs. Parties are jointly and severally responsible in this regard (Article 1179.1 CCP).

6.5 Are there rules restricting the appearance of lawyers from other jurisdictions in legal matters in Poland and, if so, is it clear that such restrictions do not apply to arbitration proceedings sited in Poland?

The possibility to represent a party before a state court is limited by principle to legal professions, family members, employees, etc. In some instances (as in the Supreme Court) they require representation by professional counsel. It is possible for foreign counsels to perform legal services in Poland, however only EU lawyers can represent a client before a state court.

These restrictions do not apply to arbitration and therefore foreign lawyers are able to participate in arbitration proceedings in Poland.

6.6 To what extent are there laws or rules in Poland providing for arbitrator immunity?

Arbitrators are not subject to any statutory immunity. Nonetheless, most rules of permanent courts of arbitration exclude arbitrators (and the court themselves) from any liability relating to arbitration.

6.7 Do the national courts have jurisdiction to deal with procedural issues arising during an arbitration?

The state courts' intervention into arbitral proceedings is limited under Article 1159.1 CCP. The most notable examples are the following:

- assistance in the selection of arbitrators (see question 5.2);
- removal of arbitrators (see question 5.4);
- controlling the tribunal's decision on jurisdiction (see question 3.4);

- securing claims (see question 7.2);
- assistance in evidentiary matters (see question 7.4); and
- deciding on an arbitrator's remuneration (Article 1179.2 CCP).

7 Preliminary Relief and Interim Measures

7.1 Is an arbitrator in Poland permitted to award preliminary or interim relief? If so, what types of relief? Must an arbitrator seek the assistance of a court to do so?

Under Polish arbitration law, a party can file a motion for securing claims. Such a motion can be heard by an arbitral tribunal or a state court (see question 7.2).

Consequently, unless the parties agreed otherwise, a party can ask the arbitral tribunal to secure the claims provided the claim was made probable, in a manner that the tribunal deems appropriate. The tribunal can make the enforceability of its decision conditional upon providing appropriate security (Article 1181.1 CCP). The decision on securing claims can be changed or repealed in the course of proceedings (Article 1181.3 CCP) and is subject to enforcement by a state court (see section 11).

7.2 Is a court entitled to grant preliminary or interim relief in proceedings subject to arbitration? In what circumstances? Can a party's request to a court for relief have any effect on the jurisdiction of the arbitration tribunal?

Article 1166 CCP expressly allows the state court to secure claims even if the parties entered into an arbitration agreement irrespective of the jurisdiction of the tribunal. The state court will secure the claim if a party makes the existence of the claim plausible and that without securing the claim the enforcement of the judgment will be impossible or difficult, or that the purpose of the proceedings will be impossible or difficult to achieve (Article 730(1) CCP).

7.3 In practice, what is the approach of the national courts to requests for interim relief by parties to arbitration agreements?

Motions for interim reliefs in an arbitral context are not treated differently than those pertaining exclusively to state court proceedings.

7.4 Under what circumstances will a national court of Poland issue an anti-suit injunction in aid of an arbitration?

Despite a heated debate in this regard, there is no known practice of courts to issue anti-suit injunctions as it seems that it is not possible to issue one in Poland.

7.5 Does the national law allow for the national court and/or arbitral tribunal to order security for costs?

It is not clear whether the court or an arbitral tribunal can order the securing of the costs of the arbitral proceedings. However, there are arguments for granting such a security as even the CCP, in terms of state court proceedings for securing claims, allows "predicted costs of the proceedings" among others, to be secured (Article 736.3 CCP).

8 Evidentiary Matters

8.1 What rules of evidence (if any) apply to arbitral proceedings in Poland?

The evidentiary rules are subject to the agreement of the parties or reference to arbitral rules. The arbitral tribunal in principle can shape the procedure as it deems appropriate; it is not bound by the provisions on the proceedings before a state court (Article 1184.2 CCP).

Article 1191 CCP expressly allows the tribunal to hear witnesses and experts, examine documents and recognise any other evidence, but it cannot impose any disciplinary measures. It can ask the state court to assist in evidentiary proceedings (Article 1192 CCP).

8.2 Are there limits on the scope of an arbitrator's authority to order the disclosure of documents and other disclosure (including third party disclosure)?

In Polish state court proceedings, each person is obligated to present the court with a document relevant to the case (Article 248 CCP). This procedure is not as broad as the document production known in international arbitration (e.g. the documents have to be described in a more detailed manner). It seems that there are no obstacles preventing the tribunal in requesting the parties or third parties to produce documents, at least to this extent. However, the tribunal itself cannot use any coercion. It can ask for assistance of the state court in this regard (see question 8.3).

8.3 Under what circumstances, if any, is a court able to intervene in matters of disclosure/discovery?

Under Article 1192 CCP, the tribunal can ask the state court to assist in evidentiary proceedings or in any other activities that are impossible for it to perform (Article 1192 CCP). This is also possible for tribunals seated abroad.

If asked for assistance, the state court can use disciplinary measures, e.g. in bringing a witness to court. It can also request the parties to produce documents under procedural rules applicable in state court proceedings.

8.4 What, if any, laws, regulations or professional rules apply to the production of written and/or oral witness testimony? For example, must witnesses be sworn in before the tribunal or is cross-examination allowed?

In the Polish court tradition, witnesses give oral testimony. However, in arbitration, written witness statements and typical cross-examinations are becoming more and more popular. This is because it is up to the parties and the tribunal to decide on the issues of the procedure (see question 8.1).

The tribunal has no coercive measure to apply to witnesses, in particular it cannot force one to appear at a hearing, nor can it swear in a witness.

8.5 What is the scope of the privilege rules under the law off Poland? For example, do all communications with outside counsel and/or in-house counsel attract privilege? In what circumstances is privilege deemed to have been waived?

As the tribunal is not bound by the rules of procedure before a state court, there are no provisions on privilege that apply directly in

Polish arbitration law. Thus, it is up to the parties and the tribunal to decide on that issue. The procedure before state courts prohibits, for example, documents containing confidential information from being produced, witnesses regarding such information from being heard, and allows the case to be heard without the public in such circumstances.

There are also other privileges, e.g.: pertaining to mediation and information obtained by a professional counsel in rendering legal services.

9 Making an Award

9.1 What, if any, are the legal requirements of an arbitral award? For example, is there any requirement under the law of Poland that the Award contain reasons or that the arbitrators sign every page?

The formal requirements of an arbitral award are set forward in Article 1197 CCP; the award should be made in writing, reasoned, and in principle signed by all the arbitrators – there is no need to sign every page of the award. It should also contain reference to the arbitration agreement, identify the parties and the arbitrators, and specify the date and place of issuance.

10 Challenge of an Award

10.1 On what bases, if any, are parties entitled to challenge an arbitral award made in Poland?

A final arbitral award issued in Poland may only be set aside by a state court (Article 1206 CCP) provided:

- there was no arbitration agreement, the agreement is not valid, ineffective, or has lost its effectiveness;
- the party was not given proper notice of the appointment of an arbitrator, of the arbitral proceedings, or was otherwise unable to present its case;
- the arbitral award deals with a dispute not covered by or beyond the scope of the arbitration agreement;
- the composition of the arbitral tribunal or the fundamental rules of arbitral procedure were violated;
- the award was obtained by way of a crime or the award was issued on the basis of a forged or falsified document;
- a final court judgment has already been made in the same case between the same parties;
- the dispute is not arbitrable under statutory law; and
- the award is contrary to the fundamental principles of public policy.

10.2 Can parties agree to exclude any basis of challenge against an arbitral award that would otherwise apply as a matter of law?

The scope of the basis to set aside the award is not subject to the parties' agreement.

10.3 Can parties agree to expand the scope of appeal of an arbitral award beyond the grounds available in relevant national laws?

The Polish law does not provide for any appeal procedure other than the setting aside mechanism.

10.4 What is the procedure for appealing an arbitral award in Poland?

The motion to set the award aside has to be filed, by principle, within three months as of the date in which the party received the award. The court does not hear the case again nor does it reexamine the facts of the case. If the party does not raise the reasons mentioned in question 10.1, the court cannot set the award aside on the basis of these reasons (save for the non-arbitrability of the dispute and the violation of public policy). Parties can appeal against the judgment of the court and – in some cases – file a cassation complaint to the Supreme Court (Articles 1205-1211 CCP).

11 Enforcement of an Award

11.1 Has Poland signed and/or ratified the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards? Has it entered any reservations? What is the relevant national legislation?

Poland is a party to the New York Convention (see question 2.1). It made reservations restricting the application of the Convention to commercial cases and to awards made on the territory of another contracting state. The convention takes precedence over the national law.

If the Convention does not apply, under the CCP, the court can refuse recognition or enforcement of an arbitral award (both domestic and international) issued in Poland (Articles 1214-1215 CCP) only if:

- the dispute is not arbitrable; and
- it would be contradictory with the fundamental principles of public policy.

Recognition or enforcement of a foreign arbitral award can also be refused upon a motion of a party if:

- there was no arbitration agreement, the agreement is not valid, ineffective, or has lost its effectiveness;
- the party was not given proper notice of the appointment of an arbitrator, or of the arbitral proceedings, or it was otherwise unable to present its case before the arbitral tribunal;
- the arbitral award deals with a dispute not covered by or beyond the scope of the arbitration agreement;
- the composition of the arbitral tribunal or the arbitral procedure were violated; or
- the arbitral award has not yet become binding for the parties or has been set aside or the enforceability thereof has been suspended by the court in which, or under the law of which the award was made.

11.2 Has Poland signed and/or ratified any regional Conventions concerning the recognition and enforcement of arbitral awards?

Poland is a party to the Geneva Convention (see question 2.1).

11.3 What is the approach of the national courts in Poland towards the recognition and enforcement of arbitration awards in practice? What steps are parties required to take?

There is no specific practice of Polish courts in recognition and enforcement of the awards. These proceedings are conducted in a professional and unbiased manner.

To recognise or enforce an award, a party has to file a motion and append it with the original or a certified copy of the award and the arbitration agreement along with translations into Polish, if these documents were drafted in a foreign language. The decision of the court is subject to appeal and – in the case of foreign awards – the case can even reach the Supreme Court (Articles 1212-1217 CCP).

11.4 What is the effect of an arbitration award in terms of *res judicata* in Poland? Does the fact that certain issues have been finally determined by an arbitral tribunal preclude those issues from being re-heard in a national court and, if so, in what circumstances?

If an arbitral award was recognised or enforced, it has the same legal effect as a final and binding court decision (Article 1212 CCP). Consequently, it has a *res judicata* effect, which means that the case between the same parties and on the same matter cannot be reheard. If a second claim in the same case is filed, it will be rejected. In 2012, the application of *res judicata* in arbitration was confirmed by the Supreme Court.

11.5 What is the standard for refusing enforcement of an arbitral award on the grounds of public policy?

The concept of public policy does not have a legal definition but it pertains to most basic rules of Polish law. Case law established these principles, e.g. the damages cannot exceed the actual damage, the liquidated damages (contractual penalties) cannot be excessive, and statutory prohibition of set-offs cannot be violated.

In examining the compliance of the award with public policy the court should not judge the evaluation of the fact of the case. Therefore, in principle, public policy should be interpreted narrowly. However, due to the lack of any definition, the courts' interpretation in this regard can be a bit broader.

12 Confidentiality

12.1 Are arbitral proceedings sited in Poland confidential? In what circumstances, if any, are proceedings not protected by confidentiality? What, if any, law governs confidentiality?

There is no legal provision as to the confidentiality of arbitration in Poland, although some scholars claim that it is confidential by nature. Any state court proceedings referring to arbitration (in particular post-arbitral proceedings) are not confidential and open to the public. Anonymised judgments made in such proceedings are in the public domain. Moreover, entities with their shares sold in a public market have statutory obligations to inform about important court and arbitral proceedings.

12.2 Can information disclosed in arbitral proceedings be referred to and/or relied on in subsequent proceedings?

There is no legal prohibition to rely on information obtained in arbitral proceedings.

13 Remedies / Interests / Costs

13.1 Are there limits on the types of remedies (including damages) that are available in arbitration (e.g., punitive damages)?

State courts do not review arbitral awards as to the merits of the

case. However, tribunals would be nonetheless bound by the limits of public policy, as an award contrary to Polish public policy can be set aside and its recognition or enforcement can be denied (see sections 10 and 11).

Despite the narrow interpretation of public policy (see question 11.5), it can limit the remedies awarded in arbitration. In a recent case involving the enforcement of a foreign state court judgment, the Supreme Court firmly explained that a judgment awarding punitive damages cannot be enforced in Poland, as it is against public policy.

13.2 What, if any, interest is available, and how is the rate of interest determined?

Monetary claims are usually subject to interest, which is a matter of substantive, not procedural law. If parties do not decide on the issue of the contractual interest (which is subject to a variable maximum rate; in 2014 – 16% per year), then the statutory interest applies (in 2014 – 13% per year).

These rates are applicable if a party is late with payment (starting from the day following the day in which the payment could have been made according to the parties' agreement or statute) and awarded to the date of the actual payment.

13.3 Are parties entitled to recover fees and/or costs and, if so, on what basis? What is the general practice with regard to shifting fees and costs between the parties?

There are no legal rules as to costs of the proceedings. There is no prevailing manner in this regard, however, some tribunals follow the rules of CCP, which – by principle – uses the “costs follow the event” doctrine, i.e. the party that loses the case reimburses the costs of the other party.

13.4 Is an award subject to tax? If so, in what circumstances and on what basis?

There is no general rule as to taxation of the awards. Some parts of the relief can be subject to VAT or income tax under the Polish tax law.

13.5 Are there any restrictions on third parties, including lawyers, funding claims under the law of Poland? Are contingency fees legal under the law of Poland? Are there any “professional” funders active in the market, either for litigation or arbitration?

There are no legal rules on funding the arbitral proceedings. Third party funding is slowly entering the Polish market, mostly through foreign funders. There is also a common trend to popularise insurance from costs incurred in legal proceedings. Moreover, lawyers are restricted from funding their own clients under the rules of professional conduct of the legal professions. A lawyer's remuneration cannot consist only of contingency fees.

14 Investor State Arbitrations

14.1 Has Poland signed and ratified the Washington Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (1965) (otherwise known as “ICSID”)?

Poland is not a party to the ICSID Convention.

14.2 How many Bilateral Investment Treaties (BITs) or other multi-party investment treaties (such as the Energy Charter Treaty) is Poland party to?

According to the Polish Ministry of Foreign Affairs, Poland is a party to 62 BITs, including the Energy Charter Treaty.

14.3 Does Poland have any noteworthy language that it uses in its investment treaties (for example in relation to “most favoured nation” or exhaustion of local remedies provisions)? If so, what is the intended significance of that language?

There are no such model clauses as far as investment treaties are concerned.

14.4 What is the approach of the national courts in Poland towards the defence of state immunity regarding jurisdiction and execution?

Poland is not a party to any international convention regarding state immunity, nor is this case referred to expressly in Polish internal law. However, it is accepted that Poland, respecting international law, recognises state immunity as an “international custom”.

15 General

15.1 Are there noteworthy trends in or current issues affecting the use of arbitration in Poland (such as pending or proposed legislation)? Are there any trends regarding the type of disputes commonly being referred to arbitration?

In late 2013, the Polish Ministry of Economy established a taskforce to amend Polish arbitration law and establish Poland as an arbitral-friendly jurisdiction. Recommendations of the taskforce pertaining to the relation of insolvency to arbitration, shortening post-arbitral proceedings, and enforcing standards of impartiality and independence of arbitrators, will be ready in 2014.

It seems that no particular type of dispute can be described as the most popular in terms of arbitration. Among cases that are referred to arbitral tribunals, one can mention construction and post-M&A disputes. General commercial cases are also common.

15.2 What, if any, recent steps have institutions in Poland taken to address current issues in arbitration (such as time and costs)?

The two major Polish arbitral institutions, i.e. the Court of Arbitration at the Polish Chamber of Commerce and the Lewiatan Court of Arbitration have joined the worldwide trend to improve the arbitration proceedings. The latter court presented its modified rules in 2012. New rules of the Court of Arbitration at the Polish Chamber of Commerce are also being prepared and will enter into force in 2015.



Rafał Kos

KKG Kubas Kos Gaertner
Budynek "Focus"
al. Armii Ludowej 26
Warsaw PL 00-609
Poland

Tel: +48 22 206 83 00
Fax: +48 22 206 83 02
Email: rafal.kos@kkg.pl
URL: www.kkg.pl

Rafał Kos, LL.M. is an attorney-at-law and partner at KKG Kubas Kos Gaertner, and coordinates the court and arbitration proceedings department. He has extensive experience in conducting cross-border court disputes as well as arbitration and post-arbitration proceedings.

He is Vice President of the Confederation Lewiatan Arbitration Court in Warsaw, an expert of the Parliamentary Justice and Human Rights Committee in the formulation of the bill on the pursuit of claims in class actions (2011), the Minister of Justice Team for the Amendment of the Bankruptcy and Rehabilitation Law (2012) and the Ministry of Economy Team for system solutions in the scope of amicable dispute resolutions for commercial matters, facilitating the performance of business activities (2013). He has been recommended as a leading expert on dispute resolution in Chambers Europe and in the litigation category in the most prestigious Polish ranking of law firms conducted by the *Rzeczpospolita* daily. He speaks Polish, English and German.



Maciej Durbas

KKG Kubas Kos Gaertner
Nowa Kamienica
ul. Rakowicka 7
Krakow PL 31-511
Poland

Tel: +48 12 619 40 40
Fax: +48 12 619 40 52
Email: maciej.durbas@kkg.pl
URL: www.kkg.pl

Maciej Durbas, associate at KKG Kubas Kos Gaertner, works on the team handling litigations as well as in transborder proceedings in civil, commercial, and real estate cases. He has been a member of teams representing clients in international arbitration proceedings and has also participated in disputes as an assistant to the arbitrator on numerous occasions.

He was initially a member of Kraków's Jagiellonian University team in the Willem C. Vis International Commercial Arbitration Moot, and was awarded with an honourable mention in the 'Best Orator' competition. Since 2010, he has been the coach for the Jagiellonian University team participating in the competition. He was an arbitrator in the first edition of *Konkurs Arbitrażowy Lewiatan* (Lewiatan Moot Court Competition), which was the first Polish arbitration moot court. He was a member of the Young Austrian Arbitration Practitioners and the Young Arbitration Practitioners in Poland.

He is preparing a doctoral dissertation at the Jagiellonian University on the subject of arbitration. He speaks Polish, English, and French.



KKG Kubas Kos Gaertner is a law firm with a well-established position confirmed by rankings. KKG specialises in court and arbitration proceedings, real estate law, banking and finance, companies law and trade law, as well as bankruptcy law and enterprise restructuring.

Arbitration proceedings in commercial transactions are one of the fundamental specialisations of KKG. The team of attorneys has many years of experience in representing clients, and is supported by numerous academic achievements in the area of arbitration proceedings, which is a guarantee of the highest standards of legal services. KKG has represented clients, including leading Polish and foreign businesses, in comprehensive arbitration litigations concerning subjects of litigations of high value and with the application of the principles used by the world's leading arbitration institutions (The Vienna International Arbitral Centre, The Swiss Chambers of Commerce Association for Arbitration and Mediation, and The London Court of International Arbitration).

Current titles in the ICLG series include:

- Alternative Investment Funds
- Aviation Law
- Business Crime
- Cartels & Leniency
- Class & Group Actions
- Competition Litigation
- Construction & Engineering Law
- Copyright
- Corporate Governance
- Corporate Immigration
- Corporate Recovery & Insolvency
- Corporate Tax
- Data Protection
- Employment & Labour Law
- Environment & Climate Change Law
- Franchise
- Gambling
- Insurance & Reinsurance
- International Arbitration
- Lending & Secured Finance
- Litigation & Dispute Resolution
- Merger Control
- Mergers & Acquisitions
- Mining Law
- Oil & Gas Regulation
- Patents
- Pharmaceutical Advertising
- Private Client
- Product Liability
- Project Finance
- Public Procurement
- Real Estate
- Securitisation
- Shipping Law
- Telecoms, Media & Internet
- Trade Marks



59 Tanner Street, London SE1 3PL, United Kingdom
Tel: +44 20 7367 0720 / Fax: +44 20 7407 5255
Email: sales@glgroup.co.uk

www.iclg.co.uk