The International Comparative Legal Guide to:

International Arbitration 2015

12th Edition

A practical cross-border insight into international arbitration work

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Poland

1 Arbitration Agreements

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

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

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 or if the parties 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). An arbitration agreement can also be included into the articles of association of a company. In such a case, the agreement binds the company and its partners or shareholders. This applies accordingly to cooperatives and associations (Article 1163.1-2 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 section 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 section 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 constitute 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 separate complete regulations 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 section 2.1). A notable example of differences in rules governing domestic and international arbitration is the recognition and enforcement of awards (see section 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 section 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 from 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 section 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, a positive decision on jurisdiction can be challenged before a state court (see section 3.4).

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 the defendant to raise such an issue. There have been no adverse consequences drawn against the claimant in case law, e.g. liability for 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 sections 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 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 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. A similar rule can be found in European Union regulations: (EC) No. 593/2008 of 17 June 2008 on the law applicable to contractual obligations (Rome I) and (EC) No. 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (Rome II).

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.

Nevertheless, there is a pending legislation process on the amendment of the Polish insolvency law. The amendments also pertain to the issue of arbitration. The new law will treat the state court and insolvency proceedings, in principle, in a similar manner, e.g.:

- the proceedings concerning the bankruptcy estate can only be conducted by or against the insolvency administrator;
- the proceedings would be stayed in an obligatory manner until the insolvency administrator (or officer of similar competences) is established or made known to the court; and
- if arbitral proceedings had not been initiated as at the date on which the insolvency is announced, and hearing the case in arbitration would hinder the insolvency proceedings, the insolvency administrator would be able, with the consent of the judge-commissioner of the insolvency, to avoid the arbitration agreement. The other parties to the arbitration agreement could demand that insolvency administrators clarify their position as to the avoidance and they could also avoid the arbitration agreements themselves if the insolvency administrators denied participation in the costs of the arbitration proceedings. The avoidance would result in the arbitration agreement losing its effect.

If the Polish Parliament adopts the amendments, it will significantly change the relations between insolvency and arbitration.

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 mentioned in section 3.6).

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. EU Rome I and Rome II Regulations allow for the application of overriding mandatory provisions of the law of the forum.

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

Under Articles 39-40 of the APIL (EU Rome I Regulation does not apply to arbitration agreements), 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 chosen by the parties;
- 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 took place or where the award was rendered; and
- the law of the seat of arbitration applies 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 Arbital 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 in principle 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 the 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 (Articles 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 section 5.2) and their removal (see section 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). Many arbitral institutions in Poland require a statement of independence from arbitrators. There is also a pending legislation process to include such a regulation to the CCP, which would impose such a requirement on all arbitrators (see section 15.1).

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?

Arbitral proceedings in Poland are governed by the CCP, mostly in Articles 1183-1193. A majority of these provisions is of a non-mandatory nature; 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 1188 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 in 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 counsel 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 itself) 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 section 5.2);
- removal of arbitrators (see section 5.4);
- controlling the tribunal’s decision on jurisdiction (see section 3.4);
- securing claims (see section 7.2);
- assistance in evidentiary matters (see section 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 section 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 if without securing the claim the enforcement of the judgment will be impossible or difficult, or the purpose of the proceedings will be impossible or difficult to achieve (Article 730(1) CCP).

Such relief does not have an effect on the jurisdiction of the arbitral tribunal; in particular, a court cannot issue an anti-arbitration injunction, i.e. prohibit the parties from initiating arbitration proceedings (see section 7.4).

#### 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 issuing 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 security for the costs of the arbitration 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. In principle, the arbitral tribunal 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 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 section 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 section 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 of 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 the issue. The procedure before state courts prohibits, for example, and under certain conditions, documents containing confidential information 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, or 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?

Polish law does not provide for any appeal procedure before a state court other than the setting aside mechanism set forward in the CCP. The parties can, of course, agree on two-instance arbitral proceedings.

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

The motion to set the award aside has to be filed, in 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 re-examine the facts of the case. If the party does not raise the reasons mentioned in section 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). See section 15.1 for possible legislation amendments.

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 section 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 section 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). See section 15.1 for possible legislation amendments.

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 a 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 facts 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 slightly 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 section 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 April 2015 – 10% per year), then the (also variable) statutory interest applies (in April 2015 – 8% 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?

Parties can recover the fees and costs of arbitration. There are no legal rules as to costs of the proceedings. There is also no prevailing manner in this regard, however some tribunals follow the rules of CCP, which – in 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 Polish tax law.
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 arbitrable-friendly jurisdiction. The work of the taskforce is contained in a project for an act for supporting out-of-court dispute resolution mechanisms, which proposes, *inter alia*:

- to require a statement of independence from every arbitrator (this solution was previously contained only in arbitration rules);
- to reduce the time for filing a motion to set aside an arbitral award from three to two months;
- to delegate a part of the post-arbitral cases (setting aside and recognition and enforcement of foreign awards) to courts of appeal with possible recourse to the Supreme Court; and
- to reduce the number of instances in proceedings for the recognition of domestic awards from two to one with possible recourse to the Supreme Court.

The legislation process is in an initial stage, so its outcome is unpredictable. However, the proposed changes aim to reduce the time of post-arbitral proceedings, which is undoubtedly a positive direction.

Furthermore, 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 of wanting to improve arbitration proceedings. The latter court presented its modified rules in 2012 and recently adopted the rules on appeal proceedings (effective as of 23 March 2015). New rules of the Court of Arbitration at the Polish Chamber of Commerce were adopted and entered into force on 1 January 2015.
Kubas Kos Gałkowski is a law firm with a well-established position confirmed by rankings. It 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 Kubas Kos Gałkowski. 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. Kubas Kos Gałkowski has represented clients, including leading Polish and foreign businesses, in comprehensive arbitrations with high amounts in dispute under the rules of the world’s leading arbitration institutions (The Vienna International Arbitral Centre, The Swiss Chambers of Commerce Association for Arbitration and Mediation, and The International Chamber of Commerce). Its partners are often selected as arbitrators in domestic and international arbitrations.

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