



**VIAC**

**VIENNA INTERNATIONAL ARBITRAL CENTRE**

**Austrian Arbitration Law**

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**Internationales Schiedsgericht  
der Wirtschaftskammer Österreich**

**International Arbitral Centre  
of the Austrian Federal Economic Chamber**

**CODE OF CIVIL PROCEDURE  
PART SIX**

**CHAPTER FOUR**

**ARBITRATION PROCEDURE**

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\* Translation from the German original by Mag. Steven Roberts, Baier Böhm Attorneys at Law, assisted by Mrs. Jenny W.T. Power, Freshfields Bruckhaus Deringer and Mrs. Judy Freedberg; with the permission of VIAC.

## **FIRST TITLE – GENERAL PROVISIONS**

### **Article 577. Scope of Application**

- (1) The provisions of this Chapter apply if the place of arbitration is in Austria.
- (2) Articles 578, 580, 583, 584, 585, 593 paragraphs (3) to (6), Articles 602, 612 and 614 are also applicable if the place of arbitration is not within Austria or has not been determined.
- (3) As long as the place of arbitration has not yet been determined, the domestic jurisdiction shall apply for those judicial tasks as stipulated in the Third Title if one of the parties has its seat, domicile or ordinary residence within Austria.
- (4) The provisions of this Chapter shall not be applicable to institutions subject to the Austrian Associations and Societies Act (Vereinsgesetz) for the conciliation of disputes arising out of the circumstances of the association.

### **Article 578. Court Intervention**

The court may only intervene in matters governed by this Chapter if it is so provided in this Chapter.

### **Article 579. Waiver of Right to Object**

Where the arbitral tribunal has not complied with a procedural provision of this Chapter from which the parties may derogate, or with an agreed procedural requirement of the arbitral proceedings, a party shall be deemed to have waived his right to object if he does not object without undue delay after being informed, or within the provided time limit.

### **Article 580. Receipt of Written Communications**

- (1) Unless otherwise agreed by the parties, any written communication is deemed to have been received on the day upon which it is delivered to the addressee or to an authorized recipient personally or, if this is not possible, on the day on which it is delivered to the corporate seat, place of residence or ordinary residence of the recipient.
- (2) Where the addressee has knowledge of the arbitral proceedings and where he or the authorized recipient, despite reasonable investigations, remains of unknown residence, any written communication is deemed to have been received on the day upon which a documented orderly delivery is attempted at a place stated by the addressee in the arbitration agreement or subsequently stated by the addressee to the other party or to the arbitral tribunal and which has until that time not been revoked upon reporting of a new address.
- (3) Paragraphs (1) and (2) shall not apply to communications in court proceedings.

## SECOND TITLE – ARBITRATION AGREEMENT

### Article 581. Definition

- (1) The arbitration agreement is an agreement by the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not. The arbitration agreement may be concluded in the form of a separate agreement or as a clause within a contract.
- (2) The provisions of this Chapter shall apply accordingly to arbitral tribunals that are, in a manner permitted by law, made by testamentary disposition or other legal transactions that are not based on agreements of the parties or that are provided by articles of incorporation.

### Article 582. Arbitrability

- (1) Any pecuniary claim that lies within the jurisdiction of the courts of law can be the subject of an arbitration agreement. An arbitration agreement on non-pecuniary claims shall be legally effective insofar as the parties are capable of concluding a settlement concerning the matter in dispute.
- (2) Claims in matters of family law as well as all claims based on contracts that are even only partly subject to the Austrian Landlord and Tenant Act (Mietrechtsgesetz) or to the Austrian Non-profit Housing Act (Wohnungsgemeinnützigkeitsgesetz), including all disputes regarding the conclusion, existence, termination and legal characterization of such contracts and all claims resulting from or in connection with the ownership of apartments may not be made subject to arbitral proceedings. Statutory provisions which are not included in this Chapter and according to which disputes may not or may only under certain circumstances be made subject to arbitral proceedings shall not be affected.

### Article 583. Form of Arbitration Agreement

- (1) The arbitration agreement must be contained either in a written document signed by the parties or in letters, telefaxes, E-mails or other forms of communication exchanged between the parties which preserve evidence of a contract.
- (2) When an agreement which fulfils the form requirements of paragraph (1) refers to a document which contains an arbitration agreement, it shall constitute an arbitration agreement if the reference is such that it deems the arbitration agreement to be part of the contract.

- (3) A defect of form of the arbitration agreement shall be cured in the arbitration proceedings by entering an appearance in the case, if a notification of the defect is not made earlier or at the latest together with entering an appearance.

### Article 584. Arbitration Agreement and Substantive Claim Before the Court

- (1) A court before which an action is brought in a matter which is the subject of an arbitration agreement shall reject the claim, provided the defendant does not submit a pleading in the matter or does not orally plead before the court without making a notification of objection in this respect. This shall not apply if the court establishes that the arbitration agreement does not exist or is incapable of being performed. If such proceedings are still pending at a court, arbitration proceedings may nevertheless be commenced or continued and an award may be made.
- (2) Where an arbitral tribunal decides that it lacks jurisdiction for the matter in dispute on the grounds that there is no arbitration agreement for the matter or it is incapable of being performed, the court may not reject an action on this matter on the grounds that an arbitral tribunal has jurisdiction for the matter. The right of the claimant to make an application under Article 611 of this Law for setting aside the decision, by which the arbitral tribunal decided that it lacked jurisdiction, shall expire with the bringing of an action before the court.
- (3) When an arbitration procedure is pending, no other legal dispute may be carried out before a court or an arbitral tribunal concerning the asserted claim. Any action brought on the grounds of the same claim is to be rejected. This shall not apply if an objection to jurisdiction of the arbitral tribunal was raised to the arbitral tribunal at the latest together with entering an appearance in the case and a decision of the arbitral tribunal cannot be obtained within a reasonable period of time.
- (4) When an action is rejected by a court of law due to jurisdiction of an arbitral tribunal or by an arbitral tribunal due to jurisdiction of a court of law or of another arbitral tribunal, or when in proceedings for the setting aside of an award an arbitral award is set aside due to the lack of jurisdiction of the arbitral tribunal, the proceedings shall be deemed to be properly continued if the action is immediately brought to the competent court of law or arbitral tribunal.
- (5) A party that has at an earlier stage in the proceedings invoked the existence of an arbitration agreement, cannot at a later stage claim that such does not exist unless essential circumstances have since changed.

**Article 585. Arbitration Agreement and Interim Measures by Court**

It is not incompatible with an arbitration agreement for a party to request, before or during arbitral proceedings, from a court an interim or protective measure and for a court to grant such measure.

**THIRD TITLE – FORMATION OF ARBITRAL TRIBUNAL**

**Article 586. Composition of Arbitral Tribunal**

- (1) The parties are free to determine the number of arbitrators. If the parties have, however, agreed on an even number of arbitrators, then the arbitrators shall determine a further person as presiding arbitrator.
- (2) Failing such determination, the number shall be three.

**Article 587. Appointment of Arbitrators**

- (1) The parties are free to agree on a procedure of appointing the arbitrator or arbitrators.
- (2) Failing an agreement on a procedure of appointing the arbitrator, the following shall apply:
  1. In an arbitration with a sole arbitrator, if the parties are unable to agree on the arbitrator within four weeks of receipt of a written request to do so from the other party, the arbitrator shall be appointed, upon request of a party, by the court.
  2. In an arbitration with three arbitrators each party shall appoint one arbitrator. The two arbitrators thus appointed shall appoint the third arbitrator who shall be the presiding arbitrator.
  3. In an arbitration with more than three arbitrators each party shall appoint the same number of arbitrators, who shall appoint a further arbitrator, who shall be the presiding arbitrator.
  4. If a party fails to appoint the arbitrator within four weeks of receipt of a written request to do so from the other party, or if the parties do not receive the notification of the third arbitrator appointed by the arbitrators within four weeks of their appointment, the appointment shall be made upon request of a party, by the court.
  5. A party is bound to its appointment of an arbitrator as soon as the other party has received the written notice of the appointment.
- (3) Where, under an appointment procedure agreed upon by the parties,
  1. a party fails to act in accordance with such procedure, or
  2. the parties or the arbitrators are unable to reach an agreement in accordance with such procedure, or
  3. a third party fails to perform any function entrusted to it under such procedure within three months of receipt of a respective written notification, any party may request the court to make the necessary appointment of arbitrators, unless the agreement on the appointment procedure provides other means for securing the appointment.

- (4) The written request for the appointment of an arbitrator must also state what claim is being asserted and on what arbitration agreement the party is pleading.
- (5) When several parties that are to jointly appoint one or more arbitrators have not agreed upon such appointment within four weeks of receipt of a respective written notification from these parties, the arbitrator or arbitrators shall be appointed by the court upon application by one of these parties, unless the agreement on the appointment procedure provides other means for securing the appointment.
- (6) The arbitrator or arbitrators shall also be appointed by the court upon application of a party, if his or their appointment cannot be made for other reasons, which are not regulated by the prior paragraphs within four weeks of receipt of a respective written notification from one party to the other party, or if the appointment procedure for securing an appointment does not result in an appointment within a reasonable period of time.
- (7) If the appointment takes place prior to the decision in first instance and this is evidenced by a party, the application is to be dismissed.
- (8) The court, in appointing an arbitrator, shall have due regard to any qualifications required of the arbitrator by the agreement of the parties and to such considerations as are likely to secure the appointment of an independent and impartial arbitrator.
- (9) A decision by which an arbitrator is appointed shall be subject to no appeal.

#### **Article 588. Grounds for Challenge**

- (1) When a person is approached in connection with his possible appointment as an arbitrator, he shall disclose any circumstances likely to give rise to doubts as to his impartiality or independence, or that are in conflict with the agreement of the parties. An arbitrator, from the time of his appointment and throughout the arbitral proceedings, shall without delay disclose any such circumstances to the parties unless they have already been informed of them by him.
- (2) An arbitrator may be challenged only if circumstances exist that give rise to justifiable doubts as to his impartiality or independence, or if he does not possess qualifications agreed to by the parties. A party may challenge an arbitrator appointed by him, or in whose appointment he has participated, only for reasons of which he becomes aware after the appointment has been made or after his participation in the making of such appointment.

#### **Article 589. Challenge Procedure**

- (1) The parties are free to agree on a procedure for challenging an arbitrator, subject to the provisions of paragraph (3) of this Article.
- (2) Failing such agreement, a party who challenges an arbitrator shall, within four weeks after becoming aware of the constitution of the arbitral tribunal or after becoming aware of any circumstance referred to in Article 588 paragraph (2) of this Law, send a written statement of the reasons for the challenge to the arbitral tribunal. Unless the challenged arbitrator withdraws from his office or the other party agrees to the challenge, the arbitral tribunal, including the challenged, arbitrator shall decide on the challenge.
- (3) If a challenge under any procedure agreed upon by the parties or under the procedure of paragraph (2) of this Article is not successful, the challenging party may request, within four weeks after having received the decision rejecting the challenge, the court to decide on the challenge, which decision shall be subject to no appeal. While such a request is pending, the arbitral tribunal, including the challenged arbitrator, may continue the arbitral proceedings and make an award.

#### **Article 590. Early Termination of the Arbitrator's Mandate**

- (1) The mandate of an arbitrator terminates when the parties agree on the termination or when he withdraws from his office. Subject to the provisions of paragraph (2) of this Article, the parties may agree on a procedure for the termination of the arbitrator's mandate.
- (2) Any party may request the court to decide on the termination of the mandate when an arbitrator either becomes unable to perform his functions or fails to act without undue delay and:
  1. the arbitrator does not withdraw from his office;
  2. the parties cannot agree on his termination; or
  3. the procedure agreed on by the parties does not lead to the termination of the arbitrator's mandate.
 Such decision shall be subject to no appeal.
- (3) If an arbitrator withdraws from his office under paragraph (1) of this Article or under Article 589 paragraph (2) of this Law, or if a party agrees to the termination of the mandate of an arbitrator, this does not imply acceptance of the validity of any ground referred to in paragraph (2) of this Article or in Article 588 paragraph (2) of this Law.

#### **Article 591. Appointment of Substitute Arbitrator**

- (1) Where the mandate of an arbitrator terminates early, a substitute arbitrator shall be appointed according to the rules that were applicable to the appointment of the arbitrator being replaced.
- (2) Unless otherwise agreed by the parties, the arbitral tribunal may proceed with the proceedings on the basis of the results of the proceedings to that point, in particular, the existing records of the hearings as well as on the basis of any other existing documentation.

#### **FOURTH TITLE – JURISDICTION OF ARBITRAL TRIBUNAL**

##### **Article 592. Competence of Arbitral Tribunal to Rule on Its Jurisdiction**

- (1) The arbitral tribunal may rule on its own jurisdiction. The ruling can be made together with the ruling on the case or by separate arbitral award.
- (2) A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than the first pleading in the matter. A party is not precluded from raising such a plea by the fact that he has appointed, or participated in the appointment of an arbitrator. A plea that the arbitral tribunal is exceeding the scope of its authority shall be raised as soon as the matter alleged to be beyond the scope of its authority is raised during the arbitral proceedings. In either case, a later plea shall not be permitted; if the arbitral tribunal however considers the delay justified, the plea can be admitted.
- (3) Even while a request for the setting aside of an arbitral award by which the arbitral tribunal accepted its jurisdiction is still pending, the arbitral tribunal may continue the arbitral proceedings and make an award.

##### **Article 593. Power to Order Interim or Protective Measures**

- (1) Unless otherwise agreed by the parties, the arbitral tribunal may, at the request of a party order any party, after hearing such party, to take such interim or protective measures as the arbitral tribunal may consider necessary in respect of the subject matter of the dispute, as otherwise the enforcement of the claim would be frustrated or considerably impeded or there is a danger of irreparable harm. The arbitral tribunal may require any party to provide appropriate security in connection with such measure.
- (2) Measures referred to in paragraph (1) are to be ordered in writing and a signed copy is to be served on each party. In arbitral proceedings with more than one arbitrator the signature of the presiding arbitrator or, if he is prevented, the signature of another arbitrator shall suffice, provided that the presiding arbitrator or another arbitrator records on the order the reason preventing the signature. Article 606 paragraphs (2), (3), (5) and (6) of this Law shall apply accordingly.
- (3) Upon application of a party the district court (Bezirksgericht) where the opponent of the party at risk has its seat, domicile or usual place of residence within this state at the time of the first filing of the plea, otherwise the district court (Bezirksgericht) in whose area the measure of enforcement for the preliminary injunction shall take

place, shall enforce such measure. Where the measure provides for a measure of protection unknown to Austrian law, the court can upon request and hearing of the opponent, execute such measure of protection under Austrian law that comes closest to the measure of the arbitral tribunal. In this case, the court can also upon request amend the measure of the arbitral tribunal in order to safeguard the realization of its purpose.

- (4) The court shall refuse to enforce a measure under paragraph (1) of this Article, if
1. the place of arbitration is in this state and the measure suffers from a defect which would constitute a reason for setting aside an arbitral award of this state under Articles 611 paragraph (2), 617 paragraph (6) and (7) or 618 of this Law;
  2. the place of arbitration is not in this state and the measure suffers from a defect which would constitute cause for refusal of recognition or enforcement of a foreign arbitral award;
  3. the enforcement of the measure would be incompatible with a court measure of this state which was either applied for or made earlier, or would be incompatible with a foreign court measure which was made earlier and which is to be recognized;
  4. the measure provides for a measure of protection unknown to Austrian law and no appropriate measure of protection as provided by Austrian law was applied for.
- (5) The court may hear the opponent party prior to making its decision on the enforcement of the measure under paragraph (1) of this Article. If the opponent party was not heard prior to the taking of the decision, he may lodge an objection against the order of enforcement within the meaning of Article 397 of the Austrian Enforcement Act (Exekutionsordnung). In both cases the opponent party may only argue that there is a ground for refusing the enforcement as referred to in paragraph (4) of this Article. In these proceedings the court does not have jurisdiction to rule on claims for damages under Article 394 of the Austrian Enforcement Act (Exekutionsordnung).
- (6) The court shall set aside the enforcement if:
1. the term of the measure as set by the arbitral tribunal has expired;
  2. the arbitral tribunal has limited the scope of or set aside the measure;
  3. a case as referred to in Article 399 paragraph (1) numbers 1–4 of the Austrian Enforcement Act (Exekutionsordnung) is considered; unless such case was already unsuccessfully argued before the

arbitral tribunal and no obstacles against recognition (paragraph 4) exist with regard to the decision of the arbitral tribunal;

4. security as referred to in paragraph (1) of this Article has been provided which renders the enforcement of the measure unnecessary.



## **FIFTH TITLE – CONDUCT OF ARBITRAL PROCEEDINGS**

### **Article 594. General**

- (1) Subject to the mandatory provisions of this title, the parties are free to determine the rules of procedure. The parties may thereby refer to other rules of procedure. Failing such agreement, the arbitral tribunal shall, subject to the provisions of this Law, conduct the arbitration in such manner as it considers appropriate.
- (2) The parties shall be treated fairly. Each party shall be given a full opportunity of presenting his case.
- (3) The parties may be represented or counseled by persons of their choice. This right cannot be excluded or limited.
- (4) An arbitrator who does not or does not timely fulfil his obligation resulting from the acceptance of his appointment, shall be liable to the parties for all damages caused by his culpable refusal or delay.

### **Article 595. Place of Arbitration**

- (1) The parties are free to agree on the place of arbitration. They may also have the place of arbitration determined by an arbitral institution. Failing such agreement, the place of arbitration shall be determined by the arbitral tribunal having regard to the circumstances of the case, including the convenience of the parties.
- (2) Notwithstanding the provisions of paragraph (1) of this Article, the arbitral tribunal may, unless otherwise agreed by the parties, meet at any location it considers appropriate for conducting proceedings, especially for consultation among its members, making decisions, conducting oral hearings and for the taking of evidence.

### **Article 596. Language of Proceedings**

The parties may agree on the language or languages to be used in the arbitral proceedings. Failing such agreement, the arbitral tribunal shall determine the language or languages to be used in the arbitral proceedings.

### **Article 597. Statements of Claim and Defence**

- (1) Within the period of time agreed by the parties or determined by the arbitral tribunal, the claimant shall state the request for relief and the facts supporting his claim and the defendant shall respond thereto. The parties may submit with their statements all evidence they consider to be relevant or may add a reference to other evidence on which they wish to rely.
- (2) Unless otherwise agreed by the parties, either party may amend or supplement his claim or pleadings during the course of the arbitral proceedings, unless the arbitral tribunal considers it inappropriate to allow such amendment due to delay.

### **Article 598. Hearings and Written Proceedings**

Unless otherwise agreed by the parties, the arbitral tribunal shall decide whether to hold oral hearings, or whether the proceedings shall be conducted in writing. Where the parties have not excluded an oral hearing, the arbitral tribunal shall, upon the motion of a party, hold an oral hearing at an appropriate stage of the proceedings.

### **Article 599. Proceedings and Taking of Evidence**

- (1) The arbitral tribunal is authorized to decide upon the admissibility of the taking of evidence, to conduct such taking of evidence and freely evaluate the results of such evidence.
- (2) The parties are to be informed in a timely fashion of every hearing and of every meeting of the arbitral tribunal for the purposes of taking evidence.
- (3) All written statements, written documents and other communications submitted to the arbitral tribunal by a party are to be brought to the notice of the other party. Expert opinions and other evidence on which the arbitral tribunal may rely in its decision are to be brought to the notice of both parties.

### **Article 600. Procedural Defaults**

- (1) Where the claimant fails to file his statement of claim in accordance with Article 597 paragraph (1) of this Law, the arbitral tribunal shall terminate the proceedings.
- (2) Where the defendant fails to respond in accordance with Article 597 paragraph (1) of this Law, within the agreed or stipulated period, the arbitral tribunal shall, unless the parties have agreed otherwise, continue the proceedings without treating such failure in itself as an admission of the claimant's allegations. The same shall apply where a party is in default concerning any other act in the proceedings. The arbitral tribunal may continue the proceedings and may make an award on the basis of the evidence before it. If the arbitral tribunal concludes that the default is sufficiently excused, the act in default in the proceedings may subsequently be carried out.

#### **Article 601. Expert Appointed by Arbitral Tribunal**

- (1) Unless otherwise agreed by the parties, the arbitral tribunal:
  1. may appoint one or more experts to report to it on specific issues to be determined by the arbitral tribunal;
  2. may require the parties to give the expert any relevant information or to produce, or to provide access to, any relevant documents or goods or other property for his inspection.
- (2) Unless otherwise agreed by the parties, if a party so requests or if the arbitral tribunal considers it necessary, the expert shall, after delivery of his report, participate in an oral hearing. In the hearing the parties shall have the opportunity to put questions to the expert and to present expert witnesses in order to testify on the points at issue.
- (3) Articles 588 and 589 paragraphs (1) and (2) of this Law shall apply accordingly to the expert appointed by the arbitral tribunal.
- (4) Unless otherwise agreed by the parties, each party has the right to present reports of their own experts. Paragraph (2) of this Article shall apply accordingly.

#### **Article 602. Court Assistance in Taking Evidence**

The arbitral tribunal, arbitrators who have been accordingly authorized by the arbitral tribunal or a party with the approval of the arbitral tribunal, may request from the court the conduct of judicial acts for which the arbitral tribunal has no authorization. The judicial assistance may also consist of the court requesting a foreign court or authority to conduct such acts. Article 37 paragraphs (2) to (5) and Articles 38, 39 and 40 of the Austrian Judicature Act (Jurisdiktionsnorm) shall apply accordingly, provided that the arbitral tribunal and the parties to the arbitral proceedings shall have the right to appeal in accordance with Article 40 of the Austrian Judicature Act (Jurisdiktionsnorm). The arbitral tribunal or an arbitrator mandated by the arbitral tribunal and the parties may participate in the taking of evidence by the court and may put questions. Article 289 of this Law shall apply accordingly.

### **SIXTH TITLE – MAKING OF AWARD AND TERMINATION OF PROCEEDINGS**

#### **Article 603. Applicable Law**

- (1) The arbitral tribunal shall decide the dispute in accordance with such provisions of law (Rechtsvorschriften) or rules of law (Rechtsregeln) as are chosen by the parties as applicable. Any designation of the law or legal system of a given state shall be construed unless otherwise expressed, as directly referring to the substantive law of that state and not to its conflict-of-laws rules.
- (2) Failing any designation by the parties of the applicable provisions of law or rules of law, the arbitral tribunal shall apply the provisions of law considered by it as appropriate.
- (3) The arbitral tribunal shall decide ex aequo et bono or as amiable compositeur only if the parties have expressly authorized it to do so.

#### **Article 604. Decision Making by Panel of Arbitrators**

Unless otherwise agreed by the parties, the following shall apply:

1. In arbitral proceedings with more than one arbitrator, any decision of the arbitral tribunal shall be made by a majority of all its members. Questions of procedure may be decided by the presiding arbitrator alone if so authorized by the parties or by all members of the arbitral tribunal.
2. Where one or more arbitrators do not participate in a vote without justified reason, the other arbitrators may decide without them. In this case, it shall also apply that the necessary majority of votes is to be calculated by the total of all participating and not participating arbitrators. In the case of taking of votes for an award, the parties must receive prior information on the intention to proceed in this manner. With regard to other decisions, the parties are to be informed afterwards about the failure to participate in the vote.

#### **Article 605. Settlement**

If during arbitral proceedings the parties settle the dispute and if the parties are able to agree a settlement on the matter in dispute, they may request:

1. the arbitral tribunal to draw up a record of the settlement, provided that the contents of the settlement is not in conflict with the fundamentals of the Austrian legal system (ordre public); it shall be sufficient if the record of the settlement is signed by the parties and the presiding arbitrator;

2. the arbitral tribunal to record the settlement in the form of an arbitral award on agreed terms, provided that the contents of the settlement is not in conflict with the fundamentals of the Austrian legal system (ordre public). Such an award is to be made in accordance with Article 606 of this Law and has the same status and effect as any other award on the merits of the case.

#### **Article 606. Arbitral Award**

- (1) The award shall be made in writing and shall be signed by the arbitrator or arbitrators. Unless otherwise agreed by the parties, in arbitral proceedings with more than one arbitrator, the signatures of the majority of all members of the arbitral tribunal shall suffice, provided that the reason for any omitted signature is stated on the arbitral award by the presiding or another arbitrator.
- (2) Unless the parties have agreed otherwise, the award shall state the reasons upon which it is based.
- (3) The award shall state the date on which it was made and the place of arbitration as determined in accordance with Article 595 paragraph (1) of this Law. The award shall be deemed to have been made on that day and at that place.
- (4) After the award is made, a copy signed by the arbitrators in accordance with paragraph (1) of this Article shall be delivered to each party.
- (5) The award and the documentation of its service are joint documents of the parties and the arbitrators. The arbitral tribunal shall discuss with the parties a possible safekeeping of the award and the documentation of its service.
- (6) The presiding arbitrator, or in the case he is unable, another arbitrator shall upon request of a party, confirm the res judicata and enforceability of the award on a copy of the award.
- (7) By making the award the underlying arbitration clause does not become ineffective.

#### **Article 607. Effect of the Award**

The award has between the parties the effect of a final and binding court judgment.

#### **Article 608. Termination of Arbitral Proceedings**

- (1) The arbitral proceedings are terminated by the final award, an arbitral settlement, or by an order of the arbitral tribunal in accordance with paragraph (2) of this Article.
- (2) The arbitral tribunal shall terminate the arbitral proceedings when:
  1. the claimant fails to file his claim in accordance with Article 597 paragraph (1);
  2. the claimant withdraws his claim, unless the respondent objects thereto and the arbitral tribunal recognizes a legitimate interest on his part in obtaining a final settlement of the dispute;
  3. the parties agree on the termination of the proceedings and communicate this to the arbitral tribunal;
  4. the arbitral tribunal finds that the continuation of the proceedings has become impossible, in particular when the parties active so far in the proceedings do not continue the arbitral proceedings despite written notification by the arbitral tribunal which refers to the possibility of terminating the arbitral proceedings.
- (3) The mandate of the arbitral tribunal terminates with the termination of the arbitral proceedings, subject to the provisions of Articles 606(4) to (6), 609(5) and 610 of this Law as well as to the obligation to set aside an order on an interim or protective measure.

#### **Article 609. Decision on Costs**

- (1) Where the arbitral proceedings are terminated, the arbitral tribunal shall decide upon the obligation to reimburse the costs of the proceedings, provided the parties have not agreed otherwise. The arbitral tribunal shall in exercise of its discretion take into consideration the circumstances of the individual case, in particular the outcome of the proceedings. The obligation to reimburse may include any and all reasonable costs appropriate for bringing the action or defence. In the case referred to in Article 608 paragraph (2) number 3 of this Law, such a decision shall only be made where a party applies for such a decision together with the notification of the agreement to terminate the proceedings.
- (2) Upon application of the respondent the arbitral tribunal may also decide upon the obligation of the claimant to reimburse the costs of the proceedings, if it has decided that it does not have jurisdiction on the grounds that there is no arbitration agreement.
- (3) Together with the decision upon the liability to pay the costs, the arbitral tribunal shall, as far as this is already possible and the costs are not set off against each other, determine the amount of costs to be reimbursed.

- (4) In any case, the decision upon the liability to pay costs and the determination of the amount shall be made in the form of an arbitral award under Article 606 of this Law.
- (5) If no decision was made upon the liability to pay costs, or the amount to be reimbursed was not determined, or was only able to be determined after termination of the arbitral proceedings, the decision shall be made in a separate arbitral award.

**Article 610. Correction and Interpretation of Award;  
Additional Award**

- (1) Unless another period of time has been agreed upon by the parties, each party may within four weeks of receipt of the award request the arbitral tribunal:
  - 1. to correct in the award any errors in computation, any clerical or typographical errors or any errors of similar nature;
  - 2. if so agreed by the parties, to give an interpretation to certain parts of the award;
  - 3. to make an additional award as to claims presented in the arbitral proceedings but omitted from the award.
- (2) The application under paragraph (1) of this Article shall be delivered to the other party. Prior to making a decision upon such an application, the other party is to be heard.
- (3) The arbitral tribunal shall decide upon the correction or interpretation of the award within four weeks and upon an additional award within eight weeks.
- (4) The arbitral tribunal may correct any error of the type referred to in paragraph (1) number 1 of this Article on its own initiative within four weeks of the date of the award.
- (5) The provisions of Article 606 of this Law shall apply to the correction, interpretation or making of an additional award. The interpretation or correction shall form part of the arbitral award.

**SEVENTH TITLE – RECOURSE AGAINST AWARD**

**Article 611. Application for Setting Aside an Award**

- (1) Recourse to a court against an arbitral award may be made only by means of an action for setting aside. This shall also apply to arbitral awards by which the arbitral tribunal has ruled on its jurisdiction.
- (2) An arbitral award shall be set aside if:
  - 1. a valid arbitration agreement does not exist, or if the arbitral tribunal denies its jurisdiction despite the existence of a valid arbitration agreement, or if a party was under some incapacity under the law applicable to them to conclude a valid arbitration agreement;
  - 2. a party was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was for other reasons unable to present his case;
  - 3. the award deals with a dispute not contemplated by or not falling within the terms of the arbitration agreement, or contains decisions on matters beyond the scope of the arbitration agreement or beyond the plea of the parties for legal protection, provided that, if the defect concerns only a part that can be separated from the award, only that part of the award shall be set aside;
  - 4. the composition of the arbitral tribunal was not in accordance with a provision of this section or with an admissible agreement of the parties;
  - 5. the arbitral procedure was not carried out in accordance with the fundamentals of the Austrian legal system (ordre public).
  - 6. the requirements have been met according to which a judgment of a court of law can be appealed by an action for revision under Article 530 paragraph (1), numbers 1 to 5;
  - 7. the subject matter of the dispute is not capable of settlement by arbitration under the law of this state;
  - 8. the award is in conflict with the fundamentals of the Austrian legal system (ordre public).
- (3) The reasons for setting aside stipulated in paragraph (2), numbers 7 and 8 are also to be examined by the court ex officio.
- (4) The action for setting aside must be made within three months. The time period shall begin with the day on which the claimant received the award or the additional award. An application made in accordance with Article 610 paragraph (1) numbers 1 or 2 of this Law shall not extend this time period. In the case of paragraph (2), number 6, the time period within which the action for setting aside must be brought, shall be determined in accordance with the provisions on the action for revision.

- (5) The setting aside of an arbitral award has no influence on the effectiveness of the underlying arbitration agreement. When an arbitral award on the same subject matter has already been finally set aside twice and when a further arbitral award in the same subject matter is to be set aside, upon application of a party, the court shall concurrently declare the arbitration agreement invalid with respect to that matter.

**Article 612. Declaration That an Arbitral Award Does or Does Not Exist**

Where the applicant has a legal interest, he can apply for a declaration of the existence or non-existence of an arbitral award.

**Article 613. Taking into Consideration of Reasons for Setting Aside in Other Proceedings**

Should a court or another authority find in other proceedings, for instance in enforcement proceedings, that a reason for setting aside in accordance with Article 611 paragraph (2) numbers 7 and 8 of this Law exists, then the arbitral award shall not be taken into account in those proceedings.

## **EIGHTH TITLE**

**Article 614. Recognition and Order of Enforcement of Foreign Awards**

- (1) The recognition and order of enforcement of foreign awards shall be made in accordance with the provisions of the Enforcement Act (Exekutionsordnung), unless otherwise provided in international law or in legal instruments of the European Union. The form requirement for the arbitration agreement shall also be regarded as fulfilled if the arbitration agreement complies both with the provisions of Article 583 of this Law and with the form requirements of the law applicable to the arbitration agreement.
- (2) The presentation of the original arbitration agreement or a certified copy thereof as under Article IV paragraph 1(b) of the New York (UN) Convention on the Recognition and Enforcement of Foreign Arbitral Awards, shall only constitute a requirement if requested by the court.

## **NINTH TITLE – COURT PROCEEDINGS**

**Article 615. Jurisdiction**

- (1) For the action for setting aside an arbitral award and for the action for declaration of existence or non-existence of an arbitral award, as well as for proceedings under the Third Title, the Superior Court of First Instance (Landesgericht) having jurisdiction in civil law matters that was specified in the arbitration agreement, respectively the jurisdiction of which was agreed upon in accordance with Article 104 of the Austrian Judicature Act (Jurisdiktionsnorm), or in the absence of such a specification or agreement, the Superior Court of First Instance (Landesgericht) in whose district the arbitral tribunal has its place of arbitration, shall have jurisdiction in first instance, regardless of the amount in dispute. Where the place of arbitration is not yet determined, or in the case of Article 612 if it is not within Austria, then the Commercial Court Vienna (Handelsgericht Wien) shall have jurisdiction.
- (2) Where the matter in dispute subject to the arbitral award is a matter of commercial law within the meaning of Article 51 of the Austrian Judicature Act (Jurisdiktionsnorm), the Superior Court of First Instance (Landesgericht) shall rule in exercising its jurisdiction in commercial law matters; in labour law matters within the meaning of Article 50 paragraph (1) Labour and Social Court Act (Arbeits- und Sozialgerichtsgesetz), the Superior Court of First Instance (Landesgericht) shall rule in exercising its jurisdiction in labour and social law matters, in Vienna the Labour and Social Court Vienna (Arbeits- und Sozialgericht Wien) shall have jurisdiction.

**Article 616. Proceedings**

- (1) The proceedings regarding the action for setting aside an arbitral award and the action for a declaration of existence or non-existence of an arbitral award shall be governed by the provisions of this Law. The proceedings in matters under the Third Title shall be governed by the general provisions of the Austrian Non-Contentious Jurisdiction Act (Außerstreitgesetz).
- (2) Upon application of a party the public can be excluded if a respective justified interest in the excluding of the public is shown.

## TENTH TITLE – SPECIAL PROVISIONS

### Article 617. Consumers

- (1) Arbitration agreements between an entrepreneur and a consumer may validly be concluded only for disputes that already exist.
- (2) Arbitration agreements to which a consumer is party must be contained in a document which has been personally signed by the consumer. This document must not contain any other agreements other than such that refer to the arbitration proceedings.
- (3) In arbitration agreements between an entrepreneur and a consumer, the consumer must, prior to the concluding of the arbitration agreement, receive written legal advice on the significant differences between arbitration proceedings and proceedings before a court of law.
- (4) In arbitration agreements between entrepreneurs and consumers the place of arbitration must be stipulated. The arbitral tribunal may only meet at a different place for an oral hearing or for the taking of evidence, if the consumer has approved or if considerable difficulties stand against the taking of evidence at the place of arbitration.
- (5) Where an arbitration agreement was concluded between an entrepreneur and a consumer and where the consumer at the time of concluding the arbitration agreement or at the time when the claim becomes pending, does not have his domicile, usual place of residence or place of employment in that state where the arbitral tribunal has its place of arbitration, the arbitration agreement shall only be of relevance if the consumer relies on the arbitration agreement.
- (6) An arbitral award shall also be set aside if in arbitration proceedings to which a consumer is party:
  1. mandatory provisions of the law have been violated the application of which may not be waived by the choice of law of the parties even in cases with international relevance; or
  2. the requirements of Article 530 paragraph (1) numbers 6 and 7 are fulfilled, according to which a judgment of a court of law could be appealed by means of an application for revision; in this case the time period for the filing of the action for setting aside shall be judged under the respective provisions regarding the application for revision.
- (7) Where the arbitration proceedings took place between an entrepreneur and a consumer, the arbitral award is also to be set aside if the consumer did not receive written legal advice as stipulated in paragraph (3).

### Article 618. Labour Law Matters

Article 617 paragraphs (2) to (7) shall apply accordingly to arbitration proceedings in labour law matters within the meaning of Article 50 paragraph (1) of the Austrian Labour and Social Court Act (Arbeits- und Sozialgerichtsgesetz).

## CLAUSE IV – AMENDMENTS TO THE LABOUR AND SOCIAL COURT ACT (ARBEITS- UND SOZIALGERICHTSGESETZ)

(....)

In Article 9 paragraph (2) the following wording shall be deleted: "... the competent Superior Court of First Instance (Landesgericht) as Labour and Social Court shall have jurisdiction for the setting aside of arbitral awards".

## CLAUSE V – AMENDMENT OF THE COURT ORGANIZATION ACT (GERICHTSORGANISATIONSGESETZ)

(....)

**The following paragraph (7) shall be added to Article 32:**

- (7) legal disputes to which Book Four of Part Six of the Code of Civil Procedure (ZPO) shall apply, should for reasons of feasibility be assigned to the same department at court.

**The following paragraph (3) shall be added to Article 45:**

- (3) legal disputes to which Book Four of Part Six of the Code of Civil Procedure (ZPO) shall apply, should for reasons of feasibility be assigned to the same department at court.

## CLAUSE VI – AMENDMENT OF THE ACT ON PROFESSIONAL RIGHTS AND DUTIES OF JUDICIAL OFFICERS (RICHTERDIENSTGESETZ)

(....)

1. The following sentence shall be added to Article 63 paragraph (5):  
Judicial officers during their tenure of judicial office may not accept appointment as arbitrators in the sense of Book Four of Part Six of the Code of Civil Procedure.
2. The following paragraph 40 shall be added to Article 173:

“(40) Article 63 paragraph 5 last sentence as amended BGBI I No. 121/2005 shall come into effect on 1st July, 2006.”

**CLAUSE VII – EFFECTIVE DATE, TRANSITIONAL PROVISIONS AND ENFORCEMENT**

- (1) This federal law shall come into effect on 1 July 2006.
- (2) The provisions that have been in force so far shall apply to arbitration proceedings which are commenced prior to 1 July 2006.
- (3) The effectiveness of arbitration agreements that have been concluded prior to 1 July 2006 shall governed by the provisions in force so far.
- (4) The Federal Minister of Justice shall be competent for the enforcement.

## RECOMMENDED ARBITRATION CLAUSE:

### Deutsch

„Alle Streitigkeiten, die sich aus diesem Vertrag ergeben oder auf dessen Verletzung, Auflösung oder Nichtigkeit beziehen, werden nach der Schieds- und Schlichtungsordnung des Internationalen Schiedsgerichts der Wirtschaftskammer Österreich in Wien (Wiener Regeln) von einem oder mehreren gemäß diesen Regeln ernannten Schiedsrichtern endgültig entschieden.“

Zweckmäßige ergänzende Vereinbarungen:

- a) die Anzahl der Schiedsrichter beträgt ... (einer oder drei);
  - b) es ist ... materielles Recht anzuwenden;\* )
  - c) die im Schiedsverfahren zu verwendende Sprache ist ... .
- \*) Hierbei ist gegebenenfalls die Anwendbarkeit des UN-Übereinkommens über den Internationalen Warenkauf, 1980, zu beachten.

### English

“All disputes arising out of this contract or related to its violation, termination or nullity shall be finally settled under the Rules of Arbitration and Conciliation of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (Vienna Rules) by one or more arbitrators appointed in accordance with these Rules.” Appropriate supplementary provisions

- a) The number of arbitrators shall be ... (one or three);
  - b) The substantive law of ... shall be applicable;\* )
  - c) The language to be used in the arbitral proceedings shall be ... .
- \*) In this context, consideration may be given to the possible application of the United Nations Convention on Contracts for the International Sale of Goods, 1980.

### русский

„любые споры, вытекающие из настоящего контракта или касающиеся его нарушения, расторжения или недействительности, будут окончательно разрешаться в соответствии с регламентом по арбитражу и примирению Международного арбитражного суда палаты экономики в г. вена (венские правила) одним или несколькими арбитрами, назначенными в соответствии с этим регламентом.“ Целесообразные дополнительные соглашения:

- a) число арбитров ... (один или три);
  - б) применимым материальным правом будет право ...;\*)
  - в) языком, используемым в арбитражном разбирательстве, является ... язык.
- \*) Здесь, при необходимости, следует учитывать применимость конвенции оон о договорах международной купли-продажи товаров 1980 г.

### Français

„Tous différends découlant du présent contrat ou relatifs à sa violation, résolution ou nullité, seront tranchés définitivement suivant le Règlement d'Arbitrage et de Conciliation du Centre International d'Arbitrage de la Chambre Economique Fédérale d'Autriche, Vienne (Règlement de Vienne), par un ou plusieurs arbitres nommés conformément à ce Règlement.“

Mentions additionnelles considérées comme utiles

- a) Le tribunal arbitral sera composé de ... (un ou trois) arbitres;
  - b) Le droit ..... est applicable; \*)
  - c) La langue de l'arbitrage sera le ..... .
- \*) Selon les cas, il faudra prendre en compte l'application de la Convention de l'ONU sur la vente internationale des marchandises de 1980

### Italiano

„Tutte le controversie derivanti da questo contratto o relative alla violazione, risoluzione o nullità dello stesso verranno decise, in via definitiva, secondo il Regolamento d'Arbitrato e di Conciliazione del Centro Arbitrale Internazionale della Camera Federale dell'Economia d'Austria di Vienna (Regole di Vienna) da uno o più arbitri, nominati conformemente a tali Regole.“

Utili accordi integrativi:

- a) il numero degli arbitri è ..... (uno o tre);
  - b) deve essere applicato il diritto sostanziale .....; \*)
  - c) la lingua da utilizzare nel procedimento arbitrale è ..... .
- \*) In merito si deve eventualmente tener conto dell'applicabilità del Trattato delle Nazioni Unite del 1980 sulla compravendita internazionale di merci.

### Český

„Všechny spory, které vznikají z této smlouvy, nebo souvisí s jejím porušením, zrušením či neplatností, budou rozhodovány s konečnou platností podle Rozhodčího a smírčího řádu Mezinárodního rozhodčího soudu Hospodářské komory Rakouska (Vídenská pravidla) jedním nebo více podle jeho rádu jmenovaných rozhodců.“

úžitečné doplňující dohody:

- a) počet rozhodců činí ..... (jeden nebo tři);
  - b) použije se ..... věcné právo;\*
  - c) v rozhodcím řízení se použije ..... jazyk .
- \* V této souvislosti je případně nutno zohlednit použití úmluvy OSN o smlouvách o mezinárodní koupi zboží, 1980.



Arbitration is the preferred method for the resolution of commercial disputes. It is private, time- and cost-efficient and more straight-forward than state court proceedings. Furthermore, arbitral awards are enforceable world-wide. The Vienna International Arbitral Centre (VIAC), established under the auspices of the Austrian Federal Economic Chamber in Vienna, is an arbitration institution of excellence chosen by businesses, particularly in CEE/SEE.

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