



**THE FINLAND
ARBITRATION
INSTITUTE**

PART OF THE FINLAND
CHAMBER OF COMMERCE

Need for a revision of the Finnish Arbitration Act

16 February 2016 / Merikalla-Teir, Savola

The Arbitration
Institute of the Finland
Chamber of Commerce

DISPUTE
RESOLUTION
SINCE 1911

Background

- **Should the Finnish Arbitration Act (1992, "FAA") be amended?**
 - FAA dates back already from the beginning of 1990s → certain provisions are clearly outdated
 - Equally important, FAA is not fully consistent with UNCITRAL Model Law and best practices in modern arbitration → this reduces Finland's attractiveness as a venue for international arbitrations
 - FAI and Finland Chamber of Commerce's view: FAA should be updated and brought fully consistent with the Model Law

Bringing FAA consistent with Model Law

- **Substantive differences between FAA and Model Law relate, in particular, to:**
 - scope of application (Model Law Art. 1)
 - form requirements for an arbitration agreement (Model Law Art. 7)
 - procedures regarding the challenge of arbitrators (Model Law Art. 13)
 - procedures regarding the arbitrator's decision on jurisdiction (Model Law Art. 16)
 - arbitrator-ordered interim measures of protection (Model Law Art. 17)

Other provisions in need of revision

- **Regardless of whether Finland adopts the Model Law or not, a number of provisions of FAA need to be amended and updated → examples:**
 - 2 §: scope of arbitrability
 - 3 §: form requirements for an arbitration agreement
 - 10, 49 §: references to the Code of Judicial Procedure should be deleted
 - 35 §: arbitral tribunal should be granted the right to issue a separate award (in Finnish: "välituomio") even if one of the parties objects to that

Other provisions in need of revision

- **Cont'd:**

- 39 §: there should be a time limit for a request for an additional award
- 40 §: there should be no provision that permits a party to bring an action for declaring an arbitral award null and void irrespective of any time limits
- 41(3) §: time limit for an action to set aside an arbitral award should be abridged from three to two months (which would correspond with the time limit for an appeal against the arbitrators' decision on compensation due to them, see 47(2) §)
- 50(1) §: actions for setting aside an arbitral award should be filed with the Court of Appeal as the first instance