Whereas, the establishment of Alternative Dispute Resolution and Conciliation helps to complement the right to justice and, in particular, contribute to the resolution of investment and commercial related disputes and to the development of the sector;

Whereas, arbitration and conciliation help in rendering efficient decision by reducing the cost of the contracting parties, protecting confidentiality, allowing the participation of experts and the use of simple procedure which provides freedom to contracting parties;

Whereas, it is necessary to provide for a general framework for the identification of arbitrable cases, management of arbitration proceedings and execution of decision by taking into account the objective condition prevailing in the country;
WHEREAS, the Proclamation helps in implementing international treaties acceded and ratified by Ethiopia;

WHEREAS, it has become necessary to amend the laws in force by taking into account the international practices and principles related to arbitration and conciliation;

NOW THEREFORE, in accordance with Article 55(1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:

SECTION ONE
GENERAL

1. Short Title

This Proclamation may be cited as the “Arbitration and Conciliation Working Procedure Proclamation No. 1237/2021”.

2. Definition

In this Proclamation, unless the context requires otherwise:

1/ “Arbitration Agreement” is an agreement to be implemented in order to partly or wholly settle future or existing dispute that may arise from contractual or non-contractual legal relationship;

2/ “Arbitral Award” means a decision rendered by a permanent arbitral institution or by an ad hoc arbitral body formed by the agreement of contracting parties;
3/ “Arbitration Center” means a Center to be established by government or under private ownership to provide arbitration service;

4/ “Court” means an organ established by law with regular judicial power;

5/ “Tribunal” means a sole arbitrator or a panel of more than one arbitrator;

6/ “Arbitrator” means an impartial natural person to be designated by contracting parties or third party;

7/ “Commercial Related” includes business relationship for the supply and exchange of goods or services, agreement for distribution, commercial agent, lease, construction, consultancy, engineering, license for commercial purpose, investment, finance, bank, insurance, mining; joint venture and other business organizations that are not prohibited by this Proclamation, transportation of persons and goods by air, sea and land and includes similar businesses arising from contractual or extra-contractual relations of a commercial nature;
8/ "Foreign Arbital Award" means an arbitral award which is deemed to have been rendered in a foreign country in accordance with international treaties acceded and ratified by Ethiopia or a decision in which the seat of arbitration is mentioned to be outside of the Ethiopian territory;

9/ "Conciliation" is a process facilitated by a third party designated by contracting parties in order to resolve existing or future dispute that may arise from contractual or non-contractual legal relationship;

10/ “Person” means a natural person or juridical person;

11/ Any expression in the masculine gender includes the feminine;

3. Scope of Application

1/ Without prejudice to the International Treaty to which Ethiopia is a signatory, this Proclamation shall apply to commercial related national arbitration, international arbitration whose seat is in Ethiopia and national conciliation proceedings.

2/ Notwithstanding the Provision of Sub Article (1) of this Article, the Provisions of Article 8, 9, 25, 26, 27, 51, 52 and 53 of this Proclamation shall apply to International arbitration situated outside of Ethiopia.
3/ The Provisions of Articles 12, 14, 16, and 17 of this Proclamation shall apply where the principal residence or the principal business place of one of the contracting parties is situated in Ethiopia and where the place of arbitration is not designated.

4. International Arbitration

1/ An arbitration shall be deemed to be International arbitration if it falls under one of the following:

a) Where the principal business place of the contracting parties are in two different countries at the time of the conclusion of the agreement;

b) Where the legal place of the arbitration chosen in accordance with the arbitration agreement or the place of the principal business where the substantial part of the obligations of the commercial or contractual relationship is to be performed or the place of business with which the subject-matter of the dispute is arised and most closely connected is located in a foreign country;

c) Where the parties have expressly agreed that the subject-matter of the arbitration agreement relates to more than one country.
2/ If a party has more than one place of business for the purpose implementing this Article, the place of business shall be that which has the closest to the arbitration agreement and, where there is no place of business, it will be the principal residence of the contracting parties.

5. Prohibition of Intervention by the Court

Court shall not intervene in arbitrable matters except where it is specifically provided for in this Proclamation.

SECTION TWO

ARBITRATION AGREEMENT

6. Forms of Arbitration Agreement

1/ Arbitration agreement shall be in writing.

2/ The arbitration agreement shall be deemed to have been made in writing where its content is recorded, signed by all parties and two witnesses even where it was made orally, by conduct or any other means.

3/ An arbitration agreement concluded by electronics media shall be deemed to have been made in written form where it is accessible for use when the information is needed.

4/ An arbitration agreement entered through electronic media shall be deemed to be concluded at a place where the offeree gives his consent to the agreement.
5/ For the purpose of this Article, ‘Electronic Communication’ means any exchange of information between the contracting parties through email or the act sending, receiving and storing of information through electronic, magnetic, optical or similar means.

7. Non-Arbitrable Cases

The following shall not be submitted for arbitration:

1/ Divorce, adoption, guardianship, tutorship and succession cases;

2/ Criminal cases;

3/ Tax cases;

4/ Judgment on bankruptcy;

5/ Decisions on dissolution of business organizations;

6/ All land cases including lease;

7/ Administrative contract, except where it is not permitted by law;

8/ Trade competition and consumers protection;

9/ Administrative disputes falling under the powers given to relevant administrative organs by law;

10/ other cases that is not arbitrable under the law.
## 8. Arbitration Agreement and Suits to be Submitted to Court

1/ Where a suit falling under an arbitration agreement is brought before a court and the defendant raises preliminary objection that the parties agreed to resolve their disputes through arbitration agreement, the court shall dismiss the suit and the parties to resolve their dispute in accordance with the arbitration agreement.

2/ Notwithstanding the provision of Sub-Article (1) of this Article, the court shall hear the case where the arbitration agreement is void and becomes ineffective;

3/ The fact that the suit mentioned in Sub-Article (2) of this Article is pending before a court does not prohibit commencement or continuation of the arbitration proceedings parallelly, and not prohibit the arbitral tribunal from rendering an award.

4/ The arbitration agreement shall be deemed null and void if it is not raised under preliminary objection.
9. **Arbitration Agreement and Provisional Interim Measure taken by Courts**

With respect to matters falling under the arbitration agreement, the contracting parties may request the court interim measures to be taken before the arbitration proceeding is initiated or during the proceedings. This shall not be considered as violation of the arbitration agreement by the contracting parties and as intervention by the court.

10. **Laws Applicable to Arbitration Agreement**

1/ The arbitration agreement and the proceedings shall be governed by the arbitration law chosen by the contracting parties.

2/ This Proclamation shall be applicable to arbitration agreement in which Ethiopia is designated as a seat of the arbitration, where the contracting parties have not chosen the applicable law, as provided in Sub-Article (1) of this Article.

3/ Notwithstanding the Provision of Sub-Article (1) of this Article, the agreement of the contracting parties shall not be applicable where it is impossible to implement the agreement on its own, or where it violates the mandatory provisions of this Proclamation.

4/ Where there is an agreement of the contracting parties that cannot be implemented as provided in Sub-Article (3) of this Article, the arbitration shall be governed by other law chosen by the parties or the Provisions of this Proclamation.
SECTION THREE

NUMBER AND DESIGNATION OF ARBITRATORS

11. Number of Arbitrators

1/ Contracting parties may determine the number of arbitrators by agreement. Provided that the number of judges shall be odd number.

2/ Where contracting parties fail to agree on the number of arbitrators, there shall be three arbitrators.

12. Appointment of Arbitrators

1/ Unless the contracting parties agree otherwise, no person shall be precluded from being designated as an arbitrator on the basis of his citizenship.

2/ Unless provided otherwise in this Proclamation, contracting parties shall be free to agree on the procedure of appointment of arbitrators, appointment of arbitration by arbitration centers or by third party.

3/ Where the contracting parties fail to agree in accordance with Sub-Article (2) of this Article, the following shall apply:

a) Where the arbitral tribunal has one arbitrator, both parties shall mutually agree on the appointment; in the case of three arbitrators, each contracting party shall appoint one co-arbitrator; and the appointed co-arbitrators shall appoint the third arbitrator who serves as the presiding arbitrator;
4/ Where the contracting party who has initiated the arbitration has notified the other party to participate in the appointment of arbitrator or properly notified to designate a co-arbitrator from his side and if he fail to reply within 30 days or deny the existence of an arbitration agreement, the requesting party shall have the right to cancel the agreement in his own time and submit his suit to the court.

5/ When the court appoints an arbitrator in accordance with paragraph (b) of Sub-Article (3) of this Article, it shall take into account the criteria stated in the arbitration agreement and the impartiality and independence of the arbitrator as well as his professional competence in relation to the dispute.
6/ Without prejudice to Sub-Article (1) of this Article, where the hearing is an International arbitration hearing conducted by a sole arbitrator, it shall be taken into account that the citizenship of the arbitrator is different from either party.

7/ No appeal shall lie from the decision of a court rendered in accordance with paragraph (b) of Sub-Article (3) of this Article.

13. Rights and Obligations of an Arbitrator

1/ When a person is requested for a position of arbitrator, he shall promptly notify any conflict of interest which interferes with, or casts reasonable doubt on, his impartiality and independence or if he has or discovers any family, loan, business or property ownership relationship with either of the contracting parties.

2/ Where an arbitrator accepts his designation, he shall notify his agreement in writing.

3/ An arbitrator shall have a right to receive fee for his service and to be reimbursed for his expenses.

4/ An arbitrator shall perform his function efficiently and take prompt action to prevent unnecessary delay of the arbitration proceeding.
5/ A person who has previously participated as an attorney, advisor, conciliator or judge of a court shall not serve as an arbitrator in the same case.

6/ An arbitrator shall not, unless it is found appropriate in the arbitration proceedings, meet with a contracting party separately.

7/ Arbitrators shall not accept any kind of gift from the contracting parties.

14. Objection to Arbitrators

1/ An objection against the appointment of an arbitrator may be made only if there are circumstances which create justifiable doubts as to his impartiality and independence, or fulfillment of the criteria stated in the arbitration agreement.

2/ A party may only challenge the arbitrator appointed by him or in whose appointment he has participated for reasons known to him after the appointment of the arbitrator.

15. Procedures of Objection

1/ Contracting parties may agree on the procedures of objection against the appointment of arbitrators.
### In the absence of agreement between the parties

In the absence of agreement between the parties, a party, who intends to raise objection against an arbitrator before a decision is made, shall submit the reasons of objection in writing to the arbitral tribunal within 15 days as of the designation of the arbitrator or the date he becomes aware of the causes of the objection.

### Unless the arbitrator against whom the objection is raised resigns willingly or the other party agrees to the objection

Unless the arbitrator against whom the objection is raised resigns willingly or the other party agrees to the objection, the tribunal shall render decision on the objection.

### A person whose objection is rejected may submit his grievance to the First Instance Court

A person whose objection is rejected may submit his grievance to the First Instance Court within 30 days from the date such decision is communicated to him. No appeal shall lie from the decision of the court.

### The court may order the suspension of the arbitration proceeding until it renders its decision on the objection

The court may order the suspension of the arbitration proceeding until it renders its decision on the objection. The court shall render decision within 60 consecutive days from the date of suspension of the proceedings.

### 16. Failure to Properly Discharge Functions

An arbitrator shall, if the contracting parties agree, be removed from his position where he is unable to properly discharge his functions on legal grounds or causes delay in performance without good cause. The contracting parties shall notify their agreement to the tribunal in writing.
2/ የጉባዔው የግሌጌለ ዲኛ የቀምል ሁኔታዎችን እንዯተቀበሇ እያስቆጥረውም፡፡ ይ而言 እንዱም የግሌጌለ ዲኛ ይስማሙ ይችሊለ፤ መስማማት ካሌቻለ ሇመጀመሪያ ዯረጃ ቤት ሉያመሇክቱ ይችሊለ፡፡

3/ የጉባዔው የግሌጌለ ዲኞች የታየው የግሌጌለ ሂዯት ካቆመበት እንዱቀጥሌ ወይም እንዯ አዱስ ሂዯቱ እንዯም የሚስማሙ ካሌቻል፤ መስማማት ካሌቻለ ሇመጀመሪያ ዯረጃ ቤት ሉያመሇክቱ ይችሊለ፡፡

17. ሁሳብ ያስብቃል ሃገራዊ ይዘት

1/ ይህ የግሌጌለ ዲኞች የታየው የግሌጌለ ሂዯት ካቆመበት እንዱቀጥሌ ወይም እንዯ አዱስ ሂዯቱ እንዯም የሚስማሙ ካሌቻል፤ መስማማት ካሌቻለ ሇመጀመሪያ ዯረጃ ቤት ሉያመሇክቱ ይችሊለ፡፡

2/ ጉባዔው የግሌጌለ ዲኞች የታየው የግሌጌለ ሂዯት ካቆመበት እንዱቀጥሌ ወይም እንዯ አዱስ ሂዯቱ እንዯም የሚስማሙ ካሌቻል፤ መስማማት ካሌቻለ ሇመጀመሪያ ዯረጃ ቤት ሉያመሇክቱ ይችሊለ፡፡

3/ የጉባዔው የግሌጌለ ዲኞች የታየው የግሌጌለ ሂዯት ካቆመበት እንዱቀጥሌ ወይም እንዯ አዱስ ሂዯቱ እንዯም የሚስማሙ ካሌቻል፤ መስማማት ካሌቻለ ሇመጀመሪያ ዯረጃ ቤት ሉያመሇክቱ ይችሊለ፡፡

2/ የጉባዔው የግሌጌለ ዲኞች የታየው የግሌጌለ ሂዯት ካቆመበት እንዱቀጥሌ ወይም እንዯ አዱስ ሂዯቱ እንዯም የሚስማሙ ካሌቻል፤ መስማማት ካሌቻለ ሇመጀመሪያ ዯረጃ ቤት ሉያመሇክቱ ይችሊለ፡፡

3/ የጉባዔው የግሌጌለ ዲኞች የታየው የግሌጌለ ሂዯት ካቆመበት እንዱቀጥሌ ወይም እንዯ አዱስ ሂዯቱ እንዯም የሚስማሙ ካሌቻል፤ መስማማት ካሌቻለ ሇመጀመሪያ ዯረጃ ቤት ሉያመሇክቱ ይችሊለ፡፡

17. ሁሳብ ያስብቃል ሃገራዊ ይዘት

1/ A substitute arbitrator shall be appointed where an arbitrator is removed or resigns from his position as an arbitrator for any reason.

2/ Unless the contracting parties agree on new terms of appointment, a substitute arbitrator shall be appointed in accordance with the same procedure that was applicable to the appointment of the replaced arbitrator.

3/ The contracting parties may agree to continue with the arbitration proceeding conducted by the replaced arbitrators from where it stopped or start a new proceeding. Where no agreement has been reached, they may apply to First Instance Court.
18. Arbitration Centers

1/ An arbitration center may be established by government or private person.

2/ Federal Attorney General shall supervise arbitration centers, issue and renew license and provided for criteria for the establishment of the same. The details shall be determined by Regulation to be issued by the Council of Ministers.

3/ This Proclamation shall not prohibit existing arbitration centers from being operational.

19. Power of Arbitration Tribunal To Determine On its Jurisdiction

1/ The tribunal shall have the power to determine the existence or non-existence of a valid arbitration agreement between the contracting parties including as to whether it has jurisdiction to hear the case or not. For this purpose, arbitration clause which is included in an agreement shall be deemed to be a separate and independent agreement. The fact that the principal agreement becomes null and void shall not make the arbitration clause null and void.

2/ An objection raised against the material jurisdiction of the tribunal shall be submitted before a hearing on point of substance as a preliminary objection. The appointment of an arbitrator by a contracting party or his participation in the process shall not prohibit him from raising the objection.
3/ An objection that the case is beyond the material jurisdiction of a tribunal shall be submitted as soon as the existence of such condition is discovered.

4/ The Tribunal may accept a late submission of an objection with regard to the material jurisdiction or the scope of its jurisdiction if it believes that there is sufficient justification for the delay.

5/ An objection against the decision of the tribunal on its jurisdiction shall be submitted to First Instance Court within one month from the date of rendering of such decision.

6/ The submission of objection in accordance with Sub-Article (5) of this Article shall not prevent the tribunal from continuing with the arbitration proceedings and rendering an award.

SECTION FOUR
INTERIM MEASURES

20. Power of the Arbitral Tribunal to Issue Order Interim Measures

1/ Unless the contracting parties agree otherwise, the tribunal may issue an order interim measure upon request made by one of the contracting parties, where it deems it necessary to take interim measures relating to the subject matter of the dispute under arbitration proceedings.
2/ The order of interim measures rendered in accordance with Sub-Article (1) of this Article shall include the following:

a) To preserve relevant evidence;

b) To properly preserve or maintain goods that are part of the dispute; to preserve under the custody of third party or to sell perishable goods;

c) To preserve assets and funds against which an arbitration decision may be given;

d) To allow the continuation of the existing conditions or to restore the status quo pending resolution of the dispute.

3/ Notwithstanding the provision of Sub-Article (1) of this Article, the tribunal may, on its own initiative, issue order of injunction to stop anything that may create an obstacle to the arbitration proceeding or bring about imminent damage.

21. Conditions for Issuing an Order Interim Measures and Security

1/ The tribunal shall, in order to issue an order of provisional interim measure, consider that irreparable damage is likely to happen if an order is not issued or the impact it may have on the person against whom the order is issued.
2/ The tribunal shall provide the other party an opportunity to be heard while rendering its decision.

3/ The contracting party who has requested the tribunal for an order of provisional interim measure may be required by the tribunal to provide sufficient security to cover the damage that may be caused by the order.

4/ The contracting party who has requested for an order of provisional interim measure may be liable for compensation in relation to damage caused by the interim measure if it is believed that the measure should not have been granted under the circumstance then prevailing.

22. Request for an Order of Precautionary Measure

1/ Unless the parties agree otherwise, a party who requested for an order interim measure without notifying the other contracting party may concurrently request the tribunal for an order of precautionary measure to be taken to prevent the latter from obstructing the implementation of the interim measure requested.

2/ The tribunal may issue the order precautionary measure without notifying the other party if it believes with sufficient cause that such notification would hinder the implementation of the interim measure.
3/ The Tribunal may give the other party against whom the order of precautionary measure issued an opportunity to respond on the subject matter.

4/ The duration of the order of precautionary measure shall be only for 30 consecutive days starting from the date of such order rendered. The tribunal may modify, confirm or reverse the order of precautionary measure issued by it in accordance with Sub-Article (2) of this Article where the other party has been informed of such order.

5/ The tribunal may order the party who requested the order of precautionary measure to provide security for the damage that may be caused by such order.

6/ The party who requested the order of precautionary or interim measure shall be responsible for the damage caused by the order where it is proved that the order was not appropriate.

23. Modification, Temporary Suspension and Reversal of Interim Measures

The tribunal may, on its own initiative, modify, suspend and reverse the order upon request by the contracting parties or in exceptional circumstances, upon prior notice to the parties.
### Notification

1/ The tribunal may order the contracting party to promptly notify it if there is any change in relation to the order of precautionary or interim measure.

2/ The contracting party who has requested for an order of precautionary measure shall notify the tribunal any change of conditions that have been the causes for issuing an order of precautionary measure or extension of the same until the other contracting party provides his defense at the tribunal.

### Recognition and Enforcement of an Order of Interim Measure

1/ Without prejudice to recognition and enforcement of foreign awards, an order of interim measure issued by a tribunal shall be binding, irrespective of the country in which it was issued.

2/ Where an order for interim measure cannot be enforced, one of the contracting parties may apply to a court for the enforcement of such order.

3/ Where the application made pursuant to Sub-Article (2) of this Article is from within the country, it shall be submitted to a court which would have had jurisdiction had it not been submitted to the tribunal. Where the order is issued by a foreign tribunal, the Federal High Court shall have jurisdiction over the case.
4/ The court to which a request has been made as provided in Sub-Article (3) of this Article shall order the contracting party to provide security where no decision has been given by the tribunal concerning security and where it finds it necessary to protect the interest of the party who has requested for the enforcement of the interim order or third parties. The request made shall be served on the other contracting party.

5/ The contracting party who has requested for the enforcement of interim measure shall inform the court promptly of any modification, temporary suspension or reversal of the interim measure.

26. Refusal of the Request for Recognition or Enforcement of Interim Measure by the Court

1/ A court may refuse the request for recognition or enforcement of an order interim measures on the following grounds:

a) Where the provisions with respect to refusal of award, in particular, loss of capacity of contracting party, absence of a valid arbitration agreement, where the subject matter of the order is not subject to arbitral submission or the tribunal has no jurisdiction or the order is beyond the scope of the tribunal;
27. Interim Measures Granted by Court

Contracting parties may request a court for an order of interim measure irrespective of the place of the arbitration of the arbitral tribunal.

SECTION FIVE

PROCEEDINGS OF ARBITRATION

28. Equal Treatment of Parties

Parties to the arbitration agreement shall be treated equally and shall be given the opportunity to present their cases and shall have the right to be heard.
29. Determination of Rules of Procedure

1/ Without prejudice to the mandatory provisions of this Proclamation, contracting parties may, by agreement, determine the rules of procedure to be applicable by the tribunal or refer to third party for determination.

2/ Where there are no rules of procedure determined in accordance with Sub-Article (1) of this Article, the tribunal shall determine rules of procedure which it deems appropriate. The Power conferred on the arbitral tribunal to determine the rules of procedure includes matters relating to admissibility, relevance and evaluation of evidence.

30. Place of the Arbitration Tribunal

1/ The contracting parties may determine by agreement the place of the arbitration that is designated as the place of arbitration by law.

2/ If the contracting parties fail to agree on the place of arbitration, the arbitral tribunal shall determine the place appropriate for the case.

3/ Notwithstanding Sub-Articles (1) and (2) of this Article, the arbitration tribunal may, unless otherwise agreed by the contracting parties, conduct the arbitration in another place, as may be necessary, for the purpose of consultation, hearing witnesses, receiving testimony of experts, and inspecting property and documents.
### 31. Commencement and Notification of Arbitral Proceedings

1/ Unless the parties agree otherwise, the date the defendant receives the plaintiff’s request that he has decided to refer the dispute to arbitration shall be deemed to be the commencement date of the arbitral proceedings. The request for arbitration shall be in writing and shall specify the names of the parties, the dispute that gives rise to the arbitration and the arbitration clause for initiating such arbitration.

2/ The party who has received the request for arbitration shall reply in writing within 30 consecutive days whether there is an arbitration agreement or not, about the dispute and his interest to continue with the arbitration.

3/ The requesting party shall have the right to apply to a court where the party to whom a request has been made denies the existence of an arbitration agreement or expresses no interest in continuing with the arbitration or has not replied within the time limit specified in Sub-Article (2) of this Article.

4/ Parties may be represented by a person of their choice or an attorney. A party who intends to be represented at the arbitration proceedings shall send a notice consisting of the name and address of the agent to the other party and the tribunal.
Unless the parties agree otherwise, summon of the arbitration suit and any notice shall be served through the following options:

a) A notice shall be deemed to have been delivered where it has been served on the concerned person or legal representative in person, on work place or principal residence, sent through the email addresses used by the parties or the email addresses mentioned in the main contract;

b) Where a reasonable efforts has been made to serve notice or summon on the party based on the provision of paragraph (a) Sub-Article (5) of this Article and has produced no result, such notice or summon shall be deemed to have been served if it is delivered at his last known principal residence or place of business or if it sent through his postal or email addresses used by him or delivered by courier or by any other means of written communication that shows that the notice or summon has been delivered.

c) The notice or summon shall be deemed to have been served and the suit shall be heard ex-parte if the party was not willing to accept the notice or summon and his refusal is ascertained by the tribunal.
6/ The time limit of a notice or summon served with the options provided for in Sub-Article (5) of this Article shall begin to run on the following day after the delivery of the notice or summon.

32. Language

1/ Contracting parties may, by agreement, determine the language to be used in the arbitration proceedings.

2/ The arbitral tribunal may determine the appropriate language for the arbitral proceedings where the parties fail to agree on the choice of language.

3/ The arbitral tribunal may order that documentary evidence be submitted accompanied by a translation to the language or languages chosen under the agreement of the parties or the language determined by the tribunal.

4/ Unless the contracting parties agree otherwise, the arbitral tribunal shall, in order to translate to the language he understands or to the sign language, assign a translator to a contracting party, witness or expert who cannot communicate in the working language of the tribunal.

33. Statement of Claim and Statement of Defense

1/ The statement of claim shall, by citing the arbitration clause, be submitted with supportive evidence by including the addresses of the plaintiff and the defendant, the claim and material facts supporting his request, the reliefs sought by the plaintiff.
2/ The statement of claim shall be submitted within the period:

   a) Stated in the arbitration agreement,

   b) Stipulated in the rules of procedure of the arbitration center that the parties have chosen, or

   c) Set out by the arbitral tribunal provideded that there is no agreement by the parties.

3/ The defendant shall prepare and submit his statement of defence by including the material facts stated in the statement of claim with the supportive evidence.

4/ Where the time period for submitting a statement of defence is not determined, the defendant shall submit the same within 60 days from the date of receipt of the statement of claim.

5/ Unless the contracting parties agree otherwise, any contracting party may amend his statement of claim or statement of defence and submit additional evidences in the course of the proceeding unless the tribunal considers the reason for not amending the statement or submitting the evidence is sufficient and finds it to be inappropriate by taking into account the stage of the proceeding.
34. Oral and Written Arguments

1/ Without prejudice to the agreement made between the parties in dispute, the power to hear oral litigation and take the necessary actions based on documentary and other material evidence shall be vested on the arbitral tribunal.

2/ Unless the parties in dispute agree to abandon oral litigation, the tribunal shall provide the parties with sufficient time for preparation after having decided on conducting of litigation and submission of evidence. If they request for oral argument, the tribunal shall conduct the same within reasonable period of time.

3/ All statements, documents and other evidence submitted to the tribunal by any of the parties during the proceedings shall also be provided to the other party. Likewise, all expert statements on which the tribunal bases its arbitral award shall be given to the parties in dispute.

35. Non-Appearance of a Party in Dispute

Unless the contracting parties agree otherwise:

1/ Where the plaintiff fails to submit the statement of claim in accordance with Sub-Article (1) of Article 33 of this Proclamation, the arbitral tribunal shall dismiss the suit.
2/ የወጣው ወገን በአካሌ ያሌቀረበ ለማንኛውም ወይም ሰነድችን ሊወጣው ወይም በአካሌ ያሊቀረበው ወይም የማስረጃዎቹን ሊወጣው ውሳኔ ይሰጣሌ፡፡

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5/ ዋጋውን አክብሮ ሇመጣው ወገን ጉባዔው በፌትሏብሔር ሥነ-

6/ ላይ እና ኪሳራ ይወስናሌ፡፡

\[\text{2/) Where the defendant fails to submit his statement of defence in accordance with the provisions of this Proclamation, the arbitral tribunal shall proceed with the proceedings without considering such event as admission of the pleader’s claim.}\\
\[\text{3/) If a plaintiff fails to appear at the hearing and the defendant admits the claims, the arbitral tribunal may pass decision on such admission and dismiss the case if the defendant denies the claims of the plaintiff.}\\
\[\text{4/) Where none of the parties appear in person or no document have been submitted, the tribunal may continue the proceeding and make an arbitral award on the basis of the evidence submitted to it.}\\
\[\text{5/) Notwithstanding the Provision of Sub-Article (4) of this Article, the tribunal may terminate the proceedings, restart the proceedings or allow the submission of evidence if it recognizes that the contracting party has sufficient reason for not appearing in person at the hearing or submitting its evidence.}\\
\[\text{6/) The tribunal shall award such cost and expenses in accordance with the Civil Procedure Code for the party who has appeared before the tribunal.}\\

36. Assignment of Expert

1/ Unless the contracting parties agree otherwise, the arbitral tribunal may:

a) Assign one or more expert who can provide expert opinion orally or in writing;

b) Request any contracting party to provide relevant information to the expert, or to create conducive environment for the expert to inspect and examine relevant documents, objects and other property.

2/ Unless the contracting parties agree otherwise, the expert may, upon the request of the contracting parties, or where the tribunal finds the appearance of the expert necessary, on its own initiative, order the expert to present his expert opinion in writing, orally or by any other means to provide responses to questions raised by contracting parties by appearing in person at the tribunal.

3/ The contracting party may challenge the professional competence, impartiality and independence of the expert with respect to his expert opinion.
37. Support of Court in Receiving Evidence

1/ The arbitral tribunal may, upon its own initiative or based on the request of the contracting party, request the assistance of the court that has material jurisdiction over the case in receiving evidence and executing its order where such matter does not fall within its competence or cannot be executed by itself.

2/ The court to which a request has been made in accordance with Sub-Article (1) of this Article shall, unless the court dismiss the request in accordance with the law, hear evidence or give order for the hearing of same and notify the arbitral tribunal, in writing, about the results.

3/ The court may allow the tribunal and the contracting parties to participate in a hearing to be conducted in accordance with Sub-Article (2) of this Article, as may be necessary.

38. Recording of the Proceedings in Writing

1/ The tribunal shall reduce the arbitration proceedings in writing. The parties in dispute or participants of the proceedings may request corrections to be made where their statements are not fully captured or if they believe that there are errors.
2/ The acceptance or rejection of the request for correction shall be stated in the file.

3/ The arbitrators shall put their signature on each page of the file and a seal shall be affixed thereto. However, where an ad hoc arbitration panel is established and if such panel does not have its own seal, the signature of the arbitrators shall suffice.

39. Confidentiality

Unless otherwise provided by law or agreement, the proceedings and arbitral award of the tribunal shall be kept confidential.

40. Intervention of Third Parties and Accountability

1/ Any third party whose interest could be affected by the arbitral award may intervene in the arbitral proceedings before the arbitral award is rendered upon submission of their application to the tribunal.

2/ The contracting parties may apply to the tribunal for the intervention of third parties in the proceedings with the intention of holding the latter liable to them or requiring such parties to pay them compensation.

3/ Third parties may only participate in the proceedings if the contracting parties including the third party give their consent to such intervention.
SECTION SIX

ARBITRAL AWARD AND TERMINATION
OF THE PROCEEDINGS

41. Applicable Laws on the Subject Matter of the Case

1/ The arbitration tribunal shall have the obligation to apply the substantive law chosen by the contracting parties to international arbitration.

2/ Unless specifically agreed otherwise, any choice of law made by agreement of the parties shall be deemed to be the substantive law of that country and not that of the conflict of laws rules.

3/ Where no substantive law has been chosen by agreement in accordance with Sub-Article (1) of this Article, the tribunal may choose a substantive law close and relevant to the subject matter of the dispute.

4/ Where the subject matter of the dispute does not have an element of international arbitration, Ethiopian law shall apply.

5/ An arbitral award may be granted based on equity or known commercial practices where such power is expressly given to the tribunal by the contracting parties or the applicable law authorizes such application.
42. **Arbitral Award Rendered by More Than One Arbitrator**

1/ Unless the contracting parties agree otherwise, decision shall be rendered by majority vote where the number of arbitrators is more than one. Dissenting opinion shall be recorded.

2/ Unless the contracting parties agree otherwise, where one of the arbitrators is not willing to cast his vote on the decision, he shall notify the contracting parties and the rest of the arbitrators shall render decision.

3/ An arbitrator may pass decisions on procedural matters with respect to powers given to him by contracting parties or other arbitrators even where the quorum is not present.

43. **Arbitral Award Rendered on the Basis of an Agreement**

1/ The arbitral proceedings shall be terminated where the contracting parties have resolved their dispute by agreement before an arbitral award is rendered on the subject matter of the arbitration.
2/ Where the contracting parties request the tribunal to register their agreement in accordance with Sub-Article (1) of this Article and if such agreement does not contradict with public morality and security, the matter resolved by agreement shall be deemed to be an award of the tribunal and registered in the tribunal’s registry and shall have the same legal effect as any award granted by the tribunal.

44. Form, Content and Effect of Arbitral Award

1/ The arbitral award shall be in writing and signed by the arbitrator or arbitrators. Where an arbitral award is rendered by a tribunal with more than two arbitrators, the signature of the majority shall suffice and the arbitrator who has not signed on the arbitral shall state his reasoning.

2/ Unless there is an agreement between the contracting parties not to disclose the reason or the arbitral award is granted based on mutual consent as provided in Article 43 of this Proclamation, the grounds of the award shall be recorded in the file of the tribunal.
### Termination of Arbitration Proceedings

1/ Arbitration proceedings shall terminate on the following grounds:

a) Where the plaintiff withdraws his suit and the granting of the award will not be in the interest of the defendant;

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3/ The award shall state the claim, the material facts in dispute, the name, address and, where necessary, the Citizenship of the contracting parties, grounds for rendering the award, the costs of and mode of payment of costs of arbitration, the date of the award, and place of the arbitral award as stipulated under Article 30 of this Proclamation.

4/ A copy of the award duly signed by the arbitrators in accordance with Sub-Article (1) of this Article shall be provided to each contracting party within 15 days from the date of signing of the award.

5/ Notwithstanding the provisions of Sub-Article (4) of this Article, the tribunal shall not be compelled to issue a copy of the award to a contracting party who fails to settle payment until the arbitration fee and costs are fully paid as provided for in the award.

6/ Any decision of the arbitral tribunal shall be deemed to be a decision given by a court and shall be binding on the parties and prevents from bringing suit on similar matter between such parties.
Where the parties agree to terminate the arbitration proceedings;

Where the arbitral tribunal finds the continuation of the proceedings unnecessary or there is sufficient reason for not continuing the proceedings;

Where an arbitral award is rendered;

On any other grounds expressly provided for in other laws;

When the arbitral proceedings are terminated in accordance with Sub-Article (1) of this Article, the tribunal shall pass decision regarding the cost of arbitration.

Costs of Arbitration

Unless the contracting parties agree otherwise, the modes of payment of costs necessary for the arbitration and service fees of arbitrators may be determined by the tribunal.

An appeal may be lodged against a decision rendered by the tribunal in accordance with Sub-Article (1) of this Article to the First Instance Court.

Corrections, Interpretations and Additional Arbitral Award

Unless the parties agree otherwise, any party may within 30 days from receipt of the award:
a) request the tribunal for correction of clerical errors, numerical errors, unintended and inadvertent omission of words by notifying the other party;

b) request the tribunal to give an interpretation on specific issue or part of the award by notifying the other party;

c) request the tribunal for additional award on the part of the award that has been omitted by notifying the other party.

2/ Where the arbitral tribunal accepts the request submitted in accordance with paragraph (a) and (b) of Sub-Article (1) of this Article, it shall make the necessary correction or provide interpretation within 30 (thirty) days from the receipt of the request. The correction made or interpretation provided by the tribunal shall be deemed to be part of the award.

3/ Where the arbitral tribunal discovers the errors stated under paragraph (a) of Sub-Article (1) of this Article, it may make correction upon its own initiative within 30 days from the date of rendering of the award.
4/ Where the arbitral tribunal accepts the request submitted in accordance with paragraph (c) of Sub-Article (1) of this Article, it shall render additional award within 60 days from the date of receipt of the request. The additional award shall be deemed to be part of the previous award.

5/ Where the arbitral tribunal finds it necessary, it may extend the period mentioned in Sub-Articles (2) and (4) of this Article for additional 20 days in order provide interpretation or render additional decision.

6/ The provisions of Article 44 of this Proclamation may be applicable with respect to making of correction, providing interpretation and rendering of additional decision.

SECTION SEVEN

OBJECTIONS AGAINST ARBITRAL AWARDS

48. Objections Raised Against Arbitral Awards

1/ A contracting party or a third party who should have been party to the arbitration proceeding and whose right has been affected by the arbitral award may, within 60 days from the date he became aware of such award, submit his objection against the arbitral award or the execution of the same to the court which has jurisdiction over the case had it not been submitted to arbitration.
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<td>2/</td>
<td>Where the third party who submits his objection had previously submitted the same to the tribunal that heard the case and had intervened in the arbitration proceedings; he may not submit his objection in accordance with Sub-Article (1) of this Article.</td>
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<td>3/</td>
<td>Where the person who raised the objection is among the contracting parties, the court shall remand the award to the tribunal for amendment.</td>
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<td>4/</td>
<td>Where the person who raised the objection is a third party, the court may reverse or modify, partly or wholly, the arbitral award.</td>
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<td>5/</td>
<td>The provisions of the Civil Procedure Code regarding objection to judgement and execution of order shall be applicable in so far as they are consistent with this Proclamation.</td>
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### 49. Appeal

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<tr>
<td>1/</td>
<td>Unless the contracting parties agree otherwise in their arbitration agreement, no appeal shall lie to the court from an arbitral award.</td>
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<tr>
<td>2/</td>
<td>Unless there is agreement to the contrary, an application for cassation can be submitted where there is a fundamental or basic error of law.</td>
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<tr>
<td>3/</td>
<td>Notwithstanding any agreement to the contrary, no appeal shall lie from arbitral award rendered in accordance with Sub-Article (5) of Article 41, Article 43 and Sub-Article (2) of Article 44 of this Proclamation.</td>
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</table>
4/ An appeal shall lie from arbitral award to the court that has an appellate jurisdiction had the case been heard by regular Court that has jurisdiction over the case. The Memorandum of Appeal shall be filed within 60 days from the date of delivery of the arbitral award to the appellant.

5/ The relevant provisions of the Civil Procedure Code with respect to appeal from judgement shall be applicable to an appeal that lies from arbitral award.

6/ The Court to which an appeal is lodged pursuant to Sub-Article (5) of this Article shall have the power to suspend the arbitral award for a period not exceeding 60 days and to render appropriate decision on the appeal in accordance with the Civil Procedure Code.

50. Setting Aside an Arbitral Award

1/ Notwithstanding any agreement to the contrary, contracting parties may apply to the court that has jurisdiction over the case had the case not been submitted to arbitration to have the arbitral award set aside.

2/ An application to have an arbitral award set aside may be lodged on the following grounds and the burden of proof of the existence of the alleged ground rests with the applicant:
a) The applicant does not have the capacity to conclude an arbitration agreement as provided for in the law in force;

b) The arbitration agreement becomes null and void under the applicable law chosen by the contracting parties or by Ethiopian law or such agreement has expired;

c) The applicant shows that he has not been given proper notice about the appointment of arbitrators, arbitration proceedings or has not been able to present his case during the proceedings;

d) The arbitrators did not make the award by maintaining their impartiality or independence or have delivered the award by receiving bribe;

e) The subject matter of the arbitral award is beyond the scope of the arbitration agreement or the award rendered is beyond jurisdiction the tribunal;

f) The process of establishment of the tribunal and the procedure applicable in the course of the proceedings contradicts with agreement of the contracting parties and has influenced outcome of the award.
3/ The application shall be submitted within 30 days from the date of delivery of the arbitral award to the applicant. However, an application to have the award set aside shall not be acceptable if it has been enforced by Ethiopian court.

4/ The court may set aside the arbitral award if the following conditions exist:

a) The matter upon which the award is based is not arbitral under the Ethiopian arbitration law;

b) The recognition and enforcement of the arbitral award creates problem on public morality, policy or national security;

5/ The court to which an application to set the award aside may suspend the arbitral award for not exceeding 60 days in accordance with the Civil Procedure Code before a decision is made on the application.

6/ The court may, by taking into account the reason for the submission of the application, refer the matter to the tribunal before of which the case was initially heard by suspending the award wholly or partially.

7/ Where the application is accepted and the award is set aside wholly, the arbitral award shall be null and void. Where the award is partly set aside, the part that is not set aside shall remain valid.
8/ No appeal shall lie from the decision rendered by a court on the application.

SECTION EIGHT
RECOGNITION AND EXECUTION OF ARBITRAL AWARD

51. Execution of Arbitral Awards

1/ Without prejudice to the provisions Articles 50 or 52 of this Proclamation, an arbitral award rendered in Ethiopia or in a foreign country shall be deemed to be binding and shall be executed pursuant to Civil Procedure Code by applying to a court that is empowered to execute the award had the case been heard by a court.

2/ Any party who seeks the execution of arbitral award by a court shall submit the arbitration agreement, the original award or an authenticated copy of the award.

3/ Without prejudice to Sub-Article (2) of this Article, Arbitral awards brought into Ethiopia for recognition or execution shall be authenticated by the relevant organ.

4/ Without prejudice to Sub-Article (2) of this Article, where the award is rendered in a language different from the language of the executing court, the applicant shall produce a translation of these documents into the language of the court.
### 52. Objection to Enforcement of Arbitral Award

1/ An objection to the enforcement of arbitral award may only be made, where an application made to the court previously to have the award set aside has not been dismissed.

2/ An objection to enforcement of arbitral award may only be made on the following grounds:

   a) The person who objects to the enforcement was under legal capacity pursuant to the law applicable to him or if the arbitration agreement is null and void under applicable law chosen by the parties or, in the absence of such agreement, under Ethiopian law.

   b) The applicant shows that he has not been given proper notice about the appointment of the arbitrator or the arbitral proceedings or has not been able to present his case;

   c) The arbitrators did not grant the award by maintaining their impartiality and independence or have delivered the award by receiving bribe;
d) The subject matter of the arbitral award is beyond the scope of the arbitration agreement or the award rendered is beyond the jurisdiction of the tribunal;

e) The process of establishment of the tribunal and the procedure that has been implemented in the course of the proceedings contradicts with agreement of the contracting parties or the provisions of this Proclamation and has impacted the outcome of the award.

f) The arbitral award has not reached its final stage or is reversed or suspended.

3/ The court may set aside the arbitral award if the following conditions exist:

a) The matter upon which the award is based is not arbitrable under this Proclamation;

b) The recognition or enforcement of the arbitral award create problem on public morality, policy or national security.

4/ Upon request by the arbitral award creditor for the enforcement or non enforcement of the award, the court may make an adjournment to examine the matter by ordering award debtor to produce sufficient security.
5/ No appeal shall lie from the decision rendered by a court on the application of non enforcement.

53. Recognition and Enforcement of Foreign Arbitral Awards

1/ Where a foreign arbitral award falls under International Treaties ratified by Ethiopia, it may be recognized or enforced in accordance with such treaties.

2/ Without prejudice to Sub-Article (1) of this Article, a foreign arbitral award shall not be recognized or enforced only on the following grounds:

a) Where it is not based on reciprocity;

b) Where the arbitral award is based on invalid arbitration agreement or rendered by a tribunal which is not established in accordance with the law of the country in which such award is rendered;

c) The arbitral award rendered cannot be enforced in accordance with Ethiopian law;

d) Where the parties have not had equal rights in appointing the arbitrators or had in presenting their evidence and getting heard in the course of the proceedings;
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<td>e) Where the matter on which the award is rendered is not arbitrable under Ethiopian law;</td>
<td>e) Where the matter on which the award is rendered is not arbitrable under Ethiopian law;</td>
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<tr>
<td>f) Where the arbitral award contravenes public policy, moral and security.</td>
<td>f) Where the arbitral award contravenes public policy, moral and security.</td>
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3/ An application for the enforcement of arbitral award in accordance with Sub-Articles (1) and (2) of this Article shall be submitted to Federal High Court.

SECTION NINE
CONCILIATION

54. Dispute Resolution Through Conciliation Agreement
Contracting parties may express their agreement, in writing or in any other means, to resolve future or existing dispute through conciliation. This agreement shall only be applicable between the contracting parties.

55. Agreement made in Writing
1/ Written agreement made to resolve dispute, as regards the subject matter of the agreement, may be raised as a preliminary objection in the suit brought to the court and bar the court from hearing the case.
2/ The court may hear the case brought where it decides that the conciliation agreement is of no effect, or the period for conciliation stated in the agreement has been expired or the court believes that there is no sufficient ground to start the conciliation.

3/ Notwithstanding the provision of Sub-Article (1) of this Article, written conciliation agreement may not bar contracting parties to request, a court that has jurisdiction, an order of interim measures.

56. Commencement of Conciliation

1/ The party who initiates conciliation shall notify orally or in writing to the other party his invitation to conciliate by identifying the subject matter of conciliation and determining the date of response.

2/ The conciliation proceedings shall commence if the other party expresses his acceptance within the period mentioned under Sub-Article (1) of this Article.

3/ Where the other party does not respond within 30 days from the date of receipt of notification from the other party or upon expiry of the date of response, the party who initiate the conciliation may treat this as a rejection of the invitation to conciliate and shall notify the other party his revocation of the invitation.
### 57. Number of Conciliators

1/ Unless the parties agree otherwise to have two or more conciliators, the conciliation proceeding shall be guided by one conciliator.

2/ Where the number of conciliators is more than one, the conciliators shall act jointly.

### 58. Appointment of a Conciliator

1/ Unless the parties agree upon different procedures, they shall strive to agree on the number and identity of conciliators.

2/ Contracting parties may request support from an institution or an individual to nominate a person suitable to act as a conciliator or to directly designate a conciliator.

3/ An institution or individual to whom a request has been made for nominating or appointing a conciliator in accordance with Sub-Article (2) of this Article shall take into consideration the independence, impartiality of the conciliators and, where appropriate, whether the Citizenship of the conciliator is different from that of the contracting parties.
4/ The conciliator shall, upon appointment or at any time thereafter, disclose to contracting parties without delay any circumstances that may arise in the process of conciliation as of the time of his appointment and which he expects may cause reasonable doubt on his independence and impartiality.

59. Submission of the Case to the Conciliator

1/ Upon appointment, the conciliator may request the parties to notify him in writing about the overall conditions and material facts of the dispute under conciliation. Each party shall provide the other party with the copy of the supplementary statement that he has submitted to the conciliator.

2/ The conciliator may, in addition, request the parties to submit in writing any facts which strengthen the case with supporting documents or any other evidence.

3/ The conciliator may request any contracting party to submit to him any additional evidence which he deems appropriate at any stage of the conciliation proceedings.

60. Conciliation not Bound by Other Laws

Without prejudice to the agreement of the parties to the contrary, conciliation shall not be bound to be governed by any other substantive or procedural laws.
### 61. The Role of the Conciliator

1/ The conciliator shall assist the contracting parties to resolve their dispute by maintaining his independence and impartiality.

2/ The conciliator shall, based on reasons and principles of justice, shall take into account the rights and duties of the parties, the customary practice and the circumstances surrounding the dispute including the long standing working or business relationship between the contracting parties.

3/ The conciliator may conduct the conciliation in a manner he considers appropriate by taking into account the interests of the contracting parties and the need for speedy resolution of the dispute including hearing oral statements about the circumstances surrounding the case.

4/ The conciliator may, at any stage of the conciliation proceedings, forward proposals for conciliation. He shall not be obliged to put his proposals in writing and provide reasons thereof.

### 62. Request for Administrative Support

The contracting parties or the conciliator upon obtaining the consent of the contracting parties to facilitate the conciliation, may seek administrative support from a relevant institution or individual.
63. Communication Between the Conciliator and the Parties

1/ The conciliator may, when he finds it necessary, communicate orally or in writing with the contracting parties together or with each of them separately.

2/ Unless there is an agreement made between the contracting parties, the conciliator shall, in consultation with the parties and by taking into account the circumstances surrounding the conciliation, determine the place of meeting.

64. Disclosure of Evidence

1/ Unless it is found to be necessary for the enforcement, the conciliation agreement shall be kept confidential.

2/ The conciliator may disclose to a contracting party the information that he has acquired about the dispute from the other party.

3/ Notwithstanding the provision of Sub-Article (1) of this Article, the conciliator shall not disclose the information if the party who gave the information has requested that it be kept confidential.

65. Co-operation of the Parties with the Conciliator

The parties shall co-operate with the conciliator in good faith, and shall, when requested by the conciliator, provide documents and evidence and attend meetings during discussion.
66. **Suggestions by the Contracting Parties for Conciliation**

Each party may, on its own initiative or upon request by the conciliator, submit suggestions for the settlement of the dispute.

67. **Settlement Agreement**

1/ Where the conciliator believes that there exists a proposal for conciliation that may be acceptable to the contracting parties, he shall formulate the terms of conciliation and submit them to the parties for their observations. The conciliator may modify the terms of the conciliation in line with the observations of contracting parties.

2/ Where the parties agree to resolve the dispute, they may draw up and sign a written settlement agreement. The conciliator may, if requested by the contracting parties, draw up, or assist the parties in drawing up, the settlement agreement.

3/ Waiver of a right by a contracting party under the settlement agreement shall only have effective only when the other party states the existence of the right. The capacity and form requirements shall be observed for the transfer the waived right.

4/ The conciliator shall authenticate the settlement agreement and furnish a copy thereof to each contracting party.
68. Effect and Enforcement of Settlement Agreement

With regard to the subject matter of the agreement between the contracting parties, the settlement agreement shall be deemed to be final and non appealable decision. The execution shall be made by the court that has material jurisdiction and which is located at the place where the settlement agreement is reached.

69. Termination of Conciliation Proceedings

Conciliation proceedings shall be terminated under the following conditions:

1/ Where the conciliator in consultation with the parties declares that there is no need to continue with the proceedings;

2/ Where the parties notify the conciliator in writing that the conciliation is terminated;

3/ Where one of the parties notifies the other party and the conciliator in writing that he has terminated conciliation process; or

4/ Where the settlement agreement is made.

70. Resort to Court or Arbitral Proceedings

1/ Unless the conciliator, within the period specified under the agreement or where there is no specified time within 6 months from of his appointment or unable to perform the task or gave written declaration of unable to conclude the conciliation, the contracting parties shall not resort to the court or arbitral tribunal.
2/ Notwithstanding the provision of Sub-Article (1) of this Article, contracting parties, with regard to their rights, may resort to the court to request for the order of interim measures. The request shall be submitted to a court located at the place where the settlement agreement is underway and that have material jurisdiction on the subject matter.

71. Objection of Settlement Agreement

1/ Objection shall not be raised, in relation to the rights that are reached settlement agreement on the ground of mistake committed by the parties or by one of them.

2/ Without prejudice to Sub-Article (1) of this Article, an objection to the execution of the settlement agreement may only made where the existence of the following grounds is ascertained by the party who objects the settlement agreement.

a) The settlement agreement is null and void;

b) The settlement agreement lacks clarity;

c) The settlement agreement is contrary to good conduct or violates public peace and policy;

d) Contracting parties lacks capacity to conclude the agreement.
3/ The settlement agreement may be invalidated on the ground of fundamental error where the document obliged the parties itself is null and void.

4/ The settlement agreement may be invalidated where the consent of the contracting parties or one of them is obtained by a document which proved to be false.

5/ The settlement agreement shall remain valid where the contracting parties aware that the document is void or false.

72. Interpretation of Settlement Agreement

Settlement agreement shall be interpreted in a narrow manner.

73. Cost of Conciliation and Payment

1/ Unless the parties agree otherwise, no payment shall be made to the conciliator for his service except for reimbursement of expenses incurred for the purpose of conciliation.

2/ The conciliator shall, upon termination of the conciliation proceedings, determine the cost incurred and notify the same to the contracting parties.

3/ The cost stated in Sub-Article (2) of this Article shall include the following:

- a) Payments made and costs incurred for witnesses summoned by the conciliator with the consent of the conciliator and the contracting parties;
b) Service charge for expert opinion or advice provided by an expert upon the request of the conciliator with the consent of the contracting parties;

c) Payments made for services rendered in accordance with this Proclamation;

d) Other expenses incurred, and payments made, in connection with the conciliation proceedings.

4/ Unless the contracting parties agree otherwise, the costs and payments shall be borne jointly by the parties. However, expenses related to one of the parties shall be borne by that party.

74. Prohibition

Unless the parties agree otherwise, a conciliator shall be prohibited from:

1/ Acting as arbitrator, attorney or agent in any arbitration or judicial proceeding in matters related to the conciliation handled by him;

2/ Appearing as a witness before any arbitration or judicial proceeding for the contracting parties.

75. Matters Inadmissible as Evidence

The contracting parties shall be prohibited to submit the following as evidence: in arbitral or judicial proceedings:

1/ Suggestions or views forwarded by one of the contracting parties with the intention of settling a dispute;
2/ An admission made by one of the contracting parties in the course of conciliation proceedings;

3/ A settlement proposal submitted by a conciliator and the consent of one of the party to such proposal.

76. Reimbursement of Court Fee

1/ Where the contracting parties had instituted a suit in a court and have resolved their dispute through conciliation by withdrawing their suit, the court fee shall where appropriate be reimbursed to them.

2/ The details for the implementation of the provisions of Sub-Article (1) of this Article shall be provided for in a Regulation to be issued by the Council of Ministers.

SECTION TEN
MISCELLANEOUS PROVISIONS

77. Transitional Provisions

1/ Any arbitration agreement signed before the coming into force of this Proclamation shall be governed by the law that had been in force before the effective date of this Proclamation.

2/ Arbitral proceedings initiated before the coming into force of this Proclamation or cases of arbitration pending before courts, ongoing proceedings and execution of decisions shall be governed by the law in force before the coming into force of this Proclamation.
3/ Contracting parties who have concluded arbitration agreement or in the process concluding an agreement before the coming into force of this Proclamation may agree to be governed by this Proclamation.

78. Inapplicable Laws

1/ The provisions of Articles 3318 to 3324 of the Civil Code which deals about conciliation and the provisions Articles 3325 to 3346 of the Civil Code which deals about arbitrator shall be repealed by this Proclamation.

2/ The provisions of the civil procedure code from Articles 315 to 319, 350, 352, 355-357 and 461 which deals about arbitrator repealed by this Proclamation.

3/ Other law or customary practices that are inconsistent with this Proclamation shall not be applicable with respect to matters provided for in this Proclamation.

79. Applicable Laws

The Provisions of the Civil Procedure Code that may help the implementation of the conciliation or arbitration proceedings or related to the proceedings and not contravene this Proclamation shall be applicable.
80. Power to Issue Regulations And Directive

1/ The Council of Ministers may issue Regulations necessary for the implementation of this Proclamation.

2/ Federal General Attorney may issue Directive to implement this Proclamation or the Regulation to be issued to implement this Proclamation.

81. Effective Date

This Proclamation shall enter into force from the date of its publication in Federal Negarit Gazette.

Done at Addis Ababa, on this 2nd Day of April 2021.

SAHELEWORK ZEWDE

PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA