



DELTA legal

Legal News

Slovak Desk

The Slovak Desk has been opened!

We are pleased to now offer our clients legal services in Slovakia in all of the firm's [practice areas](#).

The lawyers on the Slovak Desk, [Lýdia Schmidtová](#) and [Henrieta Hovanová](#), studied in Slovakia and have experience providing legal services in Slovakia and in the Slovak language. In addition, the team can be enlarged by other DELTA legal lawyers to create a unified team of experts covering all areas of law.

Welcome to new colleague!

[Henrieta Hovanová](#) has joined the DELTA legal team. She specializes in commercial and corporate law, dispute resolution and public procurement law, PPP projects and real estate.

A member of the Czech Bar Association, Henrieta studied Slovak law at Pavol Jozef Šafárik University in Košice and is a Slovak native speaker. She joins DELTA legal's Slovak Desk.



Does the arbitration clause in your contract refer to a validly established permanent arbitration court?

For more information, please see below.

DELTA legal, advokátní kancelář s.r.o., identification number 032 19 259, VAT CZ 032 19 259 with its registered office at Krakovská 1392/7, Nové Město, 110 00 Praha 1, registered in the Commercial Register maintained by the Municipal Court in Prague, file number C 228808

6 January 2015

The amended Act on Arbitration significantly limits the range of entities entitled to establish a permanent arbitration court

New criterion to determine whether a dispute can be arbitrated

Act No. 336/2014 Coll., which came into effect on 1 January 2015, has significantly changed the process of arbitration. In the first part of the Act on Arbitration, the amendment implements only one criterion to determine whether a dispute can be arbitrated – whether the legal relationship can be the subject matter of a settlement agreement – and this criterion supersedes the material character of the dispute. Referring to the separate Act No. 335/2014 Coll., on consumer arbitration, the amendment also expressly states that disputes between consumers cannot be judged according to the Act on Arbitration and are exclusively ruled by this separate act.

The amendment also confirms that by assigning the rights or obligations from the contract, including the arbitration clause, the parties to the arbitration agreement change as well. Furthermore, the amendment unifies the requirements for concluding the arbitration agreement in electronic form with the general requirements in Section 40 of the Civil Code. This leaves no room for doubt that the requirements for written arbitration agreements are stricter than for legal acts made in electronic form.

We highly recommend to verify whether the arbitration clause in your contract refer to a validly established permanent arbitration court

Among the biggest changes are the restrictions on the entities authorized to establish a permanent arbitration court. As of 1 January 2015, a permanent arbitration court can be established only by an association of legal entities, a national sports federation, the Slovak Olympic and Paralympic committee, or a chamber established by law. From 1 January 2015 it will no longer be possible for companies to establish permanent arbitration courts. The permanent arbitration courts must adapt to these new conditions by 1 April 2015, for example by forming an association of legal entities. **In such a case, an arbitration agreement referring to a permanent arbitration court established under the previous laws automatically refers by operation of law to a new permanent arbitration court**, unless the parties agree otherwise after 31 December 2014 or any of the parties submits a claim to a general court before submitting a claim to a permanent arbitration court. **If the permanent arbitration court does not adapt to the legal requirements in the above-stated period, the arbitration clause remains valid, but the institutional arbitration will change to an ad hoc arbitration.** This means that the arbiter for the particular dispute will need to be agreed with the counterparty and the arbitration will not be ruled by the arbitration rules of the previously agreed permanent arbitration court. It is therefore questionable whether the parties will be interested in having such an arbitration clause in their contract.



How we can help

The amendment further introduces two types of arbitration interim injunctions: (i) interim injunctions that are enforceable titles, and (ii) interim injunctions that do not have such legal power. Two conditions must be fulfilled for the interim injunctions to have the legal power of an enforceable title: the proposal for the interim injunction must be delivered to the other party and the other party must have sufficient time to make a statement to the proposal.

We will be happy to help you (i) establish an association of legal entities or (ii) to revise the arbitration clause, including drafting of the new arbitration clause.



For more information please contact Lúdia Schmidtová at lydia.schmidtova@deltalegal.cz or +420773538075, or your usual contact person in our office.

This document is intended as a general communication. It is not legal advice and cannot substitute detailed legal advice in specific circumstances.

If you prefer not to receive the Legal News, please let us know at office@deltalegal.cz.



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