Arbitration in Russia: Hot Topic in a Cold Winter

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In a recent speech, Dr. Julian Lew QC mentioned that the economic power of the US and Western Europe is declining and the focus is shifting to the BRIC countries (Brazil, Russia, India and China). He noted that consequently arbitrations which once would have been held in Europe are increasingly taking place in other regions of the world. So the BRIC countries in general, and Russia in particular, are increasingly on the radar of international arbitration specialists. Although not many arbitration specialists are aware of the fact, the resolution of disputes through arbitration has been used in Russia for ages (including in the USSR during its existence).

The history of arbitration in Russia dates to ancient times. One of the earliest examples can be found in the contractual charter between Grand Duke Dmitry Donskoi and Duke Vladimir the Brave of Serpukhov. References to resolution of business disputes through arbitration can also be found in treaties between princes in the 11th and 12th centuries.

Though some may find it surprising, arbitration was popular even during the Soviet era. Arbitration commissions operating at commodity and stock exchanges were empowered to act as arbitration courts in 1922. The

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3 For more detail, see Вицын А. Третейский суд по русскому праву, историко-догматическое рассуждение А. Вицына. Москва, 1856. С. 4-5 [Vitsyn, A., The Arbitral Tribunal in Russian Law, Historical and Dogmatic Essay by A. Vitsyn, Moscow, 1856, pp. 4-5].
Maritime Arbitration Commission (the “MAC”) was established in 1930. The Foreign Trade Arbitration Commission was established in 1932. The latest stage of the development of arbitration in Russia began with the enactment of the International Commercial Arbitration Act 1993 (the “Arbitration Act”), which was based on the UNCITRAL Model Law on International Commercial Arbitration. The Arbitration Act also introduced new Regulations for the International Commercial Arbitration Court (the “ICAC”) and the Maritime Arbitration Commission (the “MAC”). The ICAC and the MAC are the oldest, most respected arbitration institutions operating under the aegis of the Chamber of Commerce and Industry of the Russian Federation (the “Chamber of Commerce”).

This article presents a brief overview of arbitration in the Russian Federation, with a focus on recent trends and certain regulatory features unique to the country. As such, it is not intended to cover all aspects of arbitration in the Russian Federation.

1. LEGAL FRAMEWORK


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6 The predecessor of the International Commercial Arbitration Court at the Russian Federation Chamber of Commerce and Industry (also known by its English acronym “ICAC” or transliterated Russian acronym “MKAS”).


8 Legal successor of the Foreign Trade Arbitration Commission that was founded in 1932.