ARBITRATION ACT

Act No: 10/2013 A R B I T R A T I O N A C T Maldivian Government Gazette | Volume 42 | Edition 102 | 3rd July 2013

Chapter I **Preamble**

Introduction & Title	1	(a)	This Act lays out the principles for the settlement of commercial disputes arising out of legal relations between two or more parties, in accordance with internationally recognized standards on arbitration.
		(b)	This Act may be cited as the "Arbitration Act".
Objectives	2		The objective of this Act are as follows;
		(a)	To provide for legally valid and enforceable means of resolving commercial disputes without recourse to the courts or prior to the commencement of court proceedings;
		(b)	Introduce and give legislative sanction to arbitration as an alternative means of dispute resolution;
		(c)	Introduce and give legislative sanction to the principle of settlement of commercial disputes by the mediation of an independent third party agreed upon by the parties to a dispute;
		(d)	Provide for the role of the courts in arbitral proceedings and set out the relationship between the courts and arbitration;
		(e)	Provide for speedy resolution of commercial disputes without recourse to the courts, by means of a third party mediator possessing the knowledge and experience related to the dispute and who is appointed by consensus among the parties to the dispute;
		(f)	Set out a local legal framework for arbitration in accordance with the United Nations Commission on International Trade Law (UNCITRAL) model rules.
Scope of Application	3		The resolution of commercial disputes by arbitration in the Maldives shall be carried out in accordance with this Act, unless a prior agreement between the Maldives and another state or states provides otherwise. This Act does not prevent the recourse to other means of arbitration as agreed upon between the Maldives and another state or states.
Circumstances in which sections of this Act do not apply	4	(a)	Unless as provided otherwise herein, this Act shall apply only in case of an arbitration agreement which says that the place of arbitration shall be in the territory of the Maldives.
		(b)	Notwithstanding the provision above, Sections 15, 40 and 43 of this Act shall not apply in the case of arbitration agreement which names the place of arbitration as a State other than the Maldives.

Relationship with other Laws	5	(a)	This Act shall not affect any other law by virtue of which certain disputes may not be submitted to arbitration or must be submitted to the courts.
		(b)	This Act shall not affect any other law by virtue of which certain disputes may be submitted to arbitration only according to provisions other than those of this Act.
		(c)	The fact that the law provides that certain disputes shall be within the jurisdiction of a specific court of law or that the law does not expressly provide for certain disputes to be submitted for arbitration shall not prevent the submission of such a matter to arbitration in accordance with this act.
			Chapter II Underlying Concepts & Definitions
Underlying Concepts	6		Sections 7 to 11 of this Act shall constitute the underlying principles upon which this Act is based. The underlying concepts are defined therein in order to preserve the integrity of this Act and ensure the achievement of its objectives in as wide a manner as possible. Every Section of this Act shall be read in such a way that maintains and upholds said concepts and does not restrict their application.
Arbitration	7		"Arbitration" means the international principles under which a commercial dispute arising from legal relations between two or more parties is submitted to be decided in accordance with this act by a third party mediator agreed upon by both parties to the dispute, instead of taking the matter to the courts.
Arbitral Tribunal	8		"Arbitral Tribunal" means the independent third party appointed by parties to a dispute to deliberate on and resolve the dispute. Such a person may be a sole arbitrator appointed to resolve a single dispute or a panel of 3 (three) or more arbitrators or a permanent institution registered for the purpose of providing arbitration services.
Arbitrator	9		"Arbitrator" means the independent third party either designated or proposed to deliberate on and resolve a dispute.
Arbitral Proceedings	10		"Arbitral Proceedings" means meetings or hearings conducted by the arbitrator.
Arbitral Award	11		"Arbitral Award" means an order requiring parties to a dispute to act in a certain way made by the arbitrator following his deliberation on a matter submitted to arbitration. The term shall also include the relief granted in the matter.
			Chapter III Arbitration Agreement Definition and Form of Arbitration Agreement
Arbitration Agreement	12	(a)	An arbitration agreement is an agreement by two or more parties to submit to arbitration all or certain disputes arising out of, due to or as a result of continuing within, a legal relationship between the parties.
		(b)	An arbitration agreement may be a separate legal document by itself or form part of an agreement between two or more parties.
Form of Arbitration Agreement	13	(a)	The arbitration agreement shall be in writing.

		(b)	An arbitration agreement shall be considered to be in writing if the agreement itself or, in case of agreements concluded orally or otherwise, the fact that the agreement was concluded is recorded in writing or in any other form that can be accepted as evidence.
Other Acceptable Forms of Recoding an Arbitration Agreement	14	(a)	An arbitration agreement may be considered to exist based on the substance of electronic data exchanged between two or more parties.
		(b)	An arbitration agreement shall be considered to exist if it is contained in an exchange between two or more parties in which the existence of an agreement is alleged by one party and not denied by the other.
		(c)	An arbitration agreement shall be considered to exist if a contract between two parties includes an arbitration clause provided that the clause can be considered as part of the original agreement.
Arbitration Agreement and Substantive Claim	15	(a)	A court before which an action is brought in a matter which is the subject of an arbitration agreement shall terminate court proceedings and refer the matter to arbitration if the following two (2) conditions are satisfied:
Before Court			If the respondent so requests the court no later when submitting his first statement on the substance of the dispute. If the court has not found the agreement null and void, inoperative or incapable of being performed.
		(b)	Where an action is brought before the courts in a matter which is the subject of an arbitration agreement, arbitral proceedings may nevertheless be commenced, continued an award be made even though the issue is pending before the court as mentioned in (a) of this Section.
			Chapter IV Composition of Arbitral Tribunal
Number of Arbitrators	16	(a)	The parties submitting a matter for arbitration are free to determine whether there shall be one or more arbitrators.
		(b)	Notwithstanding the provision in (a) above, the number of arbitrators appointed in accordance with (a) shall be an odd number.
		(c)	Failing agreement between the parties to determine the number of arbitrators to preside over a matter submitted for arbitration, either one of the following shall apply: If the case brought for arbitration involves a sum equal to or more than MVR 1.5 million (One Million Five Hundred Thousand Maldivian Rufiyaa) the number of arbitrators shall be three (3). If the case brought for arbitration involves a sum less than MVR 1.5 million (One Million Five Hundred Thousand Maldivian Rufiyaa) the number of arbitrators shall be 1 (one).
No Discrimination Based on Nationality	17	(a)	Locals and nationals of states with which the Maldives has diplomatic relations may be appointed as arbitrators under this Act.
		(b)	In the context of (a) above, unless otherwise agreed by the parties to the matter brought for arbitration, no person shall be precluded by reason of his nationality from acting as an arbitrator.

Freedom to Decide on Appointment Procedure	18		The parties to a matter brought for arbitration are free to agree on a procedure of appointing the arbitrator or arbitrators.
Arbitration with Three Arbitrators	19	(a)	In an arbitration with three (3) arbitrators, each party shall appoint one arbitrator, and the two arbitrators thus appointed shall appoint the third arbitrator.
		(b)	Notwithstanding the provision in (a) above, the arbitrator shall appointed by the Arbitration Center in the following events; Failure by the parties to agree upon an arbitrator within thirty (30) days of being required to do so; OR Failure by a party to appoint the arbitrator within thirty (30) days of receipt of a request to do so from the other party; OR Failure by the two (2) arbitrators appointed by the parties to agree upon a third arbitrator within thirty (30) days of their appointment.
Appointment of a Sole Arbitrator	20	(a)	In an arbitration with a sole arbitrator the parties are free to appoint an arbitrator by agreement between themselves.
		(b)	In the event of failure to reach agreement as mentioned in (a) above, the arbitrator shall be appointed upon request of a party by the Arbitration Center.
Request for Arbitration Center to take Necessary Action	21	(a)	Any party to a matter brought before arbitration may request the Arbitration Center to take the necessary action, where under an appointment procedure agreed upon by the parties;
			A party fails to act as required under such procedure, OR
			A party fails to appoint an arbitrator according to such procedure; OR
			Failure to appoint a third arbitrator under such procedure following the appointment of the first two. A third party fails to perform any function entrusted to it under such procedure.
		(b)	The parties to a matter submitted to the Arbitration Center under this Section may agree that a decision on such a matter shall be subject to no appeal.
		(c)	If the Arbitrators appointed under this Section number 3 (three) or more than they must elect a presiding arbitrator among themselves. Unless otherwise decided by such an Arbitral Tribunal, the elected presiding arbitrator shall serve the role of the Chief Executive of such a Tribunal.
Matters that Arbitration Center Must have Due Regard to When Appointing	22		The Arbitration Center in appointing an arbitrator, shall have due regard to the following:
Arbitrators		(a)	The competence required in such an arbitrator.
		(b)	The academic qualifications required in such an arbitrator.
		(c)	The independence and impartiality of the arbitrator in deciding the matter under arbitration.

		(d)	In the case of an appointment of a sole arbitrator that he shall not be of either of the nationalities that the parties to the matter under arbitration are from.
Disclosure of Conflicts of Interest	23	(a)	When a person is approached in connection with his possible appointment as an arbitrator, if he feels that there is any justifiable circumstances that may prevent him from serving his post with impartiality or independence he shall without delay disclose any such circumstances to the party wishing to appoint him and recuse himself.
		(b)	If circumstances preventing an arbitrator from serving his post with impartiality or independence arise after his appointment to the post, from the time that such cause comes to his notice, the arbitrator shall without delay inform the party who appointed him of such cause and recuse himself. In the aforementioned event, if the arbitrator is one among many, then he shall duly inform his fellow arbitrators as well.
Arbitrators Code of Conduct	24		The person in the post of arbitrator shall conduct himself in accordance with the standard of conduct found in the Bangalore Principles.
Grounds for Challenge of Arbitrators Appointment	25		The appointment of an Arbitrator under this may be challenged and the Arbitrator appointed may be removed from his post only in the following four (4) circumstances:
Appointment		(a)	If circumstances arise that give rise to justifiable doubts as to his impartiality or independence.
		(b)	If the person appointed to the post does not possess the necessary academic qualifications.
		(c)	If the person appointed to the post displays unreasonable delays in carrying out his duties.
		(d)	If the person appointed to the post is unable to carry out his duties to a reasonable standard.
Procedure for Removal of an Arbitrator	26	(a)	The parties to the matter under arbitration are free to agree on a procedure for removal of an Arbitrator in the event that any of the circumstances provided in Section 25 of this Act arise in relation with such an Arbitrator.
		(b)	Failing agreement between the parties as provided in (a) above, a party who wishes the removal of an arbitrator due to one of the circumstances provided in Section 25 arising in relation with such arbitrator, the party shall, within fifteen (15) days after the constitution of the arbitral tribunal notify the arbitral tribunal of such a fact. In the event that the party wishing the removal of an Arbitrator becomes aware of the reasons for his removal following the constitution of the arbitral tribunal, he shall notify the arbitral tribunal of the fact within fifteen (15) days of becoming aware such a fact.
		(c)	If a complaint regarding an Arbitrator is received by an Arbitral Tribunal in accordance with (b) above, the Arbitrator who is the subject of the complaint may resign his post. Or if the party or parties other than the complainant who are party to the matter under arbitration agrees with the complaint the Arbitrator who is the subject of the complaint will be disqualified from his post. Failing such agreement by the party or parties other than the complainant and if the Arbitral Tribunal in the matter is made up of a number equal to or more than three (3), a decision on the removal of the Arbitrator who is the subject of the complaint shall be made by the Arbitral Tribunal. If the Arbitral Tribunal is made up of a sole arbitrator then a decision in the matter will be made by the Arbitration Center.
		(d)	If the Arbitral Tribunal does not decide to remove the Arbitrator who is the subject of a complaint brought under (b) above following an enquiry carried out in accordance with (c) above, within thirty (30) days of the Arbitral Tribunal's decision rejecting the complaint the party wishing to remove an Arbitrator may appeal the Arbitral Tribunal's decision to the

			Arbitration Center. The parties to the matter under arbitration may agree that the Arbitration Center's decision on such an appeal shall be final and subject to no further appeal.
		(e)	While the Arbitration Center has not reached a decision on a matter brought before it under (d) above, the Arbitrator who is the subject of such a complaint may continue to carry out his duties.
		(f)	The decision of an Arbitrator to resign in relation with a complaint brought against him under (b) above does not imply acceptance of the validity of the complaint against him.
Appointment of Substitute Arbitrator	27	(a)	Where an arbitrator is removed from office under Section 26 of this Act a substitute arbitrator shall be appointed.
		(b)	Under (a) above a substitute arbitrator must be appointed according to the rules that were applicable to the appointment of the arbitrator being replaced.
Effect of the Removal of an Arbitrator on the Work of the Arbitral Tribunal	28	(a)	Unless otherwise agreed between the parties to the dispute under arbitration, if the substitute arbitrator appointed under Section 27 of this Act is the sole arbitrator in the case or the presiding arbitrator in the presiding Arbitral Tribunal, the proceedings up to the point of his appointment shall be declared and the arbitration process shall begin anew.
		(b)	If the substitute arbitrator appointed under Section 27 of this Act is neither the sole arbitrator in the case nor the presiding arbitrator in the Arbitral Tribunal presiding over it, then the Arbitral Tribunal shall have the discretion to continue its work without declaring any prior proceedings invalid.
			Chapter V Jurisdiction of Arbitral Tribunal
Competence of Arbitral Tribunal to Rule on its Jurisdiction	29	(a)	1
Arbitral Tribunal to Rule on its	29	(a) (b)	Jurisdiction of Arbitral Tribunal An Arbitral Tribunal constituted under this Act may rule on its own jurisdiction in relation
Arbitral Tribunal to Rule on its	29		Jurisdiction of Arbitral Tribunal An Arbitral Tribunal constituted under this Act may rule on its own jurisdiction in relation with the dispute submitted for arbitration. The jurisdiction mentioned in (a) above shall include the power to rule on any objections with respect to the existence or validity of the arbitration agreement which is the subject of
Arbitral Tribunal to Rule on its	29	(b)	Jurisdiction of Arbitral Tribunal An Arbitral Tribunal constituted under this Act may rule on its own jurisdiction in relation with the dispute submitted for arbitration. The jurisdiction mentioned in (a) above shall include the power to rule on any objections with respect to the existence or validity of the arbitration agreement which is the subject of the dispute under arbitration. The jurisdiction mentioned in (a) above shall include the power to rule on whether the

Plea that Arbitral Tribunal Lacks	31	(a)	A plea that the Arbitral Tribunal does not have jurisdiction shall be raised not later than the submission of the first statement by any party in the arbitral proceeding.
Jurisdiction			
		(b)	A party raising a plea that the Arbitral Tribunal does not have jurisdiction shall not be precluded in any way from raising such a plea by the fact that he has appointed, or participated in the appointment of, an arbitrator.
Arbitral Tribunal Exceeding the Scope of Authority	32	(a)	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.
		(b)	If a plea that arbitral tribunal is exceeding the scope of its authority is raised in accordance with (a) above, the arbitral tribunal has the discretion to suspend the arbitral proceedings and rule on the plea either as a preliminary question or include a ruling on the plea as part of its final award.
		(c)	If the arbitral tribunal rules on a plea raised in accordance with (a) above as a preliminary question that it has jurisdiction, any party not satisfied with such a decision may, within thirty (30) days after such decision, appeal it at a court of law.
		(d)	If a party submits an appeal to the court in accordance with I above, the Arbitral Tribunal and the party submitting the appeal may agree that the decision of the court shall be final and subject to no further appeal.
		(e)	While a request appealed at the courts in accordance with I is pending at the relevant court, the arbitral may continue the arbitral proceedings.
			Chapter VI Interim Measures and Preliminary Orders
Power of Arbitral Tribunal to Order Interim Measures	33	(a)	1
Tribunal to Order	33	(a) (b)	Interim Measures and Preliminary Orders Unless otherwise agreed by the parties to a dispute submitted for arbitration, the arbitral
Tribunal to Order	33		Interim Measures and Preliminary Orders Unless otherwise agreed by the parties to a dispute submitted for arbitration, the arbitral tribunal may, at the request of a party, grant interim measures. An interim measure mentioned in (a) above is any temporary measure by which, at any time prior to the issuance of the award by which the dispute is finally decided, the arbitral tribunal orders a party to:
Tribunal to Order	33		 Interim Measures and Preliminary Orders Unless otherwise agreed by the parties to a dispute submitted for arbitration, the arbitral tribunal may, at the request of a party, grant interim measures. An interim measure mentioned in (a) above is any temporary measure by which, at any time prior to the issuance of the award by which the dispute is finally decided, the arbitral tribunal orders a party to: Maintain or restore the status quo pending determination of the dispute; OR Take action that would prevent any event that is likely to cause harm or prejudice to the arbitral process itself; OR Provide a means of preserving assets out of which a subsequent award may be satisfied;
Tribunal to Order	33		Interim Measures and Preliminary Orders Unless otherwise agreed by the parties to a dispute submitted for arbitration, the arbitral tribunal may, at the request of a party, grant interim measures. An interim measure mentioned in (a) above is any temporary measure by which, at any time prior to the issuance of the award by which the dispute is finally decided, the arbitral tribunal orders a party to: Maintain or restore the status quo pending determination of the dispute; OR Take action that would prevent any event that is likely to cause harm or prejudice to the arbitral process itself; OR Provide a means of preserving assets out of which a subsequent award may be satisfied; OR

		(b)	Immediately after the Arbitral Tribunal issues an order in accordance with (a) above, the Arbitral Tribunal must without delay provide all parties to the dispute with all information related to the order.
		(c)	When providing information mentioned in (a) above, the arbitral tribal shall provide the all parties with the application preliminary order, the preliminary order, if any, and all other communications, including any oral communication between any party and the arbitral tribunal in relation thereto.
		(d)	In the event that the arbitral tribunal issues an order mentioned in (a) above the arbitral tribunal shall give an opportunity to any party against whom the preliminary order is directed to present its case at the earliest practicable time. The arbitral tribunal shall decide promptly on any objection to the preliminary order and inform all parties of its decision on such an objection without delay.
Conditions to be Satisfied for Interim Order to	35	(a)	A party asking for an order for interim measure under Section 33 or 34 of this Act must satisfy the Arbitral Tribunal of the following:
be Granted			The party may be deprived of the reasonable benefits from an arbitral award if the order is not issued at the time. The balance of convenience lies with the party requesting the order rather than the party against whom the preliminary order is requested. There is a <i>prima facie</i> case in favor of the party seeking the order.
		(b)	A decision by the Arbitral Tribunal to issue preliminary order based on point 3 of (a) above is not proof that the final decision in the matter would be in favor of the party seeking the order.
		(c)	In relation to a request for a preliminary order made in accordance with (a) above, the satisfaction of the Arbitral Tribunal of matters mentioned in points 1-3 of (a) will depend upon the standards set down by the Arbitral Tribunal itself.
Modification, Suspension and Termination of Preliminary Order	36	(a)	The Arbitral Tribunal shall have the power to modify, suspend or terminate an interim measure or preliminary order it has granted in accordance with this Act.
		(b)	The Arbitral Tribunal may make a decision to modify, suspend or terminate an interim measure or preliminary order as mentioned in (a) above upon application of any party once I Arbitral Tribunal is satisfied that it would be suitable to make such a decision in favor of the applicant. Or such a decision may be made on the Arbitral Tribunal's own initiative if its finds that exceptional circumstances demand such a decision.
Provision of Security	37	(a)	The Arbitral Tribunal may require the party requesting an interim measure under this Act to provide appropriate security in connection with the measure. A preliminary order may be granted without demanding appropriate security only if the tribunal considers it inappropriate or unnecessary to do so in the circumstances.
		(b)	"Provision of security" mentioned in (a) above refers to ordering the party requesting an interim measure to deposit an amount or guarantee of payment at the Arbitral Tribunal that would be appropriate for the payment of reparation in the event that the Arbitral Tribunal decides to award damages to the party against whom the preliminary order is made if such party suffers damages or is required to bear costs due to the performance of the interim measure contained in such a preliminary order.

Disclosure	38	(a)	The Arbitral Tribunal may require any party promptly to disclose any material change in the circumstances on the basis of which the order for an interim measure was requested or granted.
Costs and Damages	39	(a)	The party requesting an interim shall be liable for any costs and damages caused by the measure or the order to any party if the arbitral tribunal later determines that, in the circumstances, the measure or the order should not have been granted.
		(b)	The arbitral tribunal may award such costs and damages as mentioned in (a) above at any point during the proceedings.
Recognition and Enforcement by the Courts	40	(a)	An interim measure issued by an arbitral tribunal shall be recognized as binding and, unless otherwise provided by the arbitral tribunal, enforced upon application to the competent court.
		(b)	A preliminary order issued under this Act may be recognized in accordance with (a) above, and a subsequent order for the enforcement of it may be issued, by the competent court, only after the court makes proper deliberations upon the application to the court by the party seeking recognition and enforcement.
Notifying the court of Changes to the Interim Measure	41		The party who has applied for recognition or enforcement by the courts under Section 40, (a) of this Act, of an interim measure awarded under the same, shall promptly inform the court of any termination, suspension or modification of that interim measure by the Arbitral Tribunal.
Demanding Security from the Party Seeking the Order	42		The court where recognition or enforcement of a preliminary order for an interim measure issued under this Act is sought may, if it considers proper, order the requesting party to provide appropriate security even if the arbitral tribunal has not already made a determination with respect to security.
Grounds for Refusing Recognition or Enforcement	43	(a) (b)	Recognition or enforcement by the courts of an order for interim measure issued by an Arbitral Tribunal under this Act may be refused only at the request of the party against whom such order is invoked if the court is satisfied that the following grounds exist: The enforcement of such an order for an interim measure would not be warranted on the grounds that one of the circumstances spelled out in Section 74, (a), 1, has arisen; OR The Arbitral Tribunal's decision with respect to the provision of security in connection with the interim measure issued by the arbitral tribunal has not been complied with; OR The interim measure has been terminated or suspended by the arbitral tribunal or, where so empowered, terminated by the court. Even if the party against whom a preliminary order is issued under this Act is unable to satisfy the court of any of the grounds spelled out in (a) above, the court may on its own initiative refuse to recognize or enforce such order in the following instances: The court finds that the interim measure is incompatible with the powers conferred upon
			the court; OR The court does not wish to reformulate the interim measure to the extent necessary to adapt to its own powers and procedures for the purposes of enforcing the interim measure; OR The court finds that any of the grounds set forth in Section 74, (a), 2, of this Act apply to the recognition and enforcement of the interim measure.
Determination Made by Court In Relation with Request	44	(a)	Any determination made by the court for the recognition and enforcement of a preliminary order for an interim measure issued under this Act shall be effective only for the purposes of the application to recognize and enforce the interim measure.

		(b)	The court where recognition or enforcement is sought does not, in making that determination, undertake a review of the substance of the interim measure.
Court-Ordered Interim Measures	45	(a)	A court shall have the same power as the Arbitral Tribunal has in the course of arbitral proceedings, with regards to issuing an interim measure on its own initiative, in relation to arbitral proceedings, irrespective of whether the place of such proceedings is in the territory of the Maldives.
		(b)	The court shall exercise its power to issue an interim measure in relation to an arbitration proceeding in accordance with its own procedures as well as the specific features of international arbitration.
			Chapter VII Conduct of Arbitral Proceedings
Equal Treatment of Parties	46	(a)	The parties to a dispute before the Arbitral Tribunal shall be treated with equality and each party must be assured of his fair and equal treatment.
		(b)	Each party to the dispute under arbitration at the Arbitral Tribunal shall be given a full opportunity of presenting his case in accordance with the procedures laid down by the specific Arbitral Tribunal.
Determination of Rules of Procedure	47	(a)	Unless otherwise provided under this Act, the parties to a dispute under arbitration at an Arbitral Tribunal are free to agree on the procedures to be followed in the arbitral proceedings.
		(b)	Unless otherwise provided under this Act, failing the determination of rules of procedure by the parties to the dispute under arbitration or failing agreement by those parties on the same, the arbitral tribunal shall have the power to determine the procedures to be followed in the arbitral proceedings.
		(c)	The power conferred upon the Arbitral Tribunal by (b) above includes the power to determine the admissibility, relevance, materiality and weight of any evidence to be submitted in the course of arbitral proceedings.
Place of Arbitration	48	(a)	Unless otherwise provided under this Act, the parties to a dispute submitted to the Arbitral Tribunal, are free to agree on the place of arbitration.
		(b)	Unless otherwise provided under this Act, failing the determination of a place of arbitration in accordance with (a) above by the parties to the dispute in under arbitration or failing agreement by those parties on the same, the arbitral tribunal shall have the power to determine the place of arbitration.
		(c)	When making a determination under (b) above, the Arbitral Tribunal must have regard to the circumstances and convenience of the parties as well as the stage at which the dispute between the two parties.
		(d)	Notwithstanding the provisions of (a) above, the arbitral tribunal may, unless otherwise agreed by the parties, meet at any place it considers appropriate for consultation among its members, for hearing witnesses, experts or other parties, or for inspection of goods, or other property or documents.

Commencement of Arbitral Proceedings	49		Unless otherwise agreed by the parties, the arbitral proceedings in respect of a particular dispute shall commence on the date on which a request for that dispute to be referred to arbitration is received by the respondent.
Language	50	(a)	Unless otherwise provided under this Act, the parties are free to agree on the language to be used in the arbitral proceedings.
		(b)	Unless otherwise provided under this Act, failing the determination of a language to be used in the arbitral proceedings by the parties in accordance with (a) above or failing agreement by the same, the arbitral tribunal shall have the power to determine the language to be used in the arbitral proceedings.
		(c)	If a particular language to be used in the arbitral proceedings is determined under (a) or (b) above, unless otherwise agreed between the parties, such determination or agreement shall apply to any statement made by a party in the course of arbitral proceedings, any communication by the arbitral tribunal and any and all arbitral awards.
		(d)	The arbitral tribunal may order that any document submitted to it shall be accompanied by a translation into the language agreed upon or determined to be used in the arbitral proceedings under (a) or (b) above.
Applicable Law	51	(a)	The parties to the dispute under arbitration shall determine the governing law applicable to the arbitral proceedings.
		(b)	When the parties have not chosen the applicable law under (a) above, the arbitral tribunal shall with regard to the applicable law determine the rules that shall apply to the parties to the dispute, the nations involved, the conflict between the laws of the different nations and how to deal with such conflict between the laws.
		(c)	When the parties have not chosen the applicable law under (a) above the law applicable to the dispute shall be the relevant law or laws of the nation which is most applicable to the substance, origins and the basis of the claim forming the subject of the dispute under arbitration.
		(d)	Notwithstanding the provisions of (b) above the legal rules applicable to determining the disparity between the laws of different countries, or the rules in determining conflicts arising out of the application of laws requiring a national of one state to be subject to the wishes of another shall not apply at that particular stage of the arbitral proceedings.
		(d)	The Arbitral Tribunal may only determine the applicable law under (b) above only the parties to the dispute agrees to confer such power upon the Arbitral Tribunal.
		(e)	At all stages of the Arbitral Proceedings the Arbitral Tribunal must always have regard to the agreements between the parties as well as the international customs and rules applicable to the commercial transactions between the parties.
Statements of Claim and Defense	52	(a)	Within the period of time agreed by the parties or determined by the arbitral tribunal, the claimant shall submit to the Arbitral Tribunal the statement of the facts supporting his claim, the points at issue and the relief or remedy sought.
		(b)	Within fifteen (15) days of the claimant making his submission to the Arbitral Tribunal in accordance with (a) above, the respondent shall submit the Arbitral Tribunal in writing, a statement of his defense in respect of the particulars submitted by the claimant.
Presentation of Evidence	53		The parties must submit to the Arbitral Tribunal, with the statement of claim mentioned in Section 52, (a) and the statement of defense mentioned in Section 52, (b) all documents

			supporting the statements of claim/defense, all documentary evidence, as well as a reference to all evidence to be submitted.
Amendment of Statements of Claim and Defense	54		Unless otherwise determined by the Arbitral Tribunal, or unless the Arbitral Tribunal prohibits such action, or unless otherwise agreed by the parties, either party may amend or supplement the his claim submitted in accordance with Section 52, a) or his defense submitted in accordance with Section 52, b).
Hearings and Written Proceedings	55	(a)	Unless otherwise agreed by the parties, the Arbitral Tribunal shall decide on whether hearings in the presence of the parties shall or shall not be held in the course of arbitral proceedings.
		(b)	If it is determined under (a) above that hearings in the presence of the parties to the dispute shall be held in the course of arbitral proceedings, then the arbitral tribunal must decide on the rules applicable to the presentation of oral argument, the response by one party to the oral argument submitted by the other as well as one party's questioning of the evidence submitted by the other.
		(c)	If it is decided under (a) above that the arbitral proceedings shall be held without hearings requiring the presence of the parties, the Arbitral Tribunal shall decide on how the proceedings will continue on the basis of written evidence submitted by the parties.
Right of Parties to Attend Hearings	56		If the Arbitral Tribunal does not determine that the arbitration proceedings will continue without the holding of hearings, the Arbitral Tribunal must at all appropriate times provide the parties to the dispute with the opportunity to attend hearings, present oral arguments and evidence and speak in one's own defense in the course of arbitral proceedings.
Notice	57		The Arbitral Tribunal shall give the parties to a dispute under arbitration, sufficient advance notice of any hearing and of any meeting of the arbitral tribunal held for the purposes of inspection of goods, documents or other item.
Communication of Documents Submitted by One Party to the Other	58	(a)	The Arbitral Tribunal must provide a copy of all documents or other information supplied to it by one party, to the other.
		(b)	Any expert report or evidentiary document on which the Arbitral Tribunal may rely in making its decision shall be communicated to all parties to the dispute under arbitration.
Default of a Party	59		Unless otherwise agreed by the parties, if, without showing sufficient cause, the default made by either party will be treated as follows:
		(a)	If the claimant fails to communicate his statement of claim in the prescribed format within the period provided, the arbitral tribunal shall thereby terminate the proceedings.
		(b)	If the respondent fails to communicate his statement of defense in the prescribed format and within the provided time period, the arbitral tribunal shall continue the proceedings without treating such failure in itself as an admission of the claimant's allegations.
		(c)	If any party fails to appear at a hearing or to produce documentary evidence, the arbitral tribunal may continue the proceedings and make the award on the evidence before it.

Appointment of Experts	60	(a)	Unless otherwise agreed by the parties, the Arbitral Tribunal may appoint on ore more experts to report to it on specific issues within a defined time period.
		(b)	The Arbitral Tribunal may require a party to give an expert appointed under (a) above any relevant information or to produce, or to provide access to, any relevant documents, goods or other property for his inspection.
		(c)	Unless otherwise agreed by the parties, if a party so requests or if the arbitral tribunal considers it necessary, the Arbitral Tribunal may require the expert after delivery of his written or oral report to participate in a hearing where he shall testify regarding the details of his report and where the parties will have the opportunity to put questions to him.
Court Assistance in Taking Evidence	61		If the Arbitral Tribunal so desires the Arbitral Tribunal itself or, with the approval of the Arbitral Tribunal a party to the dispute under arbitration may, request a competent court for assistance in taking evidence. The court shall execute the request within its competence and according to its rules on taking evidence.
			Chapter VIII Making of Award and Termination of Proceedings
Decision-Making by Arbitral Tribunal	62	(a)	Unless otherwise agreed by the parties and if an Arbitral Tribunal is made up of more than one arbitrator, any decision of the Arbitral Tribunal shall be made by a majority of all its members.
		(b)	Notwithstanding the provisions of (a) above, questions of procedure may be a decided by a presiding arbitrator, if so authorized by the parties and all members of the Arbitral Tribunal.
Settlement	63	(a)	If, during Arbitral Proceedings, the parties settle the dispute, the Arbitral Tribunal shall terminate the proceedings forthwith.
		(b)	In the event that parties reach settlement in accordance with (a) above, and if requested by the parties and not objected to by the arbitral tribunal, the Arbitral Tribunal may decide that the settlement is an arbitral award on agreed terms.
		(c)	An award on agreed terms made under (b) above shall be recorded as an award on the merits of the case.
		(d)	An award on agreed terms made under (b) shall be made in accordance with the provisions of Section 64.
		(e)	An award on agreed terms made under (b) above shall have the same status an effect as any other award on the merits of the case.
Form and Contents of Award	64	(a)	The award shall be made in writing and shall be signed by the arbitrator, or in arbitral proceedings with more than one arbitrator, all other arbitrators in the case.
		(b)	Notwithstanding the provisions of (a) above, in arbitral proceedings with more than one arbitrator, the signatures of the majority of all members of the Arbitral Tribunal on the award made in writing shall suffice.
		(c)	In arbitral proceedings with more than one arbitrator, if any of the arbitrators do not sign the award made in writing a statement of the reason for omitting his signature will suffice.

		(d)	An arbitral award made under this Section shall clearly state the decision following arbitration. The award shall also state the reasons upon which it is based, unless the parties have agreed that no reasons are to be given or the award is an award on agreed terms made under Section 64.
		(e)	The Arbitral Award made under this Section shall state its date and the place of arbitration where the arbitration proceedings were held. The award shall be deemed to have been at that place.
		(f)	After the award is made a copy of the award must be delivered to each party to the arbitration.
Termination of Proceedings	65	(a)	The arbitral proceedings are terminated in two circumstances. That is if the Arbitral Tribunal makes its final award or if the Arbitral Tribunal makes a determination in accordance with (b) below.
		(b)	The arbitral tribunal shall issue an order for the termination of the arbitral proceedings when: The claimant withdraws his claim and the respondent does not object.
			The parties agree to terminate the proceedings.
			The Arbitral Tribunal finds that the continuation of the proceedings has for any other reason become unnecessary or impossible.
		(b)	The Arbitral Tribunal may decide to continue the arbitration proceedings and make an award where the claimant withdraws his claim under (a) above, if the respondent objects thereto and the Arbitral Tribunal recognizes a legitimate interest on his part in obtaining a final settlement of the dispute.
		(d)	The mandate of the Arbitral Tribunal terminates with the termination of the arbitral proceedings subject to Sections 66 and 67 of this Act.
Correction and Interpretation of Award	66	(a)	Within thirty (30) days of the arbitral award being made by the Arbitral Tribunal, a party to the dispute, with notice to all other parties, may request the Arbitral Tribunal to correct in the award any clerical, typographical or other errors. Or, such a request may be made asking the Arbitral Tribunal to give an interpretation of a specific point or part of the award.
		(b)	If the Arbitral Tribunal considers a request made under (a) above to be justified, it shall make the correction or give the interpretation within thirty (30) days of receipt of the request.
		(c)	Any amendment made by the Arbitral Tribunal to an award shall be final. Also any interpretation given by the Arbitral Tribunal to the award shall form part of the award.
		(d)	The Arbitral Tribunal may correct, on its own initiative, any clerical, typographic or other error found in the award by the Arbitral Tribunal itself, within thirty (30) days of making the award.
Additional Award	67	(a)	Unless otherwise agreed by the parties, a party may request the Arbitral Tribunal within thirty (30) days of the making of an award, to make an additional award as to claims presented in the arbitral proceedings but omitted from the award.
		(b)	If the Arbitral Tribunal receives a request under (a) above, the dispute under arbitration shall be considered to remain under arbitration at the Arbitral Tribunal, until the Arbitral Tribunal makes a decision on the request.

Application to the Court for Setting Aside an Award

Application to the Court	68		A party to a dispute submitted for arbitration to an Arbitral Tribunal may apply to the court to set aside the arbitral award made following arbitration.
Setting Aside an Arbitral Award	69	(a)	A court may grant a request to set aside an arbitral award made under section 68 of this Act on the following two (2) grounds. If the party making the application proves any of the following;
			A party to the arbitration agreement was under some incapacity preventing him from entering into such agreement; OR A party to the arbitration agreement was under some legal incapacity; OR
			The arbitration agreement conflicts with applicable Maldivian law as agreed between the parties; OR The party making the application was not given proper notice of the appointment of an
			arbitrator; OR The party making the application was not given an opportunity present his case or respond make oral arguments in the course of arbitral proceedings; OR The Arbitral Award deals with a diamyte net contemplated by or not falling within the
			The Arbitral Award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration; OR The Arbitral Award contains decisions on matters beyond the scope of the submission to
			arbitration; OR The arbitral procedure or the composition of the arbitral tribunal was not in accordance with the agreement of the parties; OR A charge of fraud or corruption is sustained against one of the arbitrators in relation to his duties as an arbitrator.
		(b)	The court may, on its own initiative, set aside an arbitral award, if it finds that:
		(0)	The subject-matter of the dispute is not capable of settlement by arbitration under Maldivian law.
			The award is in conflict with the public policy of the Maldives.
Limits on Period for Making an Application to Set Aside an Arbitral Award	70	(a)	An application for setting aside an arbitral award may be made before three (3) months have elapsed from the date on which the award was made. The application cannot be made once the aforementioned period has elapsed.
		(b)	If the application to set is made to the courts in relation with a decision made under Section 65 of this Act, then the period mentioned in (a) above shall be counted commencing from the date that the aforesaid decision is made under the aforesaid Section.
Granting Time for Amendment of Awards	71	(a)	The party other than the party making an application to set aside an arbitral award, may ask the court to grant time to refer the matter to the Arbitral Tribunal to amend the award or take such other action that will eliminate the grounds on which the court may set the award aside.
		(b)	The court, upon receipt of a request made under (a) above, may suspend the setting aside proceedings at the court for a period of time determined by the court.
			Chapter X Recognition and Enforcement of Foreign Awards
Recognition and Enforcement	72		An arbitral award made in a foreign country shall be recognized and enforced in the Maldives so long as the award was not made in contradiction with the procedures in this Act. The enforcement of an arbitral award so recognized shall be mandatory in the Maldives.

Application to the Court for Enforcement	73	(a)	A party wishing to enforce an arbitral award made in a foreign country shall apply to the competent court for its enforcement. Such an award shall be enforced only in accordance with enforcement order issued by the court upon the application.
		(b)	The application mentioned in (a) above must be made by the party relying on an award or desiring its enforcement.
		(c)	The party making an application mentioned in (a) above must supply the original award or an attested copy thereof.
		(d)	If an arbitral award is not in the Divehi language, a Divehi-language translation must be included when submitting the award to the court.
Grounds for Refusing Recognition or Enforcement	74	(a)	Recognition or enforcement of an arbitral award made following arbitration in a foreign country may be refused only if the competent court determines so upon the following grounds:
			The party against whom the award is invoked proves to the court where enforcement or
			recognition is sought that: A party to the arbitration agreement was under some legal incapacity preventing him from entering into such an agreement; OR
			A party to the arbitration agreement was under some legal incapacity; OR
			The arbitration agreement contradicts Maldivian law agreed between the parties to be applicable to the agreement.
			The party appointing an arbitrator failed to give proper notice to the other party of the appointment of an arbitrator; OR
			He was not given the opportunity present his case or his arguments in the case of the
			arbitral proceedings; OR The award deals with a dispute not contemplated by or not falling within the terms of the
			submission to arbitration; OR The award contains decisions on matters beyond the scope of the submission to
			arbitration; OR The arbitral procedure or composition of the arbitral tribunal was not in accordance with
			the agreement between the parties; OR A charge of fraud or corruption is sustained against an Arbitrator in relation to his duties.
			The court may, on its own initiative, set aside an arbitral award, if it finds that:
			The subject-matter of the dispute is not capable of settlement by arbitration under
			Maldivian law. The award is in conflict with the public policy of the Maldives.
		(b)	If an application for setting aside or suspension of an award has been made to a competent court, a court where recognition or enforcement is sought under Section 72 of this Act may, adjourn its decision until a final decision is reached on the application for setting aside or suspension of the award.
			Chapter XI Establishment of Arbitration Center
Constituting the Arbitration Center	75	(a)	For the purposes of this Act and in order to execute its duties under this Act, an arbitration center titled "Maldives International Arbitration Center" shall come into existence with the commencement of this Act.
		(b)	The arbitration center formed under (a) above, shall be a separate legal entity with the rights to sue and be sued, transact in its own name, acquire and dispose of property and the power to carry out its duties and responsibilities under this Act.

		(c)	All work leading up to the establishment of the Arbitration Center under (a) above until the commencement of its operations shall be carried out by the Attorney General.
		(d)	The duties of the Attorney General under I must be fully executed within 6 (six) months from the commencement of this Act.
Organizational Structure of the Arbitration Center	76	(a)	There shall be a Director's Board at the Arbitration Center, made up of three (3) members, which shall have the duty to make general policy for the Arbitration Center.
		(b)	Members to the Director's Board mentioned in (a) above shall be appointed by the President upon the recommendation of the Attorney General.
		(c)	A Member appointed to the Director's Board mentioned in (a) above shall only be removed from his post by the President upon a submission made by the Attorney General upon the following grounds: Failure to meet the qualifications of a member of the Director's Board as defined by this Act. The commission of an act unbecoming of his post. Incapacity making him unable to carry out his duties. Incapability to fulfill his duties.
		(d)	A Member of the Board of Directors who wishes to resign shall be considered to have resigned his post upon receipt by the President of his letter of resignation addressed to the President.
Qualification of the Members of the Board of	77	(a)	The Members of the Board of Directors mentioned in Section 76 of this Act shall possess the following qualifications:
Directors			Shall be of thirty (30) years of age.
			Shall not have been convicted for the crimes of criminal breach of trust, fraud or
			corruption. If convicted of a crime, at least 5 (five) years must have passed since his conviction was
			served or pardoned. Shall not be prevented from carrying out his duties on the Board of Directors due to his
			financial or other interests.
		(b)	In addition to possessing the qualifications in (a) above, the Attorney General must determine on the basis of prior 10 (ten) years of service, whether a nominee for Membership in the Board of Directors mentioned in (a) above, possesses the academic qualifications and experience to serve in the post.
		(c)	The Members of the Board of Directors mentioned in (a) above shall be appointed for a term of 5 years with the possibility of reappointment for one (1) additional term of 5 (five) years.
		(d)	The Minister of Finance and Treasury must determine upon the recommendation of the Attorney General, an allowance for the Members of the Board of Directors mentioned in (a) above to be provided on the basis of every Board meeting they attend.
Chair and Vice Chair of the Board	78	(a)	The Chair and Vice Chair of the Board of Directors mentioned in Section 76 shall be appointed by the President, from within the appointed Members of the Board of Directors and upon the recommendation of the Attorney General.

		(b)	The Chair of the Board of Directors is the highest officer of the Arbitration Center and the Vice Chair shall serve as his deputy and assist him in his duties.
		(c)	The Chair and Vice Chair of the Board of Directors shall remain in their posts until the end of their terms as Members of the Board.
		(d)	If the Chair or Vice Chair of the Board wishes to resign either shall be considered to have resigned his post upon receipt by the President of his letter of resignation addressed to the President.
		(e)	The Chair and Vice Chair of the Board of Directors shall not receive any remuneration by virtue of their posts.
Duties of the Arbitration Center	79		The duties of the Arbitration Center formed under this Act is as follows:
		(a)	Promote the Maldives as an arbitration hub;
		(b)	Facilitate and provide for carrying out arbitration in the Maldives;
		(c)	Encourage the use of arbitration as a means of dispute resolution;
		(d)	Set down and introduce guidelines for the registration of arbitrators in the Maldives, maintain a register of arbitrators and continue registration of such arbitrators.
		(e)	Facilitate the provision of arbitration services in the Maldives;
		(f)	Carry out all duties assigned to the Arbitration Center under this Act or any other law;
		(g)	Carry out the responsibility of upholding and enforcing the principles related to arbitration set down by the United Nations Commission on International Trade Law (UNCITRAL).
Chief Executive Officer	80	(a)	There shall be a Chief Executive Officer at the Arbitration Center to direct and oversee all administrative affairs. This Chief Executive Officer shall be appointed by the Chairman of the Board of Directors upon the recommendation of the Board.
		(b)	The salary and allowances of the Chief Executive Officer shall be determined by the Chairman of the Board of Directors upon the advice of the Minister of Finance and Treasury.
Officers	81	(a)	There shall be a certain number of officers at the Arbitration Center determined by the Chairman of the Board of Directors upon the recommendation of the Board.
		(b)	The designations, rank, work, salaries and allowances of the officers mentioned in (a) above shall be decided by the Chair of the Board of Directors upon the advice of the Ministry of Finance and Treasury.
			Chapter XII Miscellaneous Provisions
Confidentiality	83	(a)	Unless otherwise agreed by the parties, all information related to arbitration including all records, evidence and the award shall be kept confidential.

		(b)	Confidential information must never be disclosed unless upon the following two (2) grounds: With the consent and agreement of the parties to the arbitration.
			To the extent required due to a matter in relation to the arbitral award being submitted to court or other competent authority for review.
		(b)	During court proceedings on matter submitted in relation with a completed or ongoing arbitration, even at the time of making its determination the court shall arrange for all information related to the matter to be kept confidential.
Cost of Arbitration	84	(a)	The costs of arbitration including the fees of arbitrators may be shared among the parties to the arbitration as agreed between them.
		(b)	Failing agreement between the parties, the Arbitral Tribunal shall decide how the costs of arbitration shall be shared among the parties.
Arbitrators' Standard of Care	85	(a)	In relation with the performance of his duties, an arbitrator shall not be held liable for any act or omission or, his ignorance of the law or a material fact or his ignorance of a procedures to apply in order to proceed with the matter, unless he is found to have an intention to commit fraud or deception or a crime.
		(b)	Notwithstanding the provisions of (a) above, if an arbitrator is found to have committed fraud or any other crime in the performance of his duties, he shall be required to bear the liability of all acts and omissions committed in the course of his duties.
Appointment of Legal Counsel	86		If the party to an arbitration so desires he may appoint legal counsel or a substitute to represent him in the arbitration proceedings.
Delegated Legislation	87	(a)	Unless specifically mentioned as the power of the courts, the Attorney General shall have the power to make and enforce delegated legislation necessary for the enforcement of this Act. The power to make delegated legislation assigned to the courts under this Act shall be exercised by the courts.
		(b)	The delegated legislation required to be made under this Act shall be enacted and made public within 6 (six) months from the commencement of this Act.
Commencement	88		The provisions of this Act shall come into force on the date of its publication in the Government Gazette.
Definitions	89	(a)	Unless the context otherwise requires, words and phrases defined in this Section shall have the following meanings throughout this Act: "Bangalore Principles" shall refer to the international standards of judicial conduct titled "Bangalore Principles of Judicial Conduct" drawn up to promote the independence and impartiality of judges working in the judicial sector.
		(b)	"Court" refers to a competent court of law in the Maldives having necessary jurisdiction.
		(c)	"Arbitration Center" refers to the Maldives International Arbitration Center formed under this Act.
		(d)	"Vice Chair" refers to the Vice Chair appointed under Section 78 of this Act for the Board of Directors of the Arbitration Center.

- (e) "Commercial Disputes" are disputes that arise from, are caused by or as a result of a commercial transaction between two parties.
- (f) "Commercial relations" refers commercial relations stemming from the legal relations between two parties whether contractual or not.
- (g) "Document" or "Documents" shall refer to any record of information on media including the following.

Written or printed documents (including charts, plans or graphs);

A computer file that can be stored on any electronic media;

Photographs;

A disk, tape or film containing a sound recording or similar information;

A film or negative storing an image or similar record.

- (h) "Chief Executive Officer" shall refer to the Chief Executive Officer appointed by the Board of Directors of the Arbitration Center in accordance with Section 80 of this Act.
- (i) "Chair" shall refer to the Chair of the Board of Directors of the Arbitration Center appointed in accordance with Section 78 of this Act.