

Law of Mongolia on Arbitration

Chapter One General Provisions

Article 1. Purpose of the Law

- 1.1. The purpose of this law is to regulate the relations of arbitration in disputes related to the material and non-material property.

Article 2. Legislation on arbitration

- 2.1. Legislation on arbitration shall be consisted of the Constitution, Civil Code, Civil Procedure Code, and Law on Court Enforcement of Mongolia and other laws and regulations adopted in coordination with this law.
- 2.2. If the international conventions that Mongolia is party to stated otherwise from this law, international convention shall prevail.

Article 3. Scope of the law

- 3.1. The provisions of this law apply if the place of arbitration is in the territory of Mongolia.
- 3.2. The procedure of recognizing and enforcing foreign arbitral award shall be regulated in accordance with the 1958 New York Convention on Recognition and Enforcement of Foreign Arbitral Award and Chapter Eight of this law.
- 3.3. Procedure of recognizing and enforcing the Mongolian arbitral award abroad shall be regulated in accordance with the international conventions and treaties that Mongolia is party thereof.

Article 4. Definition of legal terms

- 4.1. The following legal terms used in this law shall be understood as following:
 - 4.1.1. "Institutional arbitration" means an arbitration body established to carry out institutional arbitration.
 - 4.1.2. 'ad hoc arbitration' means an arbitration established to resolve the particular dispute
 - 4.1.3. "Arbitral proceedings" is a procedure to resolve the disputes of the parties in accordance with the rules stated in this law.
 - 4.1.4. "Arbitral tribunal" means a sole or panel of arbitrators who are conducting arbitration in the disputes
 - 4.1.5. "arbitrator" is a person who is appointed by the competent person to conduct arbitration in the particular dispute

4.1.6. "Court" means a respective organ of the judicial system of a state of Mongolia stated in Article 13 of Law on Court.

Article 5. Set up arbitration

- 5.1. Arbitration shall be institutional or ad hoc arbitration.
- 5.2. Chamber of commerce and industry and other non-governmental organizations and their association protecting the producers and customers may set up institutional arbitration at its organization.
- 5.3. Governmental agency, administration bodies and profit legal persons is prohibited to establish arbitration at its organization.
- 5.4. Institutional arbitration shall be deemed as established when the organization stated in Article 5.2 of this law shall make decision to set up institutional arbitration and adopt its rules and arbitrators' list.
- 5.5. Organization and management of institutional arbitration shall be regulated by its statute.
- 5.6. Institutional arbitration can conduct arbitration procedure in any disputes stated in Article 6 in particular disputes such as intellectual and foreign trade arbitration.
- 5.7. Ad hoc arbitration shall be set up by the parties in writing.
- 5.8. Institutional and ad hoc arbitration has same rights in arbitration procedure.

Article 6. Arbitrability

- 6.1. Any dispute that the parties agreed to resolve by arbitration in accordance with Article 13.2 of Civil Procedure Code shall be arbitrability dispute.

Article 7. Non arbitral dispute

- 7.1. All disputes that are under jurisdiction of court other organizations and officials in accordance with Article 13.3 of Civil Procedure Code and other laws shall be non arbitral disputes.

Article 8. Judicial Intervention in Arbitration

- 8.1. The functions referred to in articles 15.5-15.7, 17.4, 18.2, 20.6 and 13, 33, 40, 42, 43 shall be performed by the Court of Appeal of the place of arbitration depending on where the arbitration takes place and the functions referred to in article 12 shall be performed by the primary court.
- 8.2. The institutional arbitration may state in its statute to perform the functions referred to in articles 15.5-15.7, 17.4, 18.2 and 20.6 and in this case the decision of this competent body shall be final.
- 8.3. In matters governed by the present Law, no court shall intervene except where so provided in the present Law.

Article 9. Receipt of Written Communications

- 9.1. Unless otherwise agreed by the parties any written communication shall be delivered by personally or post. It shall be delivered by post to the addressee's permanent residence or mailing address or last job address; if none of these can be found after making a reasonable inquiry, a written communication is deemed to have been received if it is sent to the addressee's last-known place of business, permanent residence or mailing address by registered letter.

Article 10. Waiver of Right to Object

- 10.1. A party who knows that any provision of the present Law from which the parties may derogate or any requirement under the arbitration agreement has not been complied with and yet proceeds with the arbitration without slating his objection to such non-compliance without undue delay or, if a time-limit is provided therefor, within such period of time, shall be deemed to have waived his right to object.

Chapter Two Arbitration Agreement

Article 11. Definition and Form of Arbitration Agreement

- 11.1. Arbitration agreement (not depending on the contract's form and characters) is an agreement by the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not.
- 11.2. An arbitration agreement shall be in writing and the parties may make arbitration agreement before or after arising a dispute. If the parties made standard clause of contract according to Civil Code of Mongolia, they shall make an arbitration agreement after arising a dispute.
- 11.3. An agreement is in writing if it is contained in a document signed by the parties or in an exchange of letters, telex, telegrams or other means of telecommunication which provide a record of the agreement, or in an exchange of statements of claim and defense in which the existence of an agreement is alleged by one party and not denied by another.
- 11.4. The reference in a contract to a document containing an arbitration clause constitutes an arbitration agreement provided that the contract is in writing and if the contract states that the reference is such as to make that clause part of the contract, it will be deemed as arbitration agreement made between the parties.
- 11.5. Arbitration agreement, which is integral part of the contract, shall stay valid not depending on whether the contract made between the parties is valid.

Article 12. Transfer the claim application to court

- 12.1. A court in which an action is brought in a matter which is the subject of an arbitration agreement shall, if any of the parties so requests not later than when submitting his first statement on the substance of the dispute, stay its proceedings and refer the parties to arbitration unless it finds that the agreement is null and void, inoperative or incapable of being performed.

Article 13. Interim Measures by Court

- 13.1. It is not incompatible with an arbitration agreement for a party to request, before or during arbitral proceedings, a Court of Appeal to order interim measures of protection and for a Court of Appeal to take a decision granting such measures and the judge may carry out the measures stated in Article 69 of Civil Procedure Code.

Chapter Three Arbitral Tribunal and its composition

Article 14. Arbitral tribunal

- 14.1. The arbitral tribunal may be consisted of sole or panel of arbitrators.
14.2. The parties are free to determine the number of arbitrators.
14.3. Failing such determination, the number of arbitrators shall be three.

Article 15. Appointment of arbitrators.

- 15.1. The competent body is free to appoint any person as an arbitrator unless prohibited by laws.
15.2. The following persons are prohibited to work as arbitrators:
15.2.1. Member of Constitutional Court
15.2.2. Judge
15.2.3. Prosecutor
15.2.4. Case registrar
15.2.5. Detective
15.2.6. Officer of court enforcement
15.2.7. Advocator or notary who had served to any of the parties
15.2.8. Other officials who are prohibited to conduct other work which are not related to the legal duties.
- 15.3. The parties are free to agree on a procedure of appointing arbitrators, subject to the Articles 15.4-15.10 of this law.
15.4. Failing such agreement the number of arbitrators shall be three and each party shall appoint one arbitrator, and two arbitrators thus appointed shall appoint the third arbitrator. The third arbitrator shall conduct the arbitration.
15.5. If a party fails to appoint the arbitrator within thirty days of receipt of a request to do so from the other party, or if the two arbitrators fail to agree on the third arbitrator within thirty days of their appointment, the

- appointment shall be made, upon request of a party, by the Court of Appeal.
- 15.6. In an arbitration with a sole arbitrator, the parties shall appoint a sole arbitrator on mutual agreement. Failing such agreement, a sole arbitrator shall be appointed, upon request of a party, by the Court of Appeal.
- 15.7. Where a party fails to act as required under such procedure, or the parties are unable to reach an agreement expected of them under such procedure, or a competent body stated in statute of institutional arbitration fails to perform any function entrusted to it under such procedure any party may request a Court of Appeal to take necessary measure.
- 15.8. A decision on a matter entrusted by articles 15.5-15.7 of this law shall be subject to no appeal.
- 15.9. The Court of Appeal, in appointing an arbitrator, shall have due regard to the followings
- 15.9.1. Ability to act as an arbitrator
- 15.9.2. Independent and impartial secure of arbitrator
- 15.9.3. Any qualifications required of the arbitrator by the agreement of the parties
- 15.10. The parties and competent body of the institutional arbitration shall have due regard to article 15.9 of this law.

Article 16. Grounds for challenge

- 16.1. When a person is approached in connection with his possible appointment as an arbitrator, he shall disclose any circumstances likely to give rise to justifiable doubts as to his impartiality of independence to appointing party.
- 16.2. An arbitrator from the time of his appointment and throughout the arbitral proceedings shall without delay disclose any such circumstances to the parties.
- 16.3. An arbitrator may be challenged only if circumstances exist that give rise to justifiable doubts as to his impartiality or independence.
- 16.4. A party may challenge an arbitrator appointed by him, or in whose appointment he has participated, only for reasons of which he becomes aware after the appointment has been made.

Article 17. Challenge procedure

- 17.1. The parties are free to agree on a procedure for challenging an arbitrator, subject to the articles 17.4 of this law.
- 17.2. Failing such agreement, a party who intends to challenge an arbitrator shall within fifteen days after becoming aware of the constitution of the arbitral tribunal or after becoming aware of any circumstance referred to in article 16.3, send a written statement of the reasons for the challenge to the arbitral tribunal.

- 17.3. Unless the challenged arbitrator withdraws from his office or the other party agrees to the challenge, the arbitral tribunal shall decide on the challenge.
- 17.4. If a challenge under any procedure agreed upon by the parties or under the procedure of articles 17.2 and 17.3 is not successful, the challenging party may request, within 30 days after having received notice of the decision rejecting the challenge, Court of Appeal and competent body specified in statute of institutional arbitration to decide on the challenge.
- 17.5. A decision made by the authority specified in article 17.4 of this law shall be subject to no appeal.
- 17.6. While such a request is pending, the arbitral tribunal, including the challenged arbitrator, may continue the arbitral proceedings and make an award.

Article 18. Termination of Authority (Mandate) of Arbitrator

- 18.1. If an arbitrator become de jure or de facto unable to perform his functions or for other reasons fails to act without undue delay, his mandate terminates if he withdraws from his office or if the parties agree on the termination.
- 18.2. If a controversy remains concerning any of these grounds, any party may request the Court of Appeal or other authority specified in statute of institutional arbitration to decide on the termination of the mandate, which decision shall be subject to no appeal

Article 19. Substitution of Arbitrator

- 19.1. Where the mandate of an arbitrator terminates under article 18.1 a substitute arbitrator shall be appointed according to the rules that were applicable to the appointment of the arbitrator being replaced.

Chapter Four. Jurisdiction of arbitral tribunal

Article 20. Competence of Arbitral Tribunal to Rule on Its Jurisdiction

- 20.1. The arbitral tribunal may rule on its own jurisdiction as stated in article 6 of this law.
- 20.2. The arbitral tribunal may rule on any objections with respect to the existence or validity of the arbitration agreement and shall bind article 11.4 and 11.5 of this law.
- 20.3. A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than the submission of the statement of defense.
- 20.4. 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.
- 20.5. The arbitral tribunal may rule on a plea referred to in articles 20.3 and 20.4 of this law either as a preliminary question or in an award on the merits.

20.6. If the tribunal rules as a preliminary question that it has jurisdiction, any party may request within 30 days after having received notice of that ruling, the Court of Appeal; such a decision shall be subject to no appeal.

20.7. While such a request is pending, the arbitral tribunal may continue the arbitral proceedings and make an award.

Article 21. Power of Arbitral Tribunal to Order Interim Measures

21.1. Unless otherwise agreed by the parties, the arbitral tribunal may, at the request of a party, order any party to take such interim measures of protection as the arbitral tribunal may consider necessary in respect of the subject matter of the dispute. The arbitral tribunal may require any party to provide appropriate security in connection with such measures.

Chapter Five. Conduct of arbitral proceedings

Article 22. Equal Treatment of Parties

22.1. The parties shall be treated with equality and each party shall be given a full opportunity of presenting his case.

Article 23. Determination of Rules of Procedure

23.1. Subject to the provisions of the present Law, the parties are free to agree on the procedure to be followed by the arbitral tribunal in conducting the proceedings.

23.2. Failing such agreement, the arbitral tribunal may, subject to the provisions of the present Law, conduct the arbitration in such manner, as it considers appropriate.

Article 24. Place of Arbitration

24.1. The parties are free to agree on the place of arbitration.

24.2. Failing such agreement, the place of arbitration shall be determined by the arbitral tribunal having regard to the circumstances of the case, including the convenience of the parties.

24.3. Unless otherwise agreed by the parties, the arbitral tribunal may, unless otherwise agreed by the parties, meet at any other place it considers appropriate for consultation among the arbitrators, for hearing witnesses, experts or the parties, or for inspection of goods, other property or documents.

Article 25. Commencement of Arbitral Proceedings

25.1. Unless otherwise agreed by the parties, the arbitral proceedings in respect of a particular dispute commence on the date on which a request for that dispute to be referred to arbitration is received by the respondent.

Article 26. Language

26.1. Mongolian language shall be used in arbitral proceedings.

26.2. If the parties agreed otherwise other language can be used in arbitral proceedings.

26.3. This agreement or determination, unless otherwise specified therein, shall apply to any written statement by a party, any hearing and any award, decision or other communication by the arbitral tribunal.

26.4. The arbitral tribunal may order that any documentary evidence shall be accompanied by a translation into the language or languages agreed upon by the parties or determined by the arbitral tribunal.

Article 27. Statements of claim and defense

27.1. Claim application shall be in writing and the claimant or representative thereof shall sign on the claim application.

27.2. Unless otherwise agreed by the parties, requirement for claim application shall be same as in article 62 of Civil Procedure Code.

27.3. The respondent has a right to agree and perform the claim requirements, to settle, or refuse to agree and submit counter claim.

27.4. The respondent shall give to the arbitration court his written response to the claim application based on article 27.3 of this law.

27.5. The claimant shall state the facts supporting his claim, the points at issue and the relief or remedy sought, and the respondent shall state his defense in respect of these particulars. The parties may submit with their statements all documents they consider to be relevant or may add a reference to the documents or other evidence they will submit.

27.6. Unless otherwise agreed by the parties, either party may amend or supplement his claim or defense during the course of the arbitral proceedings, unless the arbitral tribunal considers it inappropriate to allow such amendment having regard to the delay in making it.

Article 28. Hearings and written proceedings

28.1. Subject to any contrary agreement by the parties, the arbitral tribunal shall decide whether to hold oral hearings for the presentation of evidence or for oral argument, or whether the proceedings shall be conducted on the basis of documents and other materials.

28.2. Unless the parties have agreed that no hearings shall be held, the arbitral tribunal shall hold such hearings at an appropriate stage of the proceedings, if so requested by a party.

- 28.3. The parties shall be given sufficient advance notice of any hearing and of any meeting of the arbitral tribunal for the purposes of inspection of goods, other property or documents.
- 28.4. All statements, documents or other information supplied to the arbitral tribunal by one party shall be communicated to the other party.
- 28.5. Also any expert report or evidentiary document on which the arbitral tribunal may rely in making its decision shall be communicated to the parties.

Article 29. Default of a party

- 29.1. Unless otherwise agreed by the parties, if, without showing sufficient cause, arbitral tribunal may carry out the following measures:
- 29.1.1. the claimant fails to communicate his statement of claim in accordance with this law, the arbitral tribunal shall terminate the proceedings;
- 29.1.2. the respondent fails to communicate his statement of defense in accordance with this law, the arbitral tribunal shall continue the proceedings without treating such failure in itself as an admission of the claimant's allegations;
- 29.1.3. 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.

Article 30. Expert appointed by arbitral tribunal

- 30.1. Unless otherwise agreed by the parties, the arbitral tribunal may appoint one or more experts to report to it on specific issues to be determined by the arbitral tribunal.
- 30.2. The arbitral tribunal may require a party to give the expert any relevant information or to produce, or to provide access to, any relevant documents, goods or other property for his inspection.
- 30.3. Unless otherwise agreed by the parties, if a party so requests or if the arbitral tribunal considers it necessary, the expert shall, after delivery of his written or oral report, participate in a hearing where the parties have the opportunity to put questions to him and to present expert witnesses in order to testify on the points at issue.

Article 31. Assistance

- 31.1. If one of the parties does not know the language of arbitration, or is unable to communicate with the language (deaf etc.) and if the parties need the professional assistance, they may get assistance from the related persons (translator, interpreter, lawyer and representative).
- 31.2. The parties pay the costs of assistance directly to the assisting person or to arbitral tribunal.

Article 32. Confidentiality

32.1. The arbitral tribunal and parties shall maintain confidentiality of the government, organization and all persons disclosed during arbitral proceedings.

Article 33. Court assistance in taking evidence

33.1. The arbitral tribunal or a party with the approval of the arbitral tribunal may request from a Court of Appeal of this state assistance in taking evidence. The court may execute the request within its competence and being guided by its rules on taking evidence in accordance with Article 46 of Civil Procedure Code.

Chapter six.

Making of award and termination of proceedings

Article 34. Rules applicable to substance of dispute

34.1. The arbitral tribunal shall decide the dispute in accordance with such rules of law as are chosen by the parties as applicable to the substance of the dispute.

34.2. Any designation of the law or legal system of a given State shall be construed, unless otherwise expressed, as directly referring to the substantive law of that State and not to its conflict of laws rules.

34.3. Failing any designation by the parties, the arbitral tribunal shall apply the law determined by the conflict of laws rules which it considers applicable.

34.4. In all cases, the arbitral tribunal shall decide in accordance with the terms of the contract and shall take into account the usages of the trade applicable to the transaction.

Article 35. Decision making by panel of arbitrators

35.1. In arbitral proceedings with more than one arbitrator, any decision of the arbitral tribunal shall be made, unless otherwise agreed by the parties, by a majority of all its members.

35.2. However, questions of procedure may be decided by a presiding arbitrator, if so authorized by the parties or all members of the arbitral tribunal.

Article 36. Settlement

36.1. If, during arbitral proceedings, the parties settle the dispute, the arbitral tribunal shall terminate the proceedings and, if requested by the parties and not objected to by the arbitral tribunal, record the settlement in the form of an arbitral award on agreed terms.

36.2. An award on agreed terms shall be made in accordance with the provisions of article 36.1 of this law and shall state that it is an award. Such

an award has the same status and effect as any other award on the merits of the case.

Article 37. Form and contents of award

- 37.1. The award shall be made in writing and shall be signed by the arbitrator or arbitrators.
- 37.2. In arbitral proceedings with more than one arbitrator, the signatures of the majority of all members of the arbitral tribunal shall suffice, provided that the reason for any omitted signature is stated.
- 37.3. The award shall state the following bases
 - 37.3.1. Names of the arbitral tribunal or sole arbitrator, place of arbitration and its date
 - 37.3.2. Legal reasons of the arbitral award unless otherwise agreed by parties or settled the dispute by the parties
 - 37.3.3. Arbitration costs
- 37.4. The arbitral award shall be delivered to each party.
- 37.5. After the arbitral award comes into force, the parties or their successors shall not submit the claim on the resolved dispute to arbitration and court.

Article 38. Termination of proceedings

- 38.1. The arbitral proceedings are terminated by the final award or by an order of the arbitral tribunal in accordance with article 28.2 of this law.
- 38.2. The arbitral tribunal shall issue an order for the termination of the arbitral proceedings when:
 - 38.2.1. the claimant withdraws his claim, unless the respondent objects thereto
 - 38.2.2. the parties agree on the termination of the proceedings
 - 38.2.3. The arbitral tribunal finds that the continuation of the proceedings has for any other reason become unnecessary or impossible.
 - 38.2.4. The parties fail to pay the arbitration costs stated in article 41.6 of this law
- 38.3. If the claimant withdraws his claims, but the respondent submits a request to decide the dispute by arbitration finally and the arbitral tribunal accepts this request, the arbitral tribunal shall continue the arbitral proceedings and make the final award.
- 38.4. The mandate of the arbitral tribunal terminates with the termination of the arbitral proceedings, subject to the provisions of articles 39 and 40.4.

Article 39. Correction and interpretation of award; additional award

- 39.1. Within thirty days of receipt of the award, unless another period of time has been agreed upon by the parties a party, with notice to the other party, may request the arbitral tribunal to correct in the award any errors in

computation, any clerical or typographical errors or any errors of similar nature

- 39.2. The parties shall not submit a request to correct the award on other basis. If to do so, the arbitral tribunal and court shall not receive the request.
- 39.3. Within thirty days of receipt of the award, unless another period of time has been agreed upon by the parties, if so agreed by the parties, a party, with notice to the other party, may request the arbitral tribunal to give an interpretation of a specific point or part of the award.
- 39.4. If the arbitral tribunal considers the request stated in articles 39.1 and 39.3 to be justified, it shall make the correction or give the interpretation within thirty days of receipt of the request. The interpretation shall form part of the award.
- 39.5. The arbitral tribunal may correct any error of the type referred to in article 39.1 of this law on its own initiative within thirty days of the date of the award.
- 39.6. Unless otherwise agreed by the parties, a party, with notice to the other party, may request, within thirty days of receipt of the award, the arbitral tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted from the award.
- 39.7. If the arbitral tribunal considers the request stated in article 39.6 of this law to be justified, it shall make the additional award within sixty days.
- 39.8. The arbitral tribunal may extend, if necessary, the period of time within which it shall make a correction, interpretation or an additional award under article 39.4 and 39.7 of this law.
- 39.9. The provisions of article 37 shall apply to a correction or interpretation of the award or to an additional award.

Chapter seven. Recourse against award

Article 40. Application for setting aside as exclusive recourse against arbitral award

- 40.1. Recourse to a Court of Appeal against an arbitral award may be made only by an application for setting aside in accordance with article 40.2 of this law.
- 40.2. An arbitral award may be set aside by the court specified in article 6 only if:
 - 40.2.1. a party to the arbitration agreement referred to in article 7 was under some incapacity; or the said agreement is not valid under the law to which the parties have subjected it or, failing any indication thereon, under the law of this State; or
 - 40.2.2. the party making the application was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case; or

- 40.2.3. the award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or contains decisions on matters beyond the scope of the submission to arbitration, provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the award which contains decisions on matters not submitted to arbitration may be set aside; or
 - 40.2.4. the composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement of the parties, unless such agreement was in conflict with a provision of this Law from which the parties cannot derogate, or, failing such agreement, was not in accordance with this Law;
 - 40.2.5. the subject-matter of the dispute is not capable of settlement by arbitration under the law of this State; or
 - 40.2.6. the award is in conflict with the public policy of this State.
- 40.3. An application for setting aside may not be made after three months have elapsed from the date on which the party making that application had received the award or, if a request had been made under article 39, from the date on which that request had been disposed of by the arbitral tribunal.
- 40.4. The Court of Appeal, when asked to set aside an award, may, where appropriate and so requested by a party, suspend the setting aside proceedings for a period of time determined by it in order to give the arbitral tribunal an opportunity to resume the arbitral proceedings or to take such other action as in the arbitral tribunal's opinion will eliminate the grounds for setting aside.
- 40.5. If the arbitral tribunal fail to correct it in accordance with Article 40.4, the court of appeal shall withdraw its decision and discuss and decide the case.

Article 41. Arbitration costs

- 41.1. The arbitral tribunal shall allocate the costs of arbitration regarding the dispute and time of arbitral proceedings.
- 41.2. The arbitral tribunal shall determine the actual cost of arbitration by means of an arbitral award.
- 41.3. The arbitration cost includes itself:
 - 41.3.1. Arbitrators' fee
 - 41.3.2. Expenses occurred to arbitrator during the arbitral proceedings
 - 41.3.3. Unpaid cost under article 31.2 of this law
 - 41.3.4. Costs related to witness
 - 41.3.5. Other cost of arbitral tribunal during arbitration
 - 41.3.6. As for the institutional arbitration, the administration fee as stated in the statute
- 41.4. Unless the parties agree otherwise, basic arbitration costs shall be borne by a Respondent in case the Claimant's claim is fully upheld, and by a Claimant in case of dismissal of the claim. If a certain part of claim was

satisfied, the basic arbitration costs shall be apportioned between the Claimant and Respondent upon adjustment of the amount of satisfied or dismissed claim.

- 41.5. In case the actual cost is low than the planned cost due to the parties reach the settlement or the claimant withdraws his claim, or the respondent fully satisfy the claim, and there is a sole arbitrator, the difference will be returned to the parties.
- 41.6. The arbitral tribunal may take the advance payment from the parties.
- 41.7. The arbitral tribunal shall determine the advance costs of arbitral proceedings and if the parties fail to pay within agreed time, the arbitral tribunal may postpone or terminate the arbitral proceedings.

Chapter viii. Recognition and enforcement of awards

Article 42. Recognition and enforcement

- 42.1. The parties are bound to execute the arbitral award.
- 42.2. If the relevant party fails to execute the award, other party may submit his request to the Court of Appeal to enforce the award by the court enforcement measures.
- 42.3. Unless the law or international conventions that Mongolia is party to state otherwise, the duration to submit a request stated in article 42.2 to the court is three years after the arbitral award became valid.
- 42.4. Duration to submit a request to enforce the foreign arbitral award in Mongolia is same as stated in article 42.3 of this law.
- 42.5. The party relying on an award or applying for its enforcement shall supply the duly authenticated original award or a duly certified copy thereof, and the original arbitration agreement or a duly certified copies thereof.
- 42.6. If the award or agreement is not made in an official language of this State, the party shall supply a duly certified translation thereof into such language.
- 42.7. If the court of appeal finds that it is reasonable, it confirms the arbitral award and make writ of execution in accordance with article 184.3 of Civil Procedure Code.
- 42.8. The arbitral award that became valid under articles 37.1, 37.2 and 39 of this law and writ of execution shall be the grounds to conduct court enforcement measures and any other documents which changed the contents of the above-mentioned documents shall be deemed as illegal.
- 42.9. If the court of appeal fails to make writ of execution under illegal or unclear reasons, this will not be the reason to not conduct the court enforcement measure. In this case, the court enforcement organization may execute the arbitral award by its own initiative.

Article 43. Refusing Recognition or Enforcement of Arbitral Award

43.1. The Court of Appeal has a right to refuse to recognize and enforce the arbitral award under the following grounds:

43.1.1. If there is a circumstance stated in article 40.2 of this law

43.1.2. The arbitral award is not valid or challenged or withdrawn by the court of place of arbitration