

INTERNATIONAL COMMERCIAL ARBITRATION BENEFITS

International commercial arbitration is one of the great unknown for most small and medium businesses that believe they can only resort to the ordinary courts as a way to resolve disputes arising in a business relationship.

Arbitration is known as a mechanism through which one or more persons, natural (s) or legal (as) involved in a conflict, refuse going to the ordinary courts and voluntarily agree to submit the dispute to an impartial, independent and expert in the matter, whose report, called an award, shall be binding for all purposes. The award has international support and recognition in the business world, and in recent years has increased its use by international operators.

Furthermore, due to the current economic situation, it is no surprise that States **encourage parties to resort to private channels to resolve conflicts** of this nature, the judicial system of a country is expensive to maintain and in many of them, especially in Italy and Spain, the periods provided for prosecutions of this kind are lengthy in time and also expensive for the parties.

The **private arbitration is an excellent tool to decongest the judicial system and to streamline it**. Courts sodden by overwork is a worrying fact to bear in mind in a time where there are more frequent international business transactions involving Spanish entrepreneurs.

Who is it for? International commercial arbitration is directed to any individual or company that seeks to resolve any dispute arising out of international trade relations.

Arbitration arises as a real alternative to prevent and resolve definitely and in an ideal way, conflicts that arise in international trade transactions, the submission to it, figures out not only as an option, but as the most suitable one of them all, as you will see due to the advantages set out below:

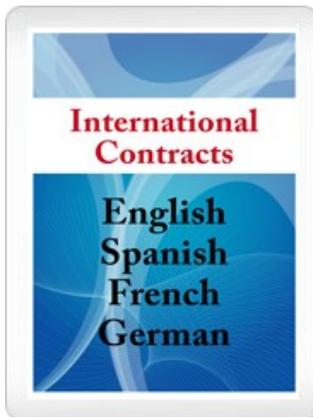
- The parties involved in the process are in charge of **choosing who will be the arbitrator by consensus**.
- **Neutrality**: while judges may be influenced by a country and a culture, the arbitrator is an independent expert specialized in the subject matter of

litigation. This point has been the subject of much discussion, since a judge specialized in civil and commercial matters, even relying on opinions of experts, cannot alone meet the details of a process of a concrete nature. So, it will be fair to rely to the knowledge of an arbitrator who is skilled in the matter or subject.

- The **cost** of arbitration is less than going to court and it is also known in advance (the amounts are predetermined from the start).
- It provides for **interim measures** in cooperation with the judiciary.
- This kind of processes have greater **flexibility**, since the parties themselves can lead the process.
- **Quick**: the arbitration proceedings tend to develop over a period extending from six months to a year. It represents a time span considerably shorter than it would take to resolve the conflict in ordinary jurisdiction.
- **Language facilities**: in international conflict resolution, it is undoubtedly one of the most important advantages: the parties may choose freely and agreed the language in which to lead the arbitration, which cannot be limited to the national languages of those involved.
- It is a **fully confidential procedure**, where the arbitrator and the parties undertake not to disclose the details and to maintain the privacy of any information that is disclosed in the process.
- **Definitive solution**: it is worth mentioning that provides the option to exclude, explicitly, the possibility of appeal to the courts. This may be because the parties have reflected in the contractual language or by the clause of the institution concerned. As an example of this we can mention the International Court of Arbitration of the Chamber of Commerce in Paris. Though, arbitration awards may not be used unless the national law of a forecast allows it. Thus the final decision obtained by the parties shall have the same efficacy as a final judgment, not being subject to appeal, and may be declared invalid only by reasons specified in the law.
- The effectiveness of arbitral awards are internationally recognized and equivalent to sentence of a judicial process. They enjoy the highest recognition that has reached the New York Convention of 1958 on Recognition and Enforcement of Judgments. The awards are binding, and foreign dictation easy to run through the provisions of that Convention. Meanwhile, the Spanish law 11/2011, of May 20,

amending Law 60/2003 of December 23, provides that corresponds to the Superior Courts of Justice jurisdiction to grant recognition to foreign awards.

All our [international contracts](#) include an arbitration clause.



To obtain models of the main international contracts, click [here](#).

To read the Spanish version of this article, click [here](#).

CONTRACTS FOR THE INTERNATIONAL COMPANY

INTERNATIONAL CONTRACTS (ENGLISH, SPANISH, FRENCH & GERMAN)

- International Sale Contract
- International Distribution Contract
- International Commercial Agency Contract
- International Sales Representative Agreement
- Intermediary Contract for Trade Operations
- International Joint Venture Contract
- International Franchise Contract
- International Services Agreement
- International Consulting Agreement
- International License Contract
- International Supply Contract
- International Manufacturing Contract
- Expatriate Contract of Employment
- Pack 5 International Contracts English (Basic)
- Pack 12 International Contracts English (Premium)

COMMERCIAL CONTRACTS (ENGLISH, SPANISH, FRENCH & GERMAN)

- Distribution Contract
- Commercial Agency Contract
- Sales Representative Agreement
- Commission Contract
- Joint Venture Contract
- Services Contract
- Consulting Contract
- Technology Transfer Agreement
- Franchise Contract
- Supply Contract
- Manufacturing Contract
- Confidentiality Agreement
- Pack 5 Commercial Contract English (Basic)
- Pack 12 Commercial Contracts English (Premium)

CHINA CONTRACTS (ENGLISH-CHINESE DUAL VERSION)

- Distribution Contract China
- Agency Contract China
- Commission Contract China
- Supply Contract China
- OEM Manufacturing Contract China
- Confidentiality Contract China
- Memorandum of Understanding for Distribution Contract China
- Memorandum of Understanding for Joint Venture China

CONTRACTUAL LETTERS

- Letter Enclosing Contract for Signature
- Letter Proposing Amendments to Contract
- Letter Proposing Variation of Contract
- Letter Terminating Contract on Breach
- Letter Terminating Contract on Notice
- Letter Terminating Contract on Breach
- Pack 5 Contractual Letters

LETTERS OF INTENTS

- Letter of Intent for International Sale
- Letter of Intent for International Distribution
- Letter of Intent for International Joint Venture
- Pack 3 Letters of Intent