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Extraordinary Number

SUMMARY

NATIONAL PARLIAMENT :

Law No.6/2021 March 31

Approves the Legal Regime for Voluntary Arbitration and makes the First Amendment fo the Civil Procedure Code 1

LAW No. 6/2021

of March 31

APPROVES THE LEGAL REGIME FOR VOLUNTARY ARBITRATION AND MAKES THE FIRST AMENDMENT TO THE CIVIL PROCEDURE CODE

Within the range of “alternative means of dispute”, arbitration, in particular voluntary arbitration, assumes a special importance, insofar as the decisions produced by the arbitral tribunals are binding and enforceable under the same terms of the sentences rendered by the courts that make up the state system of administration of justice. The “adjudicatory” nature of voluntary arbitration, assuring it an effectiveness (and feasibility) that is unparalleled in any “alternative means of resolving disputes”, generates, however, specific regulatory issues to which the legislator cannot fail to give response, through the creation of a special regulatory framework. Among these regulatory issues, we highlight the determination of the scope of arbitrable disputes, the determination of the assumptions of validity of the arbitration agreement, the constitution of the arbitral tribunal, the guarantee of the independence and impartiality of the arbitrators, the guarantee of an arbitration process that respects the equality of the parties and the adversary, the determination of the conditions of validity of the arbitration award and the presuppositions of its impugnability in the arbitration courts, and the judicial courts, either in terms of the assistance of those by them,

or in terms of of judicial control, through contestation mechanism, of the validity of arbitration.

With the present law, all these questions are answered, constituting a legal regime that concentrates as a whole, in a complete and unitary way, the regulation of voluntary arbitration.

Thus, the National Parliament decrees, under the terms of paragraph 1 of article 95 of the Constitution of the Republic, the following to have the effect as law:

Article 1 Object

1. This law approves the Legal Regime for Voluntary Arbitration, which is published in an annex to this law and which is an integral part of it.
2. This law makes the First Amendment to the Code of Civil Procedure, approved by Decree-Law no. 1/2006, of 21 February.

Article 2 Amendment to the Code of Civil Procedure

The articles 671 and 694 of the Code of Civil Procedure, approved by Decree-Law no. 1/2006, of 21 February, are replaced by the following wording:

“Article 671 [...]

1. [...]
2. Arbitration decisions are enforceable under the same terms as decisions of judicial courts, without prejudice to the provisions of the Voluntary Arbitration Legal Regime.

Article 694 [...]

1. [...]
2. In opposition to execution based on an arbitration award, the defendant may invoke the grounds provided for in the Voluntary Arbitration Legal Regime.”

Article 3

Revocatory Rule

Article 679(2) and Article 841 of the Civil Procedure Code, approved by Decree-Law no. 1/2006, of 21 February, are revoked

Article 4

Transitional rule

The Voluntary Arbitration Legal Regime applies to arbitration proceedings that begin after the entry into force of this law, even if the arbitration agreement was signed at a previous time.

Article 5

Entry into force

This law enters into force on the day following its publication.

Approved on 22 February 2021.

The President of the National Parliament,

Aniceto Longinhos Guterres Lopes

Enacted on 29 March 2021.

Publish.

The President of the Republic,

Francisco Guterres Lú Olo

ANNEX

LEGAL REGIME OF VOLUNTARY ARBITRATION

CHAPTER I

GENERAL PROVISIONS

Article 1

Object

The purpose of this legal regime is to regulate voluntary arbitration and the confirmation and execution of arbitration decisions.

Article 2

Scope of application

1. The present legal regime applies to domestic voluntary arbitrations and international voluntary arbitrations that take place in Timor-Leste, to the execution of provisional measures and national arbitral award, and to the confirmation and execution of provisional measures and foreign arbitral awards.
2. Unless otherwise agreed by the parties, paragraphs 4 and 5 of article 14 and paragraph 4 of article 28 of this legal regime do not apply to international arbitration.
3. Paragraph 2 of article 11, paragraphs 3 and 4 of article 52, article 61, paragraph 2 of article 62 and article 67 of this regime law only apply to international arbitration.
4. Without prejudice to the provisions of the two previous numbers, in the absence of a special provision to the contrary, all the rules of the present legal regime apply to domestic and international arbitrations.
5. The submission to arbitration of disputes arising out of, or relating to, employment contracts is regulated by a special law.

Article 3

Definitions and rules of interpretation

1. For the purpose of this legal regime, it is to understood as follows:
 - a) “Voluntary arbitration” means the resolution of disputes by means of a binding decision rendered by an arbitral tribunal on the basis of an arbitration agreement and following a process subject to the principles of equal treatment of the parties, adversarial proceedings and the independence and impartiality of the referees;
 - b) “Arbitration agreement”, the agreement, which may take the form of a stand-alone contract or an integral clause of a contract that has another object in addition to the arbitration agreement, by means of which the parties are subject to the decision of an arbitral tribunal:
 - i) The resolution of a current dispute or of all or some of the disputes that may arise from a certain contractual or non-contractual legal relationship;
 - ii) The definition of legal or factual situations, namely the determination and completion of contractual contents and their adaptation to new circumstances, in particular when dealing with contracts that generate long-lasting legal relationships;
 - c) “Arbitration Tribunal”, the tribunal composed, one or more, appointed by the parties of the dispute, by third parties to which the parties attribute this power, including institutionalized arbitration centers, or by the competent judicial courts, under the terms of the present regime legal;

- d) “Arbitrators”, the members of the arbitral tribunal appointed under the terms of the previous subparagraph;
- e) “Emergency arbitrator”, the arbitrator appointed by the parties to the dispute or by third parties to whom they attribute this power, including institutionalized arbitration centers, to decree provisional measures before the arbitral tribunal is constituted;
- f) “Judicial Court” means any court that is part of the judicial organization of Timor-Leste;
- g) “International arbitration” means arbitration taking place in Timor-Leste in relation to which any of the following circumstances exist:
 - i) At the time of the celebration of the arbitration agreement, the parties have their domicile or registered office in different States;
 - ii) The place of compliance of the main obligations of the legal relationship or transaction subject to the dispute is located in a State other than the State of the domicile or registered office of the parties;
 - iii) The place with which the matter forming the object of the dispute has a closer relationship is situated in a State other than the State of the domicile or have their registered office;
 - iv) The parties themselves, in the arbitration agreement, determine that it is a matter related to more than one State;
- h) “Internal arbitration” means arbitration that takes place in Timor-Leste and is not international arbitration;
 - i) “Foreign arbitration” means arbitration that does not take place in Timor-Leste;
 - j) “Place of arbitration”, the place agreed upon by the parties or fixed by the arbitral tribunal, under the terms of article 43 ;
- k) “Arbitral decision” means any decision rendered by an arbitral tribunal;
- l) “Arbitral Award” means any decision rendered by an arbitral tribunal;
- m) “National Arbitral decision”, the arbitration decision rendered in arbitration that takes place in Timor-Leste;
- n) “Foreign arbitration decision”, the decision rendered in arbitration that does not take place in Timor-Leste;
- o) “Submission to arbitration”, the communication addressed by the party that intends to initiate the arbitration process to the counterparty or to the institutionalized arbitration center provided for in the arbitration agreement;
- p) “Institutionalized arbitration centre”, any institution,

regardless of its legal form, that provides support services to the parties and the arbitral tribunal, namely administrative and logistical support in the processing of arbitration proceedings;

- q) “Durable support” the paper or electronic document that allows information to be stored in a permanent and accessible way for future reference;
- r) “Electronic communication”, communication that allows the transmission and reception of data through cable signals, radioelectric means, optical means or other electromagnetic means.

2. For the purposes of subparagraph g) of the previous number, when any of the parties has more than one domicile, it is considered the one with the closest connection to the arbitration agreement and, when any of the parties has no domicile, is considered the place of their habitual residence.
3. Whenever a rule of this legal regime, with the exception of article 52, grants the parties the power to dispose of a certain matter, this includes the power to authorize a third party, including an institutionalized arbitration center, to do so.

Article 4 Arbitrability

1. Without prejudice to a special law that reserves them to the jurisdiction of the courts of the State, any disputes whose object is interests of a patrimonial nature may be resolved by means of voluntary arbitration.
2. Disputes that have as their object claims of a non-patrimonial nature can only be resolved through voluntary arbitration if they are susceptible to a transaction, under the terms of article 1169 of the Civil Code.

Article 5 Communications, notifications and deadline counting

1. Unless otherwise agreed by the parties or legal provision to the contrary, the following rules apply to the arbitration process, as to communications and notifications of written acts or declarations, from submission to arbitration until the end of the process:
 - a) Communications and notifications may be made in person, by postal mail or by means of electronic communication, namely telex, fax and electronic mail, which are recorded on a durable support;
 - b) Communications and notifications are considered to be made on any of the following dates:
 - i) On the date on which they are delivered personally to the addressee or his representatives;
 - ii) On the date on which they are received, by post,

**CHAPTER II
ARBITRATION AGREEMENT**

**Article 8
Written form**

- at the addressee's domicile, habitual residence or registered office or at any other address designated by him;
- iii) On the date on which the content of the electronic communication becomes accessible to the recipient at the electronic address designated by him;
- c) When, after a reasonable inquiry, it proves impossible to know the current places or addresses referred to in the previous subparagraph, communications and notifications may be sent, by post, to the last domicile, habitual residence or registered office of the recipient, considered to be made on the date on which they are received there.
2. The deadlines whose beginning presupposes the execution of any communications or notifications begin to count on the day following the day on which they are considered to have been made, under the terms of the previous number.

Artigo 6

Tacit waiver of the right to invoke the violation of the law or the arbitration agreement

In the event of a violation of any non-mandatory rule of the present legal regime or of any stipulation of the arbitration agreement, the party that has become aware of it may not immediately oppose it, or within the period provided for the purpose, invoke it further later, namely as grounds for annulment or refusal to confirm or enforce the arbitral award, considering that, by acting in that way, it waives the right to do so.

Article 7

Intervention of the judicial courts

1. Judicial courts cannot intervene in the matters covered by this legal regime, except in cases in which they are empowered to do so.
2. In the interventions provided for in articles 14, 15, 16, 19, 20 and 25, the following rules apply:
- a) The requester specifies the facts that justify his request, adding and requesting, in the claim itself, all the evidence;
- b) Upon receipt of the claim provided for in the previous subparagraph, the other parties to the arbitration and, if applicable, the arbitral tribunal are notified so that, within 10 days, they may decide on the content thereof;
- c) Before rendering a decision, the court may, if it deems it necessary, collect or request the necessary information for the delivery of its decision;
- d) The process has an urgent nature, preceding the respective acts any other non-urgent judicial service.

1. Under penalty of nullity, the arbitration agreement is subject to written form.
2. Even if concluded verbally or tacitly or in any other way, the arbitration agreement is considered to be written whenever its content is recorded in any way.
3. It is considered that the arbitration agreement observes the written form, namely, in any of the following cases:
- a) The declarations of the parties are contained in separate written documents signed separately by each of them, and these are exchanged in person, by post or through electronic communication;
- b) The declarations of the parties consist of a single written document jointly signed by both parties;
- c) The declarations of the parties are contained in electronic communication, namely telex, fax and e-mail, which are recorded on a durable support;
- d) A contract refers to a contractual text or document that contains an arbitration agreement, provided that the reference is made in such a way that the arbitration agreement becomes an integral part of that contract;
- e) The text of the arbitration agreement is recorded on durable support and the behavior of the parties, namely the lack of any opposition immediately after its knowledge, interpreted according to the usages of the economic sector in question and the rules of common experience, allows concluding that both agree with the respective content;
- f) Any of the parties, despite having been notified, in an arbitration process, of the petition or defense in which the arbitration agreement is alleged, does not call into question its existence.

Article 9

Signing of arbitration agreements by public entities

1. The State and other legal persons of public right may celebrate arbitration agreements whose object is disputed exclusively under private right.
2. The entities referred to in the previous number may only celebrate arbitration agreement whose object, even if only partially, is public right disputes if they are authorized to do so by a special law.

Article 10
Contents of the arbitration agreement and other agreements of the parties

The content of the arbitration agreement, as well as other agreements concluded by the parties regarding the arbitration process, includes the rules and regulations of the institutionalized arbitration centers to which they refer.

Artigo 11
Applicable law

1. In the case of domestic arbitration, questions of substantial validity of the arbitration agreement and the arbitrability of the dispute are regulated by Timor-Leste law.
2. In the case of international arbitration, it is understood that the arbitration agreement is valid in terms of substance and that the dispute to which it relates is arbitrable if the requirements and limits established by any of the following rights are respected:
 - a) The law chosen by the parties to rule the arbitration agreement;
 - b) The law applicable to the substance of the case;
 - c) The law of Timor-Leste.

Article 12
Effects of the arbitration agreement on actions brought in the judicial courts

1. An action is brought in any judicial court, whether in the main or counterclaims, which has as its object a dispute covered by an arbitration agreement, the judge must, if the defendant raises the matter before the deadline set for the presentation of the contestation, reject the acknowledgment of the request and refer the author to the arbitral tribunal, unless it considers that there is no arbitration agreement or that it is null, ineffective or unenforceable.
2. The decision of the judicial court that does not refer the author to the arbitration court is always appealable to the Supreme Court of Justice, with the appeal having a suspensive effect on the judicial process.
3. In the case provided for in the previous number, the pending matter in the judicial court does not inhibit the beginning or the normal continuation of the arbitration process, nor does it prevent the arbitral tribunal from exercising its powers, including that of rendering an award.
4. As soon as the decision of the judicial court becomes final and considers that there is no arbitration agreement or that it is null, ineffective or unenforceable, the arbitration process ends and the award that has been rendered therein has no effect.
5. The judicial court must immediately reject the action of simple appraisal that has as its autonomous object the questions of the existence, nullity, ineffectiveness and

unenforceability of an arbitration agreement, as well as the precautionary procedure in which the requester, raising the same questions, intends that the judicial court inhibit the constitution or functioning of an arbitral tribunal.

Article 13
Compatibility between the existence agreement and the requirement for provisional measures in the judicial courts

1. Without prejudice to the provisions of paragraph 4 of the previous article, the existence of an arbitration agreement does not prevent the parties from requesting from the judicial courts, before or after the arbitration proceedings on which they depend, any of the provisional measures provided for in chapter VI.
2. Regardless of the place of arbitration, the existence of an arbitration agreement does not affect the jurisdiction of the judicial courts to, under the terms of the procedural regime applicable to them, enact provisional measures dependent on arbitration proceedings, before or after the commencement of such proceedings, and even before the constitution of the arbitral tribunal.
3. In appreciation of the precautionary pretensions provided for in the previous number, the judicial courts must take into account, as appropriate, the specific characteristics of international arbitration or foreign arbitration.

CHAPTER III
CONSTITUTION OF THE ARBITRAL TRIBUNAL

Article 14

Composition of the arbitral tribunal

1. The parties may freely determine the number of arbitrators that comprise the arbitral tribunal.
2. In the absence of agreement between the parties on the matter, the arbitral tribunal shall be composed of three arbitrators.
3. Unless otherwise agreed by the parties, no one may be prevented from being appointed as an arbitrator on account of his or her nationality.
4. When the arbitration agreement results in a predominant position for one of the parties in the procedure for the appointment of arbitrators, which may jeopardize the impartiality of the arbitral tribunal, the other party may, within 10 days from the knowledge of the complete composition of the arbitral tribunal, request the President of the Supreme Court of Justice to replace the appointed arbitrator(s) or to determine a different appointment procedure from the one provided for in the arbitration agreement.
5. The decision of the President of the Supreme Court of Justice is not susceptible, and the provisions of paragraphs 3 and 4 of article 12 are applicable, with the necessary adaptations.

Article 15

Nomination of arbitrators

1. Arbitrators are appointed in accordance with the procedure stipulated by the parties, either directly or through reference to institutionalized arbitration center regulations.
2. In the absence of agreement between the parties on the procedure for appointing arbitrators, the following rules apply:
 - a) In the case that the court must be composed of three or more arbitrators:
 - i) Each party must designate an equal number of arbitrators and the arbitrators so designated must choose another arbitrator, who acts as president of the arbitral tribunal;
 - ii) If either party fails to make its appointment within 30 days from the receipt of the request made by the other party for this purpose or the arbitrators appointed by the parties do not appoint the presiding arbitrator within 30 days of from the appointment of the last of them, any of the parties may request the President of the Supreme Court of Justice to appoint the arbitrator or arbitrators at fault;
 - b) In the case that the arbitral tribunal must be composed of a single arbitrator, any of the parties may, in the absence of agreement on the appointment, request it from the President of the Supreme Court of Justice.
3. When the parties have agreed on the procedure for appointing arbitrators, but as a result of the omission of one of them or a third party or the absence of an agreement between them or between the arbitrators, the appointment of an arbitrator, either of them may, except stipulation to the contrary, request it from the President of the Supreme Court of Justice.
4. When appointing an arbitrator, the President of the Supreme Court of Justice must take into account the qualifications agreed by the parties and ensure their independence and impartiality.
5. In the case of international arbitration, when appointing a sole arbitrator or a third arbitrator, the President of the Supreme Court of Justice must also consider that it is recommended that the appointment be made by an arbitrator who is not of the nationality of either party.
6. The decisions of the President of the Supreme Court of Justice provided for in the previous numbers are not subject to any challenge.

Article 16

Appointment of arbitrators in case of plurality of claimants and defendants

1. In the event of plurality of claimants or defendants,

and the arbitral tribunal must be composed of three arbitrators, the first jointly designate one arbitrator and the second jointly designate another.

2. If the claimants and defendants cannot agree on the arbitrator that they are responsible for designating, it is up to the President of the Supreme Court of Justice, at the request of either party, to designate the arbitrator at fault.
3. In the case provided for in the previous number, the President of the Supreme Court of Justice may, if it is shown that there are conflicting interests between the claimants or between the defendants as to the substance of the case, appoint all the arbitrators and among them the president, in this case, the appointment of the arbitrator that one of the parties has in the meantime made will be without effect.
4. The provisions of this article may be removed or derogated from by agreement of the parties.

Article 17

Acceptance of designation

1. The effectiveness of the appointment depends, in any case, on the acceptance of the nominee.
2. Once the appointment has been accepted, the excuse is only legitimate if it is based on the demonstration of the existence of a supervening fact that makes it impossible for the arbitrator to perform his duties or on the non-completion of the agreement referred to in paragraph 1 of article 25.
3. Unless otherwise agreed, the designated person must, in writing, within 15 days from the communication of his designation, declare that he accepts it, communicating it to the person who designated him.
4. If the declaration referred to in the previous number is not communicated within the period indicated therein, the appointment is considered not to be accepted, unless the designated person reveals, through conclusive behavior, the intention to act as arbitrator.
5. The illegitimate excuse makes the arbitrator responsible for the damages caused.

Article 18

Duty of disclosure and refusal of arbitrators

1. Anyone who becomes aware, through an invitation or other preliminary contacts, that someone intends to appoint him as an arbitrator, must immediately disclose all circumstances that may give rise to justified doubts about his impartiality and independence.
2. The arbitrator must, throughout the arbitration process, reveal, without delay, to the parties and to the other arbitrators the circumstances referred to in the previous number that are supervening or of which he only became aware after accepting the appointment.
3. An arbitrator may only be refused on the basis of

circumstances that give rise to justified doubts as to his impartiality or independence or if he does not possess the qualifications that the parties have agreed.

4. A party may not refuse an arbitrator that has appointed or in whose appointment the party has participated unless it can demonstrate that only became aware of the grounds for the refusal after the appointment.

Article 19 **Refusal Process**

1. Without prejudice to the provisions of paragraph 3, the arbitrator refusal process follows the rules agreed by the parties, directly or through the reference to the regulation of an institutionalized arbitration center.
2. In the absence of agreement, the following rules apply:
 - a) A party wishing to refuse an arbitrator must submit a written request to the arbitral tribunal, specifying the grounds for the refusal, within 15 days from the date on which it became aware of the constitution of the arbitral tribunal or the date on which it became aware of the circumstances which it invokes to justify its refusal;
 - b) If the arbitrator refused does not resign from the mandate for which he was appointed nor the parties agree on its termination, the arbitral tribunal shall decide on the pretension of refusal.
3. If in any of the cases provided for in paragraphs 1 and 2, the arbitrator's pretension to refuse is not met, the party that requested it may, within 15 days after the decision of rejection has been communicated to it, challenge it by means of an application addressed to the President of the Supreme Court of Justice, whose decision cannot be challenged.
4. Pending the process of case in the Supreme Court of Justice, the arbitral tribunal, including the rejected arbitrator, may proceed with the arbitration process and render an award.
5. The refused arbitrator has the right to renounce the mandate for which he was appointed, without having to invoke any ground.
6. The mandate of the rejected arbitrator ends in any of the following situations:
 - a) The arbitrator exercises his right of withdrawal;
 - b) The parties agree on the termination;
 - c) The court grants the pretension of excuse;
 - d) The President of the Supreme Court of Justice judges the challenge provided for in paragraph 3 to be valid.

Article 20

Impossibility or default of the arbitrator

1. If an arbitrator is unable, in law or in fact, to perform his duties or if he does not perform them with diligence and within a reasonable time, his mandate ceases as soon as he resigns or the parties, by agreement, so determine.
2. In any of the cases provided for in the previous number, if the arbitrator does not resign or if there is no agreement between the parties, any of them may request the President of the Supreme Court of Justice to determine the termination of his/her mandate, and his/her decision is not subject to appeal.
3. The fact that an arbitrator renounces his mandate in the cases provided for in paragraph 1 of this article and in paragraph 2 of the previous article cannot be interpreted as an acceptance of the facts or circumstances attributed to him or as an acknowledgment of any responsibility.

Article 21

Arbitrator replacement

1. In all cases in which, for whatever reason, an arbitrator's term of office ends, namely in the cases provided for in the previous articles, a substitute arbitrator is appointed in accordance with the rules applied to the appointment of the replaced arbitrator.
2. With the substitute arbitrator in office, the arbitral tribunal, after hearing the parties, will decide whether, in view of its new constitution, any procedural act should or should not be repeated.

CHAPTER IV

REQUIREMENTS, DUTIES, RESPONSIBILITY AND RIGHTS OF ARBITRATORS

Article 22

Requirements

1. Only fully capable individuals can be arbitrators.
2. Without prejudice to the parties' freedom of choice and the provisions of paragraphs 4 and 5 of article 15, no one can fail to be designated as an arbitrator on grounds of gender or nationality.

Article 23

Independence, impartiality and diligence

Arbitrators must exercise their functions with high standards of diligence, be independent and act with absolute impartiality, treating the parties equally.

Article 24

Responsibility

1. Arbitrators are not responsible for damages resulting from their decisions, unless they acted with intent or gross negligence.

2. When arbitrators have been appointed by third parties, including arbitration centers or other arbitrators, they are only liable to the parties when they themselves have acted with intent or gross negligence in choosing arbitrators.
3. When it exists, the responsibility referred to in the previous number is joint.

Article 25

Fees and expenses arbitrators

1. If the parties have not regulated such matter in the arbitration agreement, the fees of the arbitrators, the method of reimbursement of their expenses and the method of payment by the parties of preparations for these fees and expenses must be the subject of a written agreement between the parties and the arbitrators, concluded before the acceptance of the last of the appointed arbitrators.
2. If the matter has not been regulated in the arbitration agreement or an agreement has not been concluded between the parties and the arbitrators, it is up to the latter, taking into account the complexity of the issues to be judged, the value of the case and the time spent and to be expended from the beginning to the end of the arbitration process, set the amount of its fees and expenses, as well as determine the payment by the parties of preparations on behalf of both parties, by means of one or more decisions separate from those that rule on matters procedural or on the basis of the case.
3. In the case provided for in the previous number, any of the parties may request the President of the Supreme Court of Justice to reduce the amounts of fees or expenses and the respective preparations established by the arbitrators, being able, after hearing these, to establish the amounts that he considers suitable.
4. In the event of non-payment of preparations for fees and expenses that have been previously agreed or fixed by the arbitrators or by the President of the Supreme Court of Justice, they may, once the reasonable additional period granted for this purpose to the party or defaulting parties, suspend or terminate the arbitration process, without prejudice to the provisions of the following number.
5. If, within the period established in accordance with the previous number, any of the parties does not pay for its preparation, the arbitrators, before deciding to suspend or terminate the arbitration process, must grant the other parties an additional period so that they can, if they so choose, make up for the lack of payment for the missing preparation.

CHAPTER V

COMPETENCE OF THE ARBITRAL TRIBUNAL

Article 26

Competence of the tribunal to decide on its own competence

1. The arbitral tribunal has the competence to decide on its

own competence, including the power to appreciate the questions of the existence, validity, effectiveness and applicability of the arbitration agreement.

2. The arbitration agreement that constitutes a clause of another contract is independent of it, not implying, in itself, the decision of the arbitration tribunal that considers it invalid or ineffective the invalidity or ineffectiveness of the arbitration agreement.

Article 27

Extension

Within the limits of the arbitration agreement, the tribunal is competent to know all questions, substantive or procedural, prior or incidental, whose resolution is necessary for the normal and expeditious development of the arbitration process and for the decision of the case.

Article 28

Invoking the question of the arbitral tribunal's incompetence of its decision and its challenge

1. The arbitral tribunal's incompetence to adjudicate on all or part of the object of the dispute may only be invoked by the defendant, under penalty of preclusion of the right to do so later, until the presentation of the defense as to the substance of the case or together with this.
2. The fact that a party has appointed an arbitrator or participated in its appointment does not deprive it of the right to invoke the arbitral tribunal's incompetence.
3. When, in the course of the arbitration process, a question arises whose knowledge may exceed the competence of the arbitral tribunal, the interested party must immediately invoke its incompetence, under penalty of preclusion of the right to do so later.
4. At the request of the interested party, duly substantiated, the arbitral tribunal may admit the invocation of the question of incompetence beyond the time limits established in paragraphs 1 and 3 when it considers that, in view of the circumstances and taking into account standards of normal diligence, it was not required of the party to do so earlier.
5. The arbitral tribunal may decide on its competence either by means of an interlocutory decision or in the award on the substance of the case.
6. The interlocutory decision by which the arbitral tribunal declares that it has competence may, within 30 days after its notification to the parties, under penalty of forfeiture, be subject to judicial challenge.
7. The pendency of the judicial challenge referred to in the previous number does not prevent the arbitral tribunal from proceeding with the arbitration process and rendering an award on the substance of the case.
8. If the court considers the arbitral tribunal to be incompetent, the arbitration process ends and the award rendered therein has no effect.

9. The competence to hear the challenge is in the Supreme Court of Justice, applying, with the necessary adaptations and safeguarding the special provisions of the three previous numbers, the provisions of article 63.

**CHAPTER VI
PROVISIONAL MEASURES IF PRELIMINARY ORDER**

**Section I
Provisional Measures
Article 29**

Provisional measures decreed by the arbitral tribunal

1. Unless otherwise agreed by the parties, the arbitral tribunal may, at the request of a party, at any time prior to the delivery of the award that judges the substance of the case, decree provisional measures, ordering any of the following conducts:
 - a) Maintain or restore the previously existing situation while the dispute is not judged;
 - b) Abstention from acts likely to cause prejudice to the arbitration process itself or the practice of acts capable of preventing it;
 - c) Preserve assets that can ensure the execution of the award that may be pronounced;
 - d) Preserve evidence relevant to the resolution of the dispute.
2. Before constituting the arbitral tribunal, the provisional measures provided for in the previous number may be decreed by the emergency arbitrator.

**Article 30
Requirements for decreeing provisional measures**

1. The decreeing of the provisional measures provided for in subparagraphs a), b) and c) of paragraph 1 of the previous article depends on evidence of the following assumptions:
 - a) It is probable that the failure to decree the measure will cause the requester damage that cannot be adequately repaired through compensation and that this damage is substantially greater than that which the decreeing of the measure may result for the defendant;
 - b) There is a reasonable possibility that the arbitration action will be considered valid.
2. The probability judgment referred to in subparagraph b) of the previous number does not bind the arbitral tribunal as to the judgment of the case.
3. With regard to the provisional measure provided for in subparagraph d) of paragraph 1 of the previous article, the requirements established in paragraph 1 of this article apply only to the extent that the arbitral tribunal deems them appropriate to the nature of the measure.

4. The arbitral tribunal may require the requester for the provisional measure to provide adequate grant.

**Section II
Preliminary Orders**

**Article 31
Requirements for the enactments of preliminary orders**

1. Unless otherwise agreed by the parties, either of them may, when requesting the enactment of a provisional measure, simultaneously request that the arbitral tribunal address to the other, without prior hearing, a preliminary order that ensures the useful effect of the provisional measure required.
2. The arbitral tribunal may issue a preliminary order when it considers that the prior hearing of the requested party is likely to defeat the purpose of the requested provisional measure.
3. The requirements established in paragraph 1 of article 30 are applicable to the enactment of any preliminary order, considering that the damage referred to in subparagraph a) of paragraph 1 of that provision is, in the case of preliminary order, those that may result from it being issued or not.

**Article 32
Procedure and expiry**

1. Immediately after the arbitral tribunal has pronounced on an application for a preliminary order, it shall notify all parties of the application for a provisional measure, the application for a preliminary order, the preliminary order, if one has been issued, and all other communications, including oral communications, which have taken place between any party and the arbitral tribunal in this regard.
2. At the same time, the arbitral tribunal must give the party against whom the preliminary order has been issued an opportunity to comment on it, giving it, for this purpose, the shortest possible time.
3. The arbitral tribunal shall promptly rule on any objection raised against the preliminary order.
4. The arbitral tribunal shall require the requester of the preliminary order to provide adequate guarantee unless it deems it inappropriate or unnecessary to do so.
5. Preliminary order expires 20 days after the date on which it was issued by the arbitral tribunal.
6. Notwithstanding the provisions of the previous number, the arbitral tribunal may, after hearing the defendant about this possibility, decree a provisional measure that incorporates or modifies the content of the preliminary order.
7. The preliminary order is binding to the parties, but not enforceably by the judicial courts.

Section III

Common rules to provisional measures and preliminary order

Article 33

Modification, suspension and revocation

The arbitral tribunal may modify, suspend or revoke a provisional measure or a preliminary order that has been decreed or issued, at the request of either party, or, in exceptional circumstances and after hearing them, on its own initiative.

Article 34

Disclosure duty

1. The court may order the parties to promptly disclose any any significant change in the circumstances on the basis of which the provisional measure was requested or ordered.
2. The party requesting a preliminary order must disclose to the arbitral tribunal all circumstances that may be relevant to the decision on its issuance or maintenance, maintaining this duty until the party against whom the order was made has the opportunity to to comment on it, after which the provisions of paragraph 1 apply.

Artigo 35

Responsability of claimant

1. The arbitral tribunal understanding that, in the previous circumstances actually existing, the provisional measure or preliminary order should not have been decreed or ordered, the party that requested it is liable for any costs or damages caused by it to the other party.
2. The arbitral tribunal may, in the case provided for in the previous number, order the claimant to pay the corresponding compensation at any stage of the proceedings.

Section IV

Confirmation and execution by the judicial courts of the decision of the arbitral tribunals that decree provisional measures

Subsection I

Execution of national arbitration decisions that decree provisional measures

Article 36

Regime

1. Without prejudice to the provisions of the following numbers, the regime established in chapter X applies, with the necessary adaptations, to the execution of arbitral decisions that decree provisional measures issued in arbitrations based in Timor-Leste.
2. The arbitral tribunal may, in the decision that decrees the provisional measure, exclude its execution in the judicial

courts.

3. The party requesting the enforced execution of the arbitral decision that decree a provision measure must promptly inform the court of its eventual revocation, suspension or modification by the arbitral tribunal.
4. The judicial court to which the execution of the arbitral award that decree a provisional measure is requested may, if it deems it appropriate, order the requester to provide an adequate guarantee, unless the arbitral tribunal has already made a decision on the matter.
5. In any case, the judicial court determines the provision of guarantee when it is necessary to protect the rights of third parties.

Subsection II

Confirmation and execution of foreign arbitration decisions that decree provisional measures

Article 37

Regime

In everything that does not contradict the provisions of this subsection, the provisions of chapter XI are applicable to the confirmation and execution of foreign arbitral awards that decree provisional measures.

Article 38

Procedure

1. At the request of the interested party, and unless the arbitral tribunal itself determines otherwise, a foreign arbitral award decreeing a provisional measure may be confirmed and executed by the judicial courts.
2. Whether in pending proceedings aimed at confirming or executing the arbitration decision that decreed the provisional measure and after the rendered decision confirming it or determining its execution, the party that requested confirmation or requested execution must immediately inform the court of possible decision to revoke, suspend or modify the provisional measure taken by the arbitral tribunal that decreed it.
3. The judicial court to which confirmation or execution of the arbitral award that decreed the measure is requested may, if it deems it appropriate, order the requester to provide an adequate guarantee, unless the arbitral tribunal has already taken a decision on that matter.
4. In any case, the court determines the provision of a guarantee when it is necessary to protect the rights of third parties.
5. The confirmation process is of an urgent nature, preceding the respective acts with any other non-urgent judicial service and the deadlines provided for in article 69 are reduced by half.

Article 39

Grounds for refusing confirmation and opposing the execution of the confirmed decision

1. Confirmation of a foreign arbitral award that decree a provisional measure can only be refused on one of the following grounds:
 - a) Occurrence of any of the hypotheses provided for in subparagraphs a), b), c), d) or e) of paragraph 1 of article 70;
 - b) Failure to comply with the decision of the arbitral tribunal that determined the provision of guarantee to the requester;
 - c) Revocation or suspension of the provisional measure by the arbitral tribunal or, if competent to do so, by a judicial court of the foreign State in which the arbitration takes place or of the State under whose law the measure has been decreed;
 - d) It is a provisional measure that could not be decreed by the judicial courts of Timor-Leste under Timorese law, unless the court decides to convert the provisional measure into another that is admissible under Timorese law, provided that it maintains the essence and usefulness of the arbitration measure whose confirmation is sought;
 - e) Occurrence of any of the hypotheses provided for in subparagraphs g) and h) of paragraph 1 of article 70.
2. The court can only hear the grounds for refusal provided for in subparagraphs a), b) and c) of the previous number by invoking the defendant, the grounds provided for in subparagraphs d) and e) of the previous number being unofficially known.
3. The decision of the court, which must refrain from reviewing the merits of the provisional measure by the arbitral tribunal, does not take effect outside the confirmation process, without prejudice to the provisions of the following paragraphs.
4. The debtor may only invoke, in opposition to the execution of the confirmed arbitration decision, the grounds provided for in paragraph 1, with the exception of the following:
 - a) Grounds that did not invoke in the process of confirmation of the enforced decision, but that it could have invoked, with the exception of those provided for in subparagraphs d) and e) of paragraph 1;
 - b) Fundamentos que tenham sido julgados improcedentes na decisão do tribunal judicial que confirmou a decisão arbitral exequenda.
 - c) Grounds that have been dismissed in the decision of the court that confirmed the enforceable arbitration decision.
5. The judicial court may, officiously, hear the issues provided for in subparagraphs d) and e) of paragraph 1, unless the judicial court that confirmed the arbitration award has already ruled on them.

CHAPTER VII

INITIATION, REALIZATION AND DEVELOPMENT OF THE ARBITRATION PROCESS

Article 40

Fundamental principles and representation of the parties

1. In the conduct and management of the process, as well as in the resolution of the questions that arise therein, the arbitral tribunal must respect the following principles:
 - a) Principle of impartiality, which obliges the arbitral tribunal to objectively consider, without bias or prejudice, the positions and arguments of both parties regarding the issues it deems relevant and pertinent for the decision of the case, not excluding from the outset, when it deems according to established right, no legally plausible solution;
 - b) Principle of equality, which obliges the tribunal to grant the parties the same opportunities for procedural intervention and to allow them, within a reasonable time, to fully present, depending on the case, of its main or counterclaims, and of its defence;
 - c) The principle of the contradictory, which obliges the arbitral tribunal to grant the parties, throughout the entire process, the opportunity to express their views in advance on any issues that must be resolved, except for the exceptions provided for in this legal regime;
 - d) Principle of free sponsorship, which assures the parties the right to be represented by a lawyer.
2. Without prejudice to the provisions of subparagraph d) of the previous number, and unless the parties agree to the contrary, the parties may litigate in their own cause and be represented by any person of their choice, even if not a lawyer.
3. In the case of international arbitration, and unless the parties agree to the contrary, any of them may be represented by a foreign lawyer not registered in Timor-Leste, regardless of the State from which he/she comes.
4. It is considered, for all purposes, that the persons referred to in subparagraph 2 and foreign lawyers not registered in Timor-Leste referred to in paragraph 3 act lawfully when representing any of the parties in an arbitration proceeding, the prohibition of illicit prosecution does not apply to them.

Article 41

Determination of the rules of the arbitration process

1. With respect for the principles set out in the previous article, the parties are free to establish, by agreement, until the moment of acceptance of the first arbitrator, the rules that the arbitral tribunal must observe in the conduct and management of the arbitration process.
2. In the absence of an agreement between the parties, and in

everything that is not regulated in the present legal regime, the arbitral tribunal may conduct and manage the process in the way it deems most appropriate to the nature and degree of complexity of the dispute, ensuring its expeditious progress and deciding on the admissibility, relevance and value of any evidence produced or to be produced.

3. In exercising the power provided for in the previous number, the arbitral tribunal may also refer to the regulations of institutionalized arbitration centers, to model regimes recommended by international organizations, to the civil procedural law in force in Timor-Leste or, in the case of international arbitration, to a foreign procedural law in force in a jurisdiction that has a closer connection with the dispute, and such reference, when it exists, must be express and unambiguous.

Article 42

Privacy and confidentiality

1. Unless otherwise agreed by the parties, all meetings and hearings of the arbitration process are held in private.
2. The arbitrators, the parties, and, where appropriate, the institutionalized arbitration center are obliged to keep confidential all information and documents that they become aware of and obtain through the arbitration process.
3. The duty of secrecy imposed on the parties in the previous number ceases, and the disclosure or publication of any of the information or documents referred to in the previous number becomes lawful, in the following situations:
 - a) The disclosure or publication is necessary to defend their legitimate rights and interests;
 - b) The disclosure or publication is necessary to challenge or execute an arbitration award;
 - c) Existence of a duty, imposed by law, of communication or disclosure;
 - d) The disclosure is made in compliance with a decision of the arbitral tribunal itself, provided that it has been issued at the request of one party and after hearing the other;
 - e) The disclosure is made to those who are legally obliged to maintain secrecy, namely lawyers.
4. If none of the parties opposes it, the publication of arbitration decisions is lawful, provided that they have been purged of elements that allow the parties to be identified.

Article 43

Arbitration place

1. The place of arbitration is the one that is fixed by agreement of the parties, who are free in their determination.
2. In the absence of agreement between the parties, the place of arbitration shall be fixed by the arbitral tribunal, taking into account the circumstances of the case, including the

convenience of the parties.

3. Notwithstanding the provisions of the previous numbers, the arbitral tribunal may, unless otherwise agreed by the parties, meet in any other place, other than the place of arbitration, which it deems appropriate for holding hearings, depositions, inspection of things, consultation of documents and other evidentiary measures, as well as for the taking of any decisions.

Article 44

Language of the process

1. The parties may, by agreement, freely choose the language or languages to be used in the arbitration proceedings.
2. In the absence of an agreement between the parties, the arbitral tribunal shall establish the language or languages to be used in the proceedings.
3. In any of the cases provided for in the previous number, and except for any specific rule included in the agreement of the parties or in the decision of the arbitral tribunal, the determination of the language or languages to be used in the proceedings applies to the written documents and requests of the parties, to the hearings, expert reports and arbitral tribunal decisions, communications and notifications.
4. The arbitral tribunal may order that any document, including written statements, be accompanied by a translation into the language or languages to be used in the arbitration proceedings.
5. Without prejudice to the provisions of the previous number, witnesses may, in the testimonies they provide, orally or in writing, use their own language, and the arbitral tribunal, in this case, may require the party who indicates it to provide a suitable interpreter, under penalty of not being allowed to give the testimony.

Article 45

Start of the process

1. Unless the parties agree to the contrary, the arbitration process is deemed to begin on the date on which the defendant receives the request to submit the dispute to arbitration.
2. The request for submission of the dispute to arbitration must contain the identification of the parties, the succinct statement of the object of the dispute and the reference to the arbitration agreement that covers it.

Article 46

Petition and contestation

1. Within the time limits agreed by the parties or established by the arbitral tribunal, the claimant and the defendant must present the petition and the contestation.
2. Unless the parties otherwise agree on the content of each of the pieces, the petition must include the formulation of the request and a breakdown of the essential facts that support it and the defense of the defendant in relation

to each of these elements of the petition, as well as the counterclaim that wish to deduct, which is admissible under the terms of the following number.

3. In the contestation, the defendant may infer a counterclaim, provided that its object is covered by the arbitration agreement
4. The parties may accompany their documents with any documents they deem relevant and refer therein documents or other evidence that they still wish to present.
5. Unless the parties agree to the contrary, any one of them may, during the course of the arbitration process, modify or complete the pieces initially presented, unless the arbitral tribunal does not accept it, as it understands that it does so with unjustified delay.

Article 47

Hearings and written process

1. Unless otherwise agreed by the parties, the arbitral tribunal shall decide whether hearings will be held for the production of evidence and oral arguments or if the proceedings are limited to written arguments and documents and other evidence.
2. The court shall, however, hold one or more hearings whenever one of the parties so requests, unless the parties have previously waived them.
3. The parties must be given sufficient advance notice of any hearings and other meetings convened by the arbitral tribunal for the purposes of producing evidence or oral arguments.
4. All written documents, documents or information that one of the parties provides to the arbitral tribunal, as well as any expert report or evidence that may serve as a basis for the decision of the tribunal, must be communicated to the other party.

Article 48

Omissions and non-appearance of the parties

Unless the parties agree to establish a different regime, the following rules apply to their omissions and absences:

- a) If the claimant does not file his/her petition in accordance with Article 46(1), the arbitral tribunal declares the arbitral proceedings closed;
- b) The fact that the defendant does not present his contestation in accordance with paragraph 1 of article 46 does not prevent the proceeding of process, and the tribunal cannot consider this omission, in itself, as acceptance of the allegations or claimant pretension;
- c) If one of the parties does not appear at a hearing or does not produce new documentary evidence within the prescribed period, the arbitral tribunal may proceed with

with the proceedings and render an award based on the available evidence;

- d) If it considers that the omission or failure to appear is justified, the tribunal may disregard it, allowing the party to practice or repeat the act omitted or performed imperfectly.

Article 49

Appointment of experts by the arbitral tribunal

1. Unless the parties agree to the contrary, the arbitral tribunal, on its own initiative or at the request of the parties, may appoint one or more experts to prepare a report, written or oral, on specific issues defined by it.
2. In the case provided for in the previous number, the arbitral tribunal may order any of the parties to provide or provide the experts with access to any information, documents, or objects whose reading, analysis, or inspection deems relevant for the decision of the case.
3. Unless the parties agree to the contrary, at the request of either of them or on the initiative of the arbitral tribunal, a hearing is held to which the experts are summoned, in order to be questioned there, by the arbitral tribunal and by the parties, about the report presented and the issues that are the subject of it.

Article 50

Cooperation of the judicial courts in the production of evidence and in other steps of the arbitration process

1. The arbitral tribunal or any of the parties with its authorization, namely when one of them or a third party refuses to cooperate, may request the competent judicial court to carry out evidence production steps or other procedural steps that the arbitral tribunal, by itself, is not allowed to perform.
2. When it deems the required steps admissible, the judicial court orders them to be carried out, which is subject to the applicable Timorese procedural law.
3. Without prejudice to the fact that they take place under the presidency of the judge of the judicial court, under the terms of the applicable Timorese procedural law, the arbitrators may participate in the investigations of evidence and interrogate the deponents there.
4. For the purposes of the provisions of this article, the District Court of Dili is competent.
5. The provisions of the previous numbers apply to requests for the production of evidence that are addressed to a Timorese judicial court by an arbitral tribunal in the context of foreign arbitrations.

Article 51

Third party intervention

1. In an arbitration proceeding in course, only the intervention of third parties bound by the arbitration agreement on which

it is based, originally or as a result of subsequent adhesion, is admissible.

2. The adhesion referred to in the previous number requires the consent of all the parties to the arbitration agreement and can be made with effects restricted to the arbitration process in question.
3. Once the arbitral tribunal is constituted, only the intervention, spontaneous or provoked, of a third party that declares to accept all the arbitrators that compose it can be admitted, assuming, in case of spontaneous intervention, as acceptance.
4. The arbitral tribunal can only admit the intervention if it does not unduly disturb the normal course of the arbitration process and if there are relevant reasons that justify it, considering that this happens, provided that the request is not manifestly unfeasible, when it occurs, namely, one of the following situations:
 - a) The third party has in relation to the object of the dispute an interest equal to that of the claimant or the defendant, which initially allowed the voluntary joinder or imposed the necessary joinder between one of the parties to the arbitration and the third party;
 - b) The third party wishes to make a request against the defendant which has the same object as the claimant's request, but is incompatible with it;
 - c) The defendant, against whom credit with a plurality of creditors is invoked, intends, when there is solidarity between them, that the other joint creditors are bound by the final decision rendered in the arbitration;
 - d) The defendant intends that third parties be called against whom he may have a right of recourse as a result of the merits, in whole or in part, of the claimant's request.
5. When there is a counterclaim, the provisions of the previous numbers apply, with the necessary adaptations, to the claimer and to the counterclaimed.
6. Once the intervention is accepted, the provisions of article 46 apply, with the necessary adaptations.
7. Without prejudice to the provisions of the following number, the intervention of third parties prior to the constitution of the arbitral tribunal may only take place in institutionalized arbitration and provided that the applicable arbitration regulation ensures compliance with the principle of equal participation of all parties, including the members of plural parties, in the choice of arbitrators
8. The parties may agree to regulate the intervention of third parties in arbitrations already in progress, in a way different from that established in the previous numbers, either directly, in compliance with the principle of equal

participation of all parties in the appointment of arbitrators, or by referring to an institutionalized arbitration regulation that admits this intervention.

CHAPTER VIII

ARBITRATION AWARD AND END OF PROCEEDING

Article 52

Applicable law and unappealability

1. The arbitral tribunal may judge according to equity only when the parties expressly so agree .
2. In the case of internal arbitration, the arbitral tribunal judges the case in accordance with Timorese law and, if there is an express agreement between the parties in this regard, and provided that it is prior to the acceptance of the first arbitrator, the arbitral tribunal shall judge the case in accordance with the local or community custom specifically identified in that agreement.
3. In the case of international arbitration, and without prejudice to the provisions of paragraph 1, the arbitral tribunal shall judge according to the following criteria:
 - a) In accordance with the rules, whether or not part of state legal systems, chosen by agreement of the parties;
 - b) In the absence of an agreement between the parties, in accordance with the state law that is determined by the conflict rule that the court deems applicable to the case;
 - c) In any of the cases covered by the previous paragraphs, the arbitral tribunal must consider the contractual stipulations of the parties and the relevant commercial uses.
4. When the parties, under the terms of subparagraph a) of the previous number, choose the law of a particular State, it must be understood, unless expressly stipulated to the contrary, that they refer directly to the substantive law of that State and not to the its conflict-of-law rules.
5. The partial or total award and other decisions rendered by the arbitral tribunal, with the exception of the cases specifically provided for in this regime, are only subject to appeal to the competent court if this is expressly provided for in the arbitration agreement and if there is no deal with a case in which the parties have agreed to the judgment according to equity or according to local or community customs.
6. When, having verified the presuppositions provided for in the previous number, the sentence is appealable, the Supreme Court of Justice is competent to judge the appeal.

Article 53

Decisions taken by collegiate arbitral tribunal

Unless otherwise agreed by the parties on the matter, when

the arbitral tribunal is composed of more than one arbitrator, the formation of its decisions is subject to the following rules:

- a) Decisions are taken by the majority of its members.
- b) If a majority cannot be formed, the sentence is pronounced by the president of the court;
- c) If an arbitrator refuses to take part in voting on the decision, the other arbitrators may render the decision without him;
- d) In the case provided for in the previous paragraph, the arbitrators who intend to make the decision without the participation of the refusing arbitrator must inform the parties in advance of its intention;
- e) If the other arbitrators grant him the power, issues relating to the management and conduct of the process may be resolved by a singular decision of the presiding arbitrator.

Article 54 Settlement

1. If the parties, in the course of the arbitration process, by means of a settlement agreement, end the dispute, in whole or in part, the arbitral tribunal may, at the request of both, render an award in the precise terms of the settlement, unless the content of this violates mandatory norms of Timorese law or that, in the case of international arbitration to be judged under Timorese law, violates the international public policy of the State of Timor-Leste.
2. When the settlement puts an end to the dispute in whole, the process ends, under the terms of number 1 of article 57, when the sentence provided for in the previous number is pronounced or, under the terms of number 2 of the same provision, when this does not happen.
3. When the settlement is in part, the process continues, for judgment of the part of the object of the dispute not covered by the transaction.
4. The judgment rendered pursuant to the transaction agreed by the parties is subject to the provisions of the following article and has the same nature and the same effects as any other judgment that judges on the substance of the case.

Article 55

Form and content and effectiveness of the sentence

1. The award is made in writing, and must be signed by the sole arbitrator or by all the arbitrators that form the arbitral tribunal, when it is a collegiate one, or only, in this second case, by the presiding arbitrator when he is competent to make the award. , however, the signatures of the majority of the members of the collegiate arbitral tribunal are sufficient, provided that the reason for the omission of the remaining signatures is mentioned in the award itself.
2. The arbitral tribunal shall give reasons for the sentence, unless the parties exempt it from this requirement or if it is a case of judgment rendered pursuant to paragraph 1 of the previous article.
3. The award must mention the date on which it was rendered,

as well as the place of arbitration, determined under the terms of article 43, considering, for all purposes, that the award was made in that place.

4. Unless the parties have agreed otherwise, the award shall include the distribution by the parties of the charges directly resulting from the arbitration process, as well as the condemnation of one or some of the parties, if and to the extent that this is adjusted to their procedural behavior, in the payment to another or others of compensation for all or part of the reasonable costs and expenses that they demonstrate as a result of their intervention in the arbitration.
5. When, at the time of the sentence, the tribunal does not yet have the necessary elements to rule on them, such matters may be subject to an additional sentence.
6. Once rendered, the award must be immediately notified to each of the parties, which will be accompanied by a signed copy in accordance with the provisions of paragraph 1.
7. The sentence becomes effective on the date of its notification, without prejudice to the provisions of the following number.
8. The arbitration award which cannot be appealed and which is no longer subject to amendment under the terms of article 58 is endowed, between the parties, with the same legal obligation and force that the law attributes to final and unappealable judgments handed down by the judicial court.
9. Unless the parties agree to the contrary, the arbitral tribunal may decide the case in a single award or, when it deems it more appropriate to the state of the case and its efficient management, in several awards, each of them resolving a part of the subject-matter of the dispute. and each of them subject to the provisions of the previous numbers, with the exception of numbers 4 and 5, which apply only to the last sentence.

Article 56

Deadline for rendering of sentence

1. Unless the parties, until the acceptance of the first arbitrator, have agreed a different period, the arbitral tribunal must notify the parties of the final award, regardless of whether or not there have been previous partial awards rendered pursuant to paragraph 8 of the previous article. , within 12 months from the date of acceptance of the last arbitrator.
2. The period defined in accordance with paragraph 1 may be freely extended by agreement of the parties, for one or more times.
3. The arbitral tribunal may also determine the extension of that period for 6 months, counting from the expiry of the initial period or the expiry of the extension that the parties have agreed, through a duly reasoned decision.
4. Failure to notify the final award within the maximum

period determined under the terms of the previous paragraphs automatically determines the termination of the arbitration process, also extinguishing the competence of the arbitrators for the judgment of the dispute.

5. Without prejudice to the provisions of the previous number, the arbitration agreement remains in force, and any of the parties may, based on it, initiate a new arbitration proceeding in relation to the same dispute.
6. Once the general assumptions of the obligation to indemnify for non-fulfillment of obligations have been verified, the arbitrators who have caused the non-compliance with the deadlines established in this article are liable for the damages suffered by the parties.

Article 57 **End of the process**

1. The arbitration process ends with the rendering of the final award or with the decision declaring its termination, under the terms of the following number.
2. The arbitral tribunal declares the proceedings closed in any of the following situations:
 - a) The claimant withdraws its request, unless the defendant objects and the arbitral tribunal recognizes that it has a legitimate interest in the dispute being definitively resolved through an award that decides the substance of the case;
 - b) The parties agree on a settlement that puts an end to the dispute, in its entirety, without submitting the request provided for in paragraph 1 of article 54;
 - c) The parties agree to terminate the proceeding, requesting the arbitral tribunal to declare so;
 - d) The continuation of the process has become, for any other reason, useless or impossible.
3. When the arbitration process has ended, as a result of the rendering of the final award or the decision declaring it closed, the arbitrators' mandate ceases and their powers are extinguished, without prejudice to the provisions of the following article and paragraph 8 of article 63
4. Unless the parties have agreed otherwise, the president of the arbitral tribunal shall keep the original of the arbitral proceedings for a period of at least one year after the notification of the final award or the last additional award and the original of the arbitral award during the minimum term of three years.

Article 58 **Rectification, clarification and completion of the sentence**

1. Unless the parties have agreed another period for this purpose, within 30 days following notification of the arbitral award, either party may, by notifying the other, request the arbitral tribunal:

- a) That rectifies, in the text of the sentence, any calculation error, material or typographical error or error of an identical nature;
 - b) That clarifies any obscurity or ambiguity in any segment of the text of the sentence;
 - c) To render an additional judgment on any request or question that, despite being formulated or raised in the proceeding, has not been decided in the final judgment or in a previous partial judgment.
2. If the request is accepted, the arbitral tribunal must make the correction or clarification, which is considered to be integrated in the award, within a maximum period of 30 days and the additional award within a maximum period of 60 days, both from the receipt of the respective requests, applying the provisions of article 56.
 3. The arbitral tribunal may also, on its own initiative, within 30 days following the date of notification of the award, rectify any of the errors referred to in subparagraph a) of paragraph 1
 4. The arbitral tribunal may extend, if necessary, the period it has to rectify, clarify or complete the award, under the terms of the previous numbers, without prejudice to the observance of the maximum period established in article 56.

CHAPTER IX **CHALLENGE OF THE ARBITRAL AWARD IN THE** **JUDICIAL COURTS**

Article 59 **Exclusivity of annulment action**

With the exception of cases in which the parties, pursuant to paragraph 5 of article 52, agree on their recoverability, the challenge of an arbitral award in the judicial courts is only admissible through the action of annulment regulated in this chapter.

Article 60 **Grounds for the annulment of the arbitration award** **rendered in internal arbitration**

1. In the case of internal arbitration, the arbitration award can only be annulled by the competent judicial court based exclusively on one of the following grounds:
 - a) Inability on the part of the arbitration agreement, verified at the time of completion of this, which requests the annulment;
 - b) Invalidity of the arbitration agreement under the terms of the law to which the parties subject to it or, in the absence of choice of the parties, under the terms of Timorese law;
 - c) Violation of any of the fundamental principles referred to in article 40;
 - d) Non-compliance of the constitution of the arbitral tribunal with the rules stipulated by the parties.

- e) Non-compliance in the conduct and processing of the arbitration process with the rules stipulated by the parties, provided that such non-compliance has had a decisive influence on the resolution of the dispute
 - f) The award is aware of requests or issues not covered by the arbitration agreement;
 - g) The sentence convicts in a greater amount or in a different object of the request, it knows about issues it could not know about or does not pronounce about issues it should resolve;
 - h) Violation of the provisions of article 53 and paragraphs 1, 2 and 3 of article 55;
 - i) Notification of the sentence to the parties after the maximum period established in accordance with the provisions of article 56 has elapsed;
 - j) The dispute is not arbitrable under Timorese law;
 - k) The sentence violates mandatory norms of Timor-Leste law or offends the principles of international public order of the Timorese State.
2. The tribunal may only know the grounds for annulment provided for in subparagraphs a) to i) of the previous number upon the claim made by the plaintiff, without prejudice to the provisions of article 6, and the grounds provided for in subparagraphs j) and k) of the previous number of unofficial knowledge.
3. The Dili District Court is competent to judge the annulment action.

Article 61

Grounds for the annulment of the arbitral award rendered in international arbitration

1. In the case of international arbitration, the arbitration award can only be annulled by the competent judicial court based solely and exclusively on one of the following grounds:
- a) Incapacity of the part of the arbitration agreement requesting the annulment, verified at the time of completion of this;
 - b) Invalidity of the arbitration agreement under the terms of the law to which the parties subject to it or, in the absence of the parties' choice, under the terms of Timorese law;
 - c) The party seeking annulment to the arbitration proceedings was not given the opportunity to assert its rights there, either because it was not duly informed of the appointment of an arbitrator or of the arbitration proceedings, or for another reason;
 - d) The arbitral awards deals with requests or issues not covered by the arbitration agreement or contains decisions that go beyond the scope, without prejudice to the provisions of paragraph 3;

Article 62

Waiver of the right to seek the annulment of the arbitral award

1. Without prejudice to the provisions of article 6, the right to request the annulment of the arbitral award is irrevocable.
2. However, in the case of international arbitration, and provided that none of the parties has Timorese nationality, habitual residence, registered office or permanent establishment in Timor-Leste, the parties may expressly and in writing agree to mutually waive the right to seek annulment of the sentence.

Article 63

Procedures and powers of the judicial court

1. Under penalty of caducity, the petition for annulment of the arbitral award must be submitted to the competent judicial court within 60 days from the date on which the author was notified or, where applicable, from the date of notification of the decisions provided for in paragraph 1 of article 58.
2. The action for annulment does not suspend the enforceability of the arbitration award.
3. The petition must be accompanied by a certified copy of

the arbitral award and, if written in a foreign language, a translation into one of the official languages of Timor-Leste.

4. All evidence must be presented or required in the annulment petition.
5. The defendant, after the summons, has a period of 20 days to present the defense, to which the provisions of the previous number apply.
6. If the defendant invokes any exception, the plaintiff may, within 10 days, submit a response, which must be limited to the exception or exceptions invoked.
7. Once the author's response has been received or the deadline for its presentation has expired, the tribunal, if the nature of the evidence presented or required, sets a date for holding a hearing for discussion and judgment.
8. When it deems it appropriate to the circumstances of the case, namely taking into account the nature of the dependencies attributed to the arbitral award as the basis for the request for annulment, the judicial court may, at the request of either party, provide the arbitral tribunal an adequate period for carrying out of the diligences and acts that it deems capable of dealing with those vices.
9. If the ground on which the action for annulment is founded affects only a part of the sentence that can be dissociated from the others, only that part of it can be annulled.
10. When annulling the arbitral award, or in the part in which it annuls it, the judicial court cannot rule on the substance of the case or hear any question that has been decided by the arbitral tribunal.
11. When annulling the arbitral award, or in the part in which it annuls it, the judicial court cannot rule on the substance of the case or hear any question that has been decided by the arbitral tribunal.

Article 64

Subsistence of the arbitration agreement

1. Unless the parties have agreed otherwise, the annulment of the arbitration award does not affect the arbitration agreement, and a new arbitration may be initiated to resolve a dispute with the same object.
2. The case in which the basis of the annulment sentence is the non-arbitrability of the dispute, the invalidity of the arbitration agreement or the incapacity of any of the parties to it is excluded from the provisions of the preceding paragraph.

CHAPTER X

ENFORCEMENT OF ARBITRATION SENTENCES BY THE JUDICIAL COURTS

Article 65

Enforceability of the arbitral award

1. The arbitration award rendered in arbitration taking place

in Timor-Leste, whether domestic or international, is enforceable in the judicial courts, in the same terms as their decisions.

2. The applicant must attach to the enforcement application the original of the arbitral award or a certified copy thereof, as well as, if it is not written in one of the official languages of Timor-Leste, a certified translation into one of them.
3. In the event that the arbitration award contains a generic sentence, its settlement is carried out under the terms of article 690 of the Code of Civil Procedure.
4. Without prejudice to the provisions of paragraph 2 of article 63, if an action for annulment of the arbitral award is pending, the debtor, offering a guarantee, may request the suspension of the execution under the terms of article 696 of the Civil Code Procedure.
5. Execution is only suspended if the debtor provides the guarantee determined to him within the period set by the court.
6. The Dili District Court is responsible for enforcing arbitration awards.

Article 66

Grounds for opposing to the enforcement of an arbitration award rendered in internal

1. The debtor may oppose enforcement based on an arbitration award rendered in internal arbitration through the same procedural means and on the same grounds provided for in the Civil Procedure Code for enforcement based on a judgment rendered by a judicial court.
2. In addition to those mentioned in the previous number, the debtor may also oppose the execution of the arbitral award based on the grounds provided for in paragraph 1 of article 60.
3. The defendant cannot, however:
 - a) Invoking any of the grounds provided for in subparagraphs a) to i) of paragraph 1 of article 60, if, on the date of submission of the opposition, your right to request the annulment of the arbitral award has already expired, due to the expiry of the period established in paragraph 1 of the article 63;
 - b) Invoking grounds that have been judged by a sentence rendered in an action for annulment of the arbitration award that has already become final on the date of presentation of the opposition.
4. Even if the right to request annulment has already expired, the judicial court may, officiously, examine the causes for annulment of the arbitration award provided for in subparagraphs j) and k) of paragraph 1 of article 60.

Article 67

Grounds for opposition to the execution of an arbitration award rendered in international arbitration

1. The debtor may oppose enforcement based on an arbitration

CHAPTER XI

CONFIRMATION AND ENFORCEMENT OF FOREIGN ARBITRAL AWARDS

Article 68

Necessity for confirmation

- a) Inability of the part of the arbitration agreement against which enforcement is requested, verified at the time of conclusion;
 - b) Invalidity of the arbitration agreement under the terms of the law to which the parties subject to it or, in the absence of the parties' choice, under the terms of Timorese law;
 - c) The party to the arbitration proceedings against which enforcement is requested has not been given the opportunity to assert its rights there, either because it has not been duly informed of the appointment of an arbitrator or of the arbitration proceedings, or for any other reason;
 - d) The arbitral award deals with requests or issues not covered by the arbitration agreement or contains decisions that go beyond its scope, without prejudice to the provisions of paragraph 3;
 - e) The arbitral award has not yet become binding to the parties or has been annulled or suspended by a court of the State in which the award was made or of the State under whose law the arbitration took place;
 - f) The constitution of the tribunal or the arbitration process did not comply with the rules agreed by the parties or, in the absence of such an agreement, with the law of the State where the arbitration took place;
 - g) The dispute is not arbitrable under Timorese law;
 - h) The sentence violates the principles of public order of the Timorese State.
2. The tribunal may only know the grounds for opposition to the execution provided for in subparagraphs a) to f) of the previous number upon the claim made by the author, without prejudice to the provisions of article 6, with the grounds provided for in subparagraphs g) and h) of the previous number of unofficial knowledge.
 3. When, in the case provided for in subparagraph d) of paragraph 1, the decisions contained in the arbitration award that go beyond the scope of the arbitration agreement are dissociable from those that fall within it, enforcement may be reduced to these.
 4. When the outstanding arbitral award has applied non-Timorese law in the judgment of the substance of the case, the provisions of subparagraph h) of paragraph 1 are not applicable, but in this case the judicial court may reject the execution when it leads to a result manifestly incompatible with the principles of international public order of the Timorese State.
1. Without prejudice to the provisions of treaties or conventions that bind the Timorese State, foreign arbitral awards, including those that have been rendered in arbitrations taking place in States that are party to referred treaties or conventions, are only effective in Timor-Leste, whatever the nationality of the parties, if they are previously confirmed by the competent judicial court, through the confirmation process regulated in the following article.
 2. The Supreme Court of Justice is competent for the process of confirmation of foreign arbitral awards.

Article 69

Confirmation process

1. The request for confirmation of the foreign arbitral award must be accompanied by the originals or certified copies of the arbitration award and the arbitration agreement and, if any of these documents is not written in one of the official languages of Timor-Leste, it must also be attached to the petition a translation certified in one of them.
2. Once the confirmation petition is presented, accompanied by the documents referred to in the previous number, the opposing party is cited to contest.
3. The time limit for filing the defense is 20 days, counting from the date of service of process.
4. Once the pleadings have been concluded and the measures deemed indispensable by the rapporteur have been carried out, the parties and the Public Prosecutor's Office may examine the process, for allegations, for a period of 20 days.
5. The judgment is made according to the rules of the grievance.

Article 70

Grounds for Refusal of Confirmation

1. Confirmation of a foreign arbitral award can only be refused by the competent judicial court-based exclusively on one of the following grounds:
 - a) Inability of the part of the arbitration agreement against which the request for confirmation is addressed, verified at the time of conclusion thereof;
 - b) Invalidity of the arbitration agreement under the terms of the law to which the parties subject to it or, in the absence of the parties' choice, under the terms of the law of the State where the arbitration award was rendered;
 - c) The party to the arbitration proceedings against

which the request for confirmation is addressed has not been given the opportunity to assert its rights there, either because it has not been duly informed of the appointment of an arbitrator or the arbitration process, or for any other reason;

- d) The arbitration award is aware of requests or issues not covered by the arbitration agreement or contains decisions that go beyond its scope, without prejudice to the provisions of paragraph 2;
 - e) The constitution of the tribunal or the arbitration procedure did not comply with the rules agreed by the parties or, in the absence of such an agreement, with the law of the State where the arbitration took place;
 - f) The arbitral award has not yet become binding for the parties or has been annulled or suspended by a tribunal of the State in which the award was made or of the State under whose law the arbitration took place;
 - g) The dispute is not arbitrable under Timorese law;
 - h) The confirmation or subsequent execution of the arbitral award leads to a result that is manifestly incompatible with the international public policy of the Timorese State.
2. When, in relation to the case provided for in subparagraph d) of the previous number, the decisions contained in the arbitration award that go beyond the scope of the arbitration agreement are dissociable from those that fall within it, confirmation may be reduced to these.
 3. The tribunal can only hear the grounds for refusing confirmation provided for in subparagraphs a) to f) of number 1 upon allegation of the party against whom the request for confirmation is addressed, being unofficial knowledge the grounds provided for in subparagraphs g) and h) of paragraph 1.
 4. If an application for the annulment or suspension of an arbitral award is pending in a tribunal of one of the States referred to in subparagraph 1(f), the judicial court, if it deems it appropriate, may suspend the confirmation process and, at the request of the party requesting confirmation, order the opposing party to provide an adequate guarantee.

Article 71 Execution

1. Foreign arbitral awards only become enforceable with the final decision of the Timorese judicial court confirming it, rendered in the process regulated in article 69.º.
2. The Dili District Court is competent for the execution of foreign arbitral awards.

Article 72 Grounds for opposition to the execution of a foreign award

1. The debtor may oppose enforcement based on a foreign

arbitral award through the same procedural means provided for in the Civil Procedure Code for enforcement based on a judgment rendered by a judicial court.

2. The debtor may only invoke, in opposition to execution, the grounds provided for in paragraph 1 of article 70, with the exception of the following:
 - a) Grounds that did not invoke in the process of confirmation of the outstanding award, but that it could have invoked, with the exception of those provided for in subparagraphs g) and h) of paragraph 1 of article 70;
 - b) Grounds that have been judged in the decision of the judicial court that confirmed the arbitration award.
3. The judicial court may, officiously, hear the issues provided for in paragraphs g) and h) of paragraph 1 of article 70, unless the judicial court that confirmed the arbitral award has already ruled on them.
4. If, after expiry of the period for contesting in the confirmation process, a request for annulment or suspension of the enforceable arbitration award has been made in a tribunal of one of the States referred to in subparagraph f) of paragraph 1 of article 70.º, the judicial court, if it deems it appropriate, may suspend the enforcement proceedings and, at the request of the creditor, order the opposing party to provide adequate guarantee.

CHAPTER XII INSTITUTIONALIZED ARBITRAGE CENTERS

Article 73 Institutionalized arbitration centers

The creation of institutionalized arbitration centers depends on authorization from the Government, to be granted by resolution under the terms of the regulation to be approved.