



ARGENTINA APPROVES INTERNATIONAL ARBITRATION REGIME TO FOSTER FOREIGN DIRECT INVESTMENTS

The Chamber of Deputies converted into law the international arbitration regime promoted by international standards. The law provides a legal framework for cooperation and resolution of international commercial conflicts, controlling all stages of the arbitration process and in line with the global principles of this practice..

The new regulation places Argentina within the countries that respect international legal security, which in turn will allow greater possibilities for foreign investment. These investors will have a fundamental tool to settle commercial disputes, a more flexible, fast and reliable mechanism, with a certain degree of speciality in the matter to be solved. It will also result in the creation of arbitration tribunals in our country to resolve this type of conflict.

The law provides that the parties may resolve their potential conflicts before an arbitral tribunal in Argentina, in addition to appointing the arbitrators and the arbitration headquarters, among other provisions. The text received the sanction of the Senate in September 2017, obtained a favorable opinion from the commissions of Justice and Foreign Affairs and Worship of Deputies in mid-April, and was now sanctioned by the Chamber of Deputies, becoming law.

International arbitration is used when companies have exhausted their negotiating possibilities in a commercial dispute. This conflict resolution model works simply, reliably, flexibly, quickly and involves lower costs than the courts of Justice.

Argentina did not have a norm of this type, and the legislation contained in the Civil and Commercial Code of the Nation and in the procedural codes, was thought for local arbitrations, which did not satisfy the expectations in the international scope, that requires specific rules and in line with other parts of the world.

Through the National Private Law Coordination Program, and within the framework of the Justice 2020 Program, the Ministry of Justice promoted meetings with all the sectors involved to discuss the incorporation of the initiative into Argentine law, and based on those contributions the drafting of the project that was finally approved was agreed on, which is based on the Model Law on International Commercial Arbitration of the United Nations Commission for International Trade Law.