Unofficial translation

LAW ON INTERNATIONAL COMMERCIAL ARBITRATION OF THE REPUBLIC OF MACEDONIA

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CHAPTER I
GENERAL PROVISIONS

Article 1
Scope of Application

The present Law applies to international commercial arbitration if the place of arbitration is in the territory of the Republic of Macedonia. However, articles 8, 9, and 36 also apply if the place of arbitration is outside of the Republic of Macedonia.

Through international commercial arbitration can be resolved disputes concerning the rights with which the parties freely dispose of.

Arbitration is international if:

1) at least one of the parties, at the time of the conclusion of the arbitral agreement, is a natural person with domicile or habitual residence abroad, or a legal person whose place of business is abroad; or
2) any place where a substantial part of the obligations of the commercial relationship is to be performed or the place with which the subject matter of the dispute is most closely connected is not located in the territory of the Republic of Macedonia.

For the purposes of paragraphs 3 and 5 of this article:

a) if a party has more than one place of business, the place of business is that which has the closest relationship to the arbitration agreement;
b) if a party which is a legal person does not have a place of business, reference is to be made to its branch office.

The resolving of the disputes from paragraph 2 of this article, may be submitted to an arbitration that has a place outside the territory of the Republic of Macedonia, only if, at least one of the parties, at the time of the conclusion of the arbitral agreement, is a natural person with domicile or habitual residence abroad, or a legal person whose place of business is abroad.

This Law shall not affect any other law of the Republic of Macedonia by virtue of which certain disputes may be subject only to the jurisdiction of a court in the Republic of Macedonia.

Republic of Macedonia, legal persons controlled by the Republic of Macedonia, all the state agencies, and units of local government can be a party to international commercial arbitration.

Article 2
Definitions

For the purposes of this Law:

1. "Arbitration" means any arbitration whether or not administered by a permanent arbitral institution;
2. "Arbitral tribunal" means a sole arbitrator or a panel of arbitrators;
3. “Arbitrator” means single arbitrator, member, or president of an arbitral tribunal.
4. “Arbitral award” means a decision of the arbitral tribunal on the merits of the dispute;
5. "Court" means a body of the judicial system of the Republic of Macedonia, established in accordance with its Laws;
6. "Arbitration agreement" is an agreement by the parties to submit to arbitration all or certain disputes which have arisen, or which may arise between them in respect of a defined legal relationship, whether contractual or not. An arbitration agreement may be in the form of an arbitration clause in a contract or in the form of a separate agreement.
7. Where a provision of this Law, except article 28, leaves the parties free to determine a certain issue, such freedom includes the right of the parties to authorize a third party, including an institution, to make that determination;
8. Where a provision of this Law refers to the fact that the parties have agreed or that they may agree or in any other way refers to an agreement of the parties, such agreement includes any arbitration rules referred to in that agreement;
9. Where a provision of this Law, other than in articles 25 (1)(a) and 32(2)(a), refers to a claim, it also applies to a counter-claim, and where it refers to a defence, it also applies to a defence to such counter-claim.

Article 3
Receipt of written communications

Unless otherwise agreed by the parties:

1. any written communication is deemed to have been received if it is delivered to the addressee personally or if it is delivered at his place of business, habitual residence, or mailing address, if none of these can be found after making a reasonable inquiry, a written communication is deemed to have been received if it is sent to the addressee’s last-known place of business, habitual residence or mailing address by registered letter or any other means which provides a record of the attempt to deliver it,
2. the communication is deemed to have been received on the day it is so delivered.

Provisions of this article shall not apply to communications in court proceedings.

Article 4
Waiver of right to object

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

Article 5
Extent of court intervention

In matters governed by this Law, no court shall intervene except where so provided in this Law.

Article 6

Court for certain functions of arbitration assistance and supervision

The functions referred to in article 11 paragraphs 3 and 4, article 13 paragraph 3), article 14, article 16 paragraph 3 shall be performed by the President of the Court of First Instance Skopje I – Skopje or any other judge appointed by him.

Activities of the President of the court or of the judge appointed by him referred to in paragraph 1 of this article shall not be construed as activities in a court procedure.

The Court of First Instance Skopje I - Skopje shall have the jurisdiction to rule on the application for setting aside of article 35, paragraph 2 of this Law. The activities on the application for setting aside of the arbitral award shall be performed by a single judge.

CHAPTER II
ARBITRATION AGREEMENT

Article 7

Definition and form of arbitration agreement

The arbitration agreement shall be in writing. An agreement is in writing if it is contained in a document signed by the parties or in an exchange of letters, telex, telegrams, or other means of telecommunication that provide a record of the agreement, or in an exchange of statements of claim and defence in which the existence of an agreement is alleged by one party and not denied by another.

The reference in a contract to a document containing an arbitration clause constitutes an arbitration agreement provided that the contract is in writing and the reference is such as to make that clause part of the contract.

An arbitration agreement may also be concluded by the issuance of a bill of lading if the bill of lading contains an express reference to an arbitration clause in a charter party.

Article 8

Arbitration agreement and substantive claim before the court concerning the same dispute matter

If the parties have agreed to submit a dispute to arbitration, the court before which the same matter between the same parties was brought, shall upon the respondent’s objection declare its lack of jurisdiction, annul all actions taken in the proceedings, and refuse to rule on the statement of claim, unless it finds that the arbitration agreement is null and void, inoperative or incapable of being performed.

The respondent may raise the objection referred to in paragraph 1 of this article no later than at the preparatory hearing or, if no preparatory hearing is held, at the main hearing before the end of the presentation of the statement of defence.

Where an action referred to in paragraph 1 of this article has been brought to the court, arbitral proceedings may nevertheless be commenced or continued if they were already commenced, and an award may be made while the issue is still pending before the court.

Article 9

Arbitration agreement and interim measures by court

It is not incompatible with an arbitration agreement for a party to request, before or during arbitral proceedings, from a court an interim measure of protection and for a court to grant such measure.

CHAPTER III
COMPOSITION OF ARBITRAL TRIBUNAL

Article 10

Number of arbitrators

If the parties have failed to determine the number of arbitrators, the number of arbitrators shall be three.

Article 11

Appointment of arbitrators

No person shall be precluded by reason of his nationality from acting as an arbitrator, unless otherwise agreed by the parties.

The parties are free to agree on a procedure of appointing the arbitrator or arbitrators, subject to the provisions of paragraphs 4) and 5) of this article.

Failing such agreement,

1) in an arbitration with three arbitrators, each party shall appoint one arbitrator, and the two arbitrators thus appointed shall appoint the third arbitrator; if a party fails to appoint the arbitrator within thirty days of receipt of a request to do so from the other party, or if the two arbitrators fail to agree on the third arbitrator within thirty days of their appointment, the appointment shall be made, upon request of a party, by the court specified in article 6;
2) in an arbitration with a sole arbitrator, if the parties are unable to agree on the arbitrator, he shall be appointed, upon request of a party, by the court or other authority specified in article 6.

Where, under an appointment procedure agreed upon by the parties,

1) a party fails to act as required under such procedure, or
2) the parties, or two arbitrators, are unable to reach an agreement expected of them under such procedure, or
3) a third party, including an institution, fails to perform any function entrusted to it under such procedure, any party may request the court specified in article 6 paragraph 1 to take the necessary measure unless the agreement on the appointment procedure provides other means for securing the appointment.

The court or other authority, in appointing an arbitrator, shall have due regard to any qualifications required of the arbitrator by the agreement of the parties and to such considerations as are likely to secure the appointment of an independent and impartial arbitrator and, in the case of a sole or third arbitrator, shall take into account as well the advisability of appointing an arbitrator of a nationality other than those of the parties.

A decision on a matter entrusted by paragraph 3) or 4) of this article to the court specified in article 6 shall be subject to no appeal.

Article 12
Grounds for challenge

When a person is approached in connection with his possible appointment as an arbitrator, he shall disclose any circumstances likely to give rise to justifiable doubts as to his impartiality or independence. An arbitrator, from the time of his appointment and throughout the arbitral proceedings, shall without delay disclose any such circumstances to the parties unless they have already been informed of them by him.

An arbitrator may be challenged only if circumstances that give rise to justifiable doubts as to his impartiality or independence exist, or if he does not possess qualifications agreed to by the parties.

A party may challenge an arbitrator appointed by him, or in whose appointment he has participated, only for reasons of which he becomes aware after the appointment has been made.

Article 13
Challenge procedure

The parties are free to agree on a procedure for challenging an arbitrator, subject to the provisions of paragraph 3) of this article.

Failing such agreement, a party who intends to challenge an arbitrator shall, within fifteen days after becoming aware of the constitution of the arbitral tribunal or after becoming aware of any circumstance referred to in article 12, paragraph 2), send a written statement of the reasons for the challenge to the arbitral tribunal. Unless the challenged arbitrator withdraws from his office or the other party agrees to the challenge, the arbitral tribunal shall decide on the challenge.

If a challenge under any procedure agreed upon by the parties or under the procedure of paragraph 2) of this article is not successful, the challenging party may request, within thirty days after having received notice of the decision rejecting the challenge, the court or other authority specified in article 6, paragraph. 1 to decide on the challenge, which decision shall be subject to no appeal; while such a request is pending, the arbitral tribunal, including the challenged arbitrator, may continue the arbitral proceedings and make an award.

Article 14
Failure or impossibility to act

If an arbitrator becomes de jure or de facto unable to perform his functions or for other reasons fails to act without undue delay, his mandate terminates if he withdraws from his office or if the parties agree on the termination. Otherwise, if a controversy remains concerning any of these grounds, any party may request the court specified in article 6, paragraph 1 to decide on the termination of the mandate, which decision shall be subject to no appeal.

If, under this article or article 13 paragraph 2, an arbitrator withdraws from his office or a party agrees to the termination of the mandate of an arbitrator, this does not imply acceptance of the validity of any ground referred to in this article or article 12 paragraph 2.

Article 15
Appointment of substitute arbitrator

Where the mandate of an arbitrator terminates under article 13 or 14 or because of his withdrawal from office for any other reason or because of the revocation of his mandate by agreement of the parties or in any other case of termination of his mandate, a substitute arbitrator shall be appointed according to the rules that were applicable to the appointment of the arbitrator being replaced.

CHAPTER IV
JURISDICTION OF ARBITRAL TRIBUNAL

Article 16
Competence of arbitral tribunal to rule on its jurisdiction

The arbitral tribunal may rule on its own jurisdiction, including any objections with respect to the existence or validity of the arbitration agreement. For that purpose, an arbitration clause, which forms part of a contract, shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitral tribunal that the contract is null and void shall not entail ipso jure the invalidity of the arbitration clause.

A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than the submission of the statement of defence. A party is not precluded from raising such a plea by the fact that he has appointed, or participated in the appointment of, an arbitrator. A plea that the arbitral tribunal is exceeding the scope of its authority shall be raised as soon as the matter alleged to be beyond the scope of its authority is raised during the arbitral proceedings. The arbitral tribunal may, in either case, admit a later plea if it considers the delay justified.

The arbitral tribunal may rule on a plea referred to in paragraph 2 of this article either as a preliminary question or in an award on the merits. If the arbitral tribunal rules as a preliminary question that it has jurisdiction, any party may request, within thirty days after having received notice of that ruling, the court specified in article 6, paragraph 1 of this Law to decide the matter, which decision shall be subject to no appeal; while such a request is pending, the arbitral tribunal may continue the arbitral proceedings and make an award.

Article 17
Power of arbitral tribunal to order interim measures

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

If a party to which interim measure relates does not agree to comply voluntarily, the party that made the motion for such measure may request its enforcement before a competent court.

CHAPTER V
CONDUCT OF ARBITRAL PROCEEDINGS

Article 18

Equal treatment of parties

The parties to proceedings before an arbitral tribunal shall be treated equally.

The arbitral tribunal shall give a full opportunity to the parties to present their case and to respond to statements and claims of their adversary.

Article 19

Determination of rules of procedure

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

Failing such agreement, the arbitral tribunal may, subject to the provisions of this Law, conduct the arbitration in such manner as it considers appropriate. The power conferred upon the arbitral tribunal includes the power to determine the admissibility, relevance, materiality and weight of any evidence.

Article 20

Place of arbitration

The parties are free to agree on the place of arbitration. Failing such agreement, the place of arbitration shall be determined by the arbitral tribunal having regard to the circumstances of the case, including the convenience of the parties.

Notwithstanding the provisions of paragraph (1) of this article, the arbitral tribunal may, unless otherwise agreed by the parties, meet at any place it considers appropriate for consultation among its members, for hearing witnesses, experts or the parties, or for inspection of goods, other property or documents.

Article 21

Commencement of arbitral proceedings

Unless otherwise agreed by the parties, the arbitral proceedings in respect of a particular dispute commence on the date on which a request for that dispute to be referred to arbitration is received by the respondent. The request shall state the names of the parties, the subject matter of the dispute, and contain a reference to the arbitration agreement.

Article 22

Language of the proceedings

The parties are free to agree on the language or languages to be used in the arbitral proceedings. Failing such agreement, the arbitral tribunal shall determine the language or languages to be used in the proceedings. This agreement or determination, unless otherwise specified therein, shall apply to any written statement by a party, any hearing and any award, decision or other communication by the arbitral tribunal.

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

Until the language of the proceedings has been determined, a claim, a defence and other submissions can be submitted in the language of the main contract.

If neither the parties nor the arbitrators can reach an agreement on the language, the language of the arbitration shall be the Macedonian language and its Cyrillic alphabet.

Article 23

Statements of claim and defence

Within the period of time agreed by the parties or determined by the arbitral tribunal, the claimant shall state the facts supporting his claim, the points at issue and the relief or remedy sought, and the respondent shall state his defence in respect of these particulars, unless the parties have otherwise agreed as to the required elements of such statements. The parties may submit with their statements all documents they consider to be relevant or may add a reference to the documents or other evidence they will submit.

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

Article 24

Hearings and written proceedings

Subject to any contrary agreement by the parties, the arbitral tribunal shall decide whether to hold oral hearings for the presentation of evidence or for oral argument, or whether the proceedings shall be conducted on the basis of documents and other materials. However, unless the parties have agreed that no hearings shall be held, the arbitral tribunal shall hold such hearings at an appropriate stage of the proceedings, if so requested by a party.

The parties shall be given sufficient advance notice of any hearing and of any meeting of the arbitral tribunal for the purposes of inspection of goods, other property or documents and of any procedure for taking evidence.

All statements, documents or other information supplied to the arbitral tribunal by one party shall be communicated to the other party. Also any expert report or evidentiary document on which the arbitral tribunal may rely in making its decision shall be communicated to the parties.

Unless otherwise agreed by the parties, the arbitral proceedings are not open to the public.

Article 25

Default of a party

Unless otherwise agreed by the parties, if, without showing sufficient cause,

1) the claimant fails to communicate his statement of claim in accordance with article 23, paragraph 1), the arbitral tribunal shall terminate the proceedings;
2) the respondent fails to communicate his statement of defence in accordance with article 23, paragraph 1), the arbitral tribunal shall continue the proceedings without treating such failure in itself as an admission of the claimant's allegations;
3) any party fails to appear at a hearing or to produce documentary evidence, the arbitral tribunal may continue the proceedings and make the award on the evidence before it.

Article 26
Expert appointed by arbitral tribunal

Unless otherwise agreed by the parties, the arbitral tribunal

1) may appoint one or more experts to report to it on specific issues to be determined by the arbitral tribunal;
2) may require a party to give the expert any relevant information or to produce, or to provide access to, any relevant documents, goods or other property for his inspection.

Unless otherwise agreed by the parties, if a party so requests or if the arbitral tribunal considers it necessary, the expert shall, after delivery of his written or oral report, participate in a hearing where the parties have the opportunity to put questions to him and to present expert witnesses in order to testify on the points at issue.

The provisions of article 13 paragraphs 1,2 and 3 and article 14, paragraphs 1 and 2 of this Law, will appropriately apply to the challenge of experts appointed by the arbitral tribunal. The decisions of the court specified in article 6, paragraph 1 of this Law delivered under the provisions of this article shall be subject to no appeal.

Article 27
Court assistance in taking evidence

The arbitral tribunal or a party with the approval of the arbitral tribunal may request from a competent court of this State assistance in taking evidence. The court may execute the request within its competence. The procedure for taking evidence is governed by the provisions of the Civil Procedure Act on taking evidence before a judge commissioned by a rogatory letter.

CHAPTER VI
MAKING OF AWARD AND TERMINATION OF PROCEEDINGS

Article 28
Rules applicable to substance of dispute

The arbitral tribunal shall decide the dispute in accordance with such rules of law as are chosen by the parties as applicable to the substance of the dispute. Any designation of the law or legal system of a given State shall be construed, unless otherwise expressed, as directly referring to the substantive law of that State and not to its conflict of laws rules.

Failing any designation by the parties, the arbitral tribunal shall apply the law of a state with which the subject matter of the dispute is most closely connected to.

The arbitral tribunal shall decide ex aequo et bono or as amiable compositeur only if the parties have expressly authorized it to do so.

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

Article 29
Decision making by panel of arbitrators

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

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

If an arbitrator refuses to take part in the vote on a decision, the other arbitrators may take the decision without him, unless otherwise agreed by the parties.

The arbitrator who disagrees with the award may give his dissenting opinion in writing.

If a majority cannot be reached, the vote of the presiding arbitrator will be decisive.

Article 30

Settlement

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

If the arbitral tribunal finds that the contents of the settlement violate the public policy of the Republic of Macedonia, it shall deny the request by the parties for a settlement in the form of an arbitral award on agreed terms from paragraph 1 of this article.

The award on agreed terms from paragraph 1 of this article, shall be made in accordance with the provisions of article 31 and shall state that it is an award. Such an award has the same status and effect as any other award on the merits of the case.

Article 31

Form and contents of award

The award shall be made in writing and shall be signed by the single arbitrator or by the members of the arbitral tribunal. In arbitral proceedings with more than one arbitrator, the signatures of the majority of all members of the arbitral tribunal shall suffice, provided that the reason for any omitted signature is stated.

The award shall state the reasons upon which it is based, unless the parties have agreed that no reasons are to be given or the award is an award on agreed terms under article 30.

The award shall state its date and the place of arbitration as determined in accordance with article 20, paragraph 1) of this Law. The award shall be deemed to have been made at that place.

After the award is made, a copy signed by the arbitrators in accordance with paragraph 1) of this article shall be delivered to each party.

Unless otherwise agreed by the parties, the delivery of the award shall be made pursuant to the provisions of article 3 of this Law. If the delivery of the award cannot be made pursuant to the provisions of article 3, the delivery of the award may be carried out by the court designated in article 6, paragraph 1 of this Law.

Article 32

Termination of proceedings

The arbitral proceedings are terminated by the final award or by an order of the arbitral tribunal in accordance with paragraph (2) of this article.

The arbitral tribunal shall issue an order for the termination of the arbitral proceedings when:

1) the claimant withdraws his claim, unless the respondent objects thereto and the

arbitral tribunal recognizes a legitimate interest on his part in obtaining a final settlement of the dispute; or

2) the parties agree on the termination of the proceedings; or
3) the arbitral tribunal finds that the continuation of the proceedings has for any other reason become unnecessary or impossible.

The mandate of the arbitral tribunal terminates with the termination of the arbitral proceedings, subject to the provisions of articles 33 and 35, paragraph 4. In such cases, the tribunal's mandate will be terminated when the respective decision is rendered.

Article 33

Correction and interpretation of award; additional award

Within thirty days of receipt of the award, unless another period of time has been agreed upon by the parties:

1) a party, with notice to the other party, may request the arbitral tribunal to correct in the award any errors in computation, any clerical or typographical errors or any errors of similar nature;
2) if so agreed by the parties, a party, with notice to the other party, may request the arbitral tribunal to give an interpretation of a specific point or part of the award.

If the arbitral tribunal considers the request to be justified, it shall make the correction or give the interpretation within thirty days of receipt of the request. The interpretation shall form part of the award.

The arbitral tribunal may correct any error of the type referred to in paragraph 1 (1) of this article on its own initiative within thirty days of the date of the award.

Unless otherwise agreed by the parties, a party, with notice to the other party, may request, within thirty days of receipt of the award, the arbitral tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted from the award. If the arbitral tribunal considers the request to be justified, it shall make the additional award within sixty days of the receipt of the request.

The arbitral tribunal may extend, if necessary, the period of time within which it shall make a correction, interpretation or an additional award under paragraph 1 or 4 of this article.

The provisions of article 31 shall apply to a correction or interpretation of the award or to an additional award.

Article 34

Decision on costs

Upon a request by a party, the arbitral tribunal shall determine in the award or an order for the termination of the arbitral proceedings which party and in which proportion has to reimburse the other party the necessary costs of arbitration, including expenses of party representation and the fees of arbitrators, and/or has to bear its own expenses, unless stipulated otherwise in the arbitration agreement.

The arbitral tribunal shall decide on the costs of the proceedings according to its free evaluation, taking into account all circumstances of the case, especially the outcome of the dispute.

If the arbitral tribunal fails to decide on the costs of proceedings, or if such a decision is possible only after termination of the arbitral proceedings, the arbitral tribunal will make a separate award on the costs of the proceedings.

CHAPTER VII
RECOURSE AGAINST AWARD
Article 35
Application for setting aside as exclusive recourse against arbitral award

Recourse to a court against an arbitral award may be made only by an application for setting aside in accordance with paragraphs 2) and 3) of this Article.

An arbitral award may be set aside by the court specified in Article 6, paragraph 3 of This Law only if:

a) the party making the application furnishes proof that:
- a party to the arbitration agreement referred to in Article 7 of this Law was incapable of concluding the arbitration agreement or to be a party to an arbitration dispute according to the law applicable to its capacity; or
- no arbitration agreement was concluded, or the arbitration agreement referred to in Article 7 of this Law is not valid under the law to which the parties have subjected it or, failing any indication thereon, under the law of the Republic of Macedonia; or
- the party making the application was not given proper notice of the appointment of an arbitrator or of the commencement of the arbitral proceedings or was otherwise unable to present his case; or
- the award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or contains decisions on matters beyond the scope of the submission to arbitration, provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the award which contains decisions on matters not submitted to arbitration may be set aside; or
- the composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement of the parties, unless such agreement was in conflict with a provision of this Law from which the parties cannot derogate, or, failing such agreement, was not in accordance with this Law; or

b) the court finds, even if a party has not raised these grounds, that:
- the subject-matter of the dispute is not capable of settlement by arbitration under the law of the Republic of Macedonia; or
- the award is in conflict with the public policy of the Republic of Macedonia.

An application for setting aside of the arbitral award may not be made after three months have elapsed from the date on which the party making that application had received the award or, if a request had been made under article 33, from the date on which that request had been disposed of by the arbitral tribunal.

The court, when asked to set aside an award, may, where appropriate and so requested by a party, suspend the setting aside proceedings for a period of time determined by it in order

to give the arbitral tribunal an opportunity to resume the arbitral proceedings or to take such other action that will eliminate the grounds for setting aside.

CHAPTER VIII
LEGAL EFFECT OF THE AWARD; RECOGNITION AND ENFORCEMENT OF FOREIGN ARBITRAL AWARDS

Legal effect of the award
Article 36

The award of the arbitral tribunal shall have, in respect of the parties, the force of a final judgment and is enforceable.

Article 37
Recognition and enforcement of foreign arbitral awards

A foreign arbitral award shall be the arbitral award that was not adopted in the Republic of Macedonia.

A foreign arbitral award shall be treated as an award pertaining to the state in which it was adopted.

The recognition and enforcement of foreign arbitral awards shall be carried out according to the provisions of the Convention signed in New York on 10 June 1958 on the Recognition and Enforcement of Foreign Arbitral Awards (Official gazette of SFRY, International Agreements, no.11/81).

CHAPTER IX
TRANSITIONAL AND FINAL PROVISIONS
Repealing of particular laws
Article 38

By enactment of this Law, the provisions of the following Laws shall be repealed:

1) Articles 97 to 100 of the Conflicts of Laws Act (“Official Gazette of SFRY” no. 43/82 and 72/82);
2) Article 1, Paragraph 1, Subparagraph 2, of the Law on ratification of Convention on the Recognition and Enforcement of Foreign Arbitral Awards of New York, 1958 (Official Gazette of SFRY, International Contracts no. 11/81).

Article 39
Application of this Law

The effectiveness of arbitration agreements concluded prior to the coming into force of this Law shall be governed by the legislation that was in force at the time of their conclusion.

Pending arbitration proceedings that have not been completed at the time of the entering into force of this Law shall be conducted according to legislation that was previously in force. Settlements already made will be replaced, upon a joint proposal of the parties, with an arbitral award referred to in Article 30 of this Law.

Parties may agree on the application of the new Law to pending proceedings.

Judicial proceedings pending at the time of coming into force of this Law shall continue according to legislation that was previously in force.

Article 40

Entry into force

This Law shall come into force on the eighth day following its publication in the "Official Gazette of the Republic of Macedonia".