

Commercial Arbitration in the Philippines

Francisco Ed. Lim

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Arbitration as a mode of dispute resolution or settlement is now a judicially recognized mode of ending a dispute. Though there have been arbitration mechanisms provided in the past, recent developments have pushed the country to adopt more ways and means of modern commercial arbitration.

Early modes of arbitration drew support from Civil Code and contractual provisions rather than an arbitration statute or international conventions. Republic Act (R.A.) No. 876 or the Arbitration Law specifically addresses arbitration concerns and supplements, rather than supplants, the Civil Code provisions on arbitration. The law recognizes the consensual nature of an arbitration agreement and provides for its form and enforcement. The scope is as broad as the parties may wish to contemplate. Measures to respect the arbitration agreement are evidenced by a stay-of-proceedings order as when a party resorts to judicial remedy before going through arbitration. The Arbitration Law also provides for the means of measuring and securing the arbitral award.

In 1965, the Philippines ratified the Convention on the Recognition and Enforcement of Foreign Arbitral Awards. No implementing statute, however, has been enacted by Congress and the Supreme Court relied upon procedural rules of enforcement of foreign judgment and not on the Convention to settle disputes brought before it. Recent developments saw the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Commercial Arbitration attempted to be incorporated into municipal law, but results have not yet materialized.