ARBITRATION – DOCTRINES OF SEPARABILITY AND COMPETENCE-COMPETENCE

- ♣ Arbitration is contractual in nature > arbitration agreement
- Two related doctrine have developed that maintain the integrity of the arbitration process: the doctrine of separability (or severability) and the doctrine of competence competence
- **♣** Both doctrine are closely related but distinguishable
- ♣ Both are well respected under the rules of two important arbitral organizations: The Court of Arbitration of the ICC + United Nations Commission on International Trade Law (UNCITRAL)
- While the separability doctrine provides for autonomy of arbitration clause, the competence competence provides that the arbitrator has the competence to judge his own jurisdiction
- ♣ Competence competence is a corollary to the doctrine of separability

Separability doctrine

- ♣ Arbitration clause embedded in a contract is considered separate from the main contract two separate sets of contractual relations
- ♣ The clause continues to be valid even if the main contract is void
- ♣ There is a legal presumption of the existence of two agreements
- 4 milestones: intention of the parties to solve their disputes in arbitration + two contracts with different purpose + control function of the state courts after issuing the award + integrity of whole proceeding (don't need to be interrupted by the state courts)

<u>Competence – competence doctrine</u>

- The arbitrator may determine the existence of the arbitration clause, the validity of the arbitration clause and the scope of the arbitration clause > parties need not invoke the jurisdiction of the national court to determine this issue
- Two grounds jurisdictional power has been conferred by the will of the parties when they entered into the Arbitration agreement + this power is inherent in all judicial bodies and essential to their ability to function

Relation (interrelation)

- ♣ Competence competence is corollary to the separability doctrine: arbitration tribunal needs to have the jurisdictional to rule not only on the main contract 's validity but on the validity of the arbitration agreement
- **♣** Well established in international arbitration
- **♣** UNCITRAL Rules: art. 21
- **♣** UNCITRAL Model Law: art. 16
- ♣ NY Convention on Recognition and Enforcement of Foreign Arbitral Awards
- ♣ Czech Commercial Code: §267/3 + Czech Act on Arbitration: §15
- **↓** US: Federal Arbitration Act + NY Convention