The National Assembly decrees, under the terms of subparagraph d) of article 174° of the Constitution, the following:

CHAPTER I
General Principles
Article 1°
Object
The present law regulates the arbitration as a means of the resolution of non jurisdictional conflicts

Article 2°
Ambit
The present law applies to the national and international arbitration as defined.

CHAPTER II
Article 3°
Arbitration convention
1 – Any conflict may, by an arbitration convention, be submitted by the intervening parts, to the decision of arbiters.
2 – The arbitration convention may have as object, an actual conflict, even if it is affected to the judicial court, in which case it designated and arbitral compromise, or, eventual conflict emerging from a specific juridical contractual or extra-contractual relationship in which case it is designated commitment clause.
3 – Aside from the issues of a litigious nature in the strict sense, the parts may agree to consider any others, specifically those related to the need to precise, complete, update or even review the contracts or the juridical relationships that are at the root of the arbitration convention, as included in the concept of conflict.
4 – The State and other collective persons under public law may celebrate arbitration conventions, if so authorized by special law or if they have as object conflicts pertaining to private law relationships.

Article 4°

**Exclusions**

The following cannot be the object of arbitration:

a) The conflicts pertaining to indispensable rights;

b) Those that, by special law, are submitted exclusively to a judicial court or to necessary arbitration;

c) The conflicts in which minors, the stakeholders are incapacitated or disabled under the terms of the civil law, even if they are legally represented.

Article 5°

**Requisites of the convention**

1 – An arbitration convention must be done in writing.

2 – An arbitration convention is considered done in writing if it is included in a document signed by the parts, or in an exchange of letters, telex, telegrams, electronic mail or other means of telecommunications, that leave written proof, whether these documents contain the convention directly, or they contain a clause referring to some document that contains a convention.

3 – The arbitral compromise must determine precisely the object of the conflict; the arbitration clause must specify the juridical relationship that pertains to the conflict.

4 – If the arbitral compromise contains an accession contract, its validity and interpretation are governed by the provisions of the legislation applicable to the referred contractual type.

Article 6°

**Validity**

1 – The signature of the arbitration convention implies the renunciation by the parts of the right to recur to a judicial court on the issues that are object of the convention.
2 – The renunciation does not impede the interposition of the cautionary providences, before or during the arbitral proceedings, as long as such measures are not incompatible with the former.

3 – The Court where the action on the issue object of the arbitration convention is filed, must remit the parts to arbitration as soon as it is informed of the existence of this clause, except if it considers the convention null.

Article 7°

Autonomy

The nullity of the contract in which an arbitration convention is inserted does not cause the nullity of the latter, except when it is demonstrated that the same would not have been concluded without the referred convention.

Article 8°

Revocation

1 – The arbitration convention can be revoked, up to the pronunciation of the arbitral decision, in writing that complies with the provisions of Article 3 dealing with the formalization of the convention, signed by both parts.

2 – If the revocation is effected only by one of the parts, the arbitration convention remains valid and effective, if after five days have passed over the date of notification of the revocation, the other part does not expressly accept the revocation.

Article 9°

Nullity of the convention

The arbitration convention celebrated in violation of the provisions of Article 1 number 4, Article 2 subparagraphs a), b) or c) and Article 3, is null.

Article 10°

Caducity of the convention

1 – The arbitral compromise expiration and the arbitration clause becomes ineffective, regarding the conflict under consideration:
a) Some of the designated arbiters dies, excuses him/herself or renders him/herself permanently incapable to exercise the function or if the designation remains without effect, as long as he/she is not substituted under the terms of Article 19.

b) If the decision is not proffered in the established deadline in accordance with the provisions of number 2 of Article 24º

2 – Save for convention to the contrary, the death or extinction of the parts does not lead to the expiration of the arbitration convention nor does it extinguish the instance in the arbitral court.

Article 11º

Financial responsibilities of the process

The remuneration of the arbiters and the other parties intervening in the process, as well as its partition between the parts, must be fixed in the arbitration convention or in a subsequent document subscribed to by the parts, unless they result from the arbitration regulation of the entity chosen under the terms of 43º.

CHAPTER III
OF THE ARBITERS AND THE ARBITRAL COURT

Article 12º

Composition of the court

1 – The arbitral court may be constituted by a single arbiter or by several arbiters, in an odd number.

2 – If the number of members in the arbitral court is not fixed in the arbitration convention or in subsequent writing subscribed to by the parts, nor does it result from them, the court shall be composed by three arbiters.

Article 13º

Competence of the court

Only the arbitral courts constituted under the terms of this Law are competent to decide conflicts submitted to arbitration.
Article 14°

**Designation of the arbiters**

1 – The parts must, in the arbitration convention or in subsequent written document signed by them, designate the arbiter or arbiters that will constitute the court, or fix the mode by which they are to be chosen.

2 – If the parts do not designate the arbiter or arbiters, nor fix the mode by which they are chosen, and there is no agreement between them regarding this designation, each one shall indicate an arbiter, and the arbiters thus designated shall choose the arbiter that will complete the constitution of the tribunal.

Article 15°

**Arbiters: requisites**

The arbiters must be singular persons and plainly capable of fulfilling the requisites stipulated by the parts, or, by the arbitration entities indicated by them.

Article 16°

**Freedom to accept; excuse**

1 – No one can be obligated to function as an arbiter, but if the responsibility is accepted, it shall be legitimately excused based on supervening cause that makes it impossible for the designated person to exercise the function.

2 – The responsibility is considered accepted whenever the designated person reveals the intention to act as an arbiter or does not declare, in writing addressed to any of the parts, within the ten days subsequent to the communication of the designation, that he/she does not wish to exercise the function.

3 – Having accepted the responsibility, if the arbiter unjustifiably excuses him/herself from the exercise of his/her function he/she shall respond for the damages he/she may have caused.

Article 17°

**Impediments and refusals**

1 – The impediments and excuses regime, established in the civil process law for the judges, is applicable to the arbiters not appointed by agreement between the parts.
2 – Whosoever has exercised the mediation activity in any issue related to the object of the conflict, cannot be indicated as arbiter, save by express acceptance of the parts.
3 – The part cannot refuse the arbiter designated by him/her, save in the event of occurrence of a supervening cause of impediment of excuse, under the terms of the preceding number.
4 – It behooves the president of the arbitral court the decisions on impediments and refusals.

Article 18º

Constitution of the court

1 – The part that proposes to present a case in the arbitral court must notify the opposite part of this fact.
2 – The notification is made by registered letter with return receipt or by other communication means that permit proof of the notification and of its reception.
3 – The notification must indicate the arbitration convention and indicate precisely the object of conflict, if it is not already determined in the convention.
4 – If it incumbent on the parts to designate one or more arbiters, the notification shall contain the designation of the arbiter or arbiters by the part that proposes to institute the action, as well as the invitation addressed to the other part to designate the arbiter or arbiters incumbent upon him/her to indicate.
5 – In the cases in which the arbiter must be designated by agreement of the two parts, the notification shall contain the indication of the arbiter proposed and the indication to the other part to accept the designation.
6 – If it behooves a third party to designate one or more arbiters and such designation has not yet been made, the third party shall be notified to do so and inform both parts accordingly.

Article 19

Nomination of the arbiters and determination of the object of the conflict by a judicial court
1 – In all the cases in which the nomination of an arbiter or arbiters in conformity with
the provisions of the preceding articles is missing, the nomination falls on the president
of the district court with jurisdiction over the place fixed for the arbitration or, if the
place has not been fixed, that of the district court of the requestor’s domicile.
2 – The nomination may be requested, after one month has elapsed over the date of the
notification foreseen in number 1 of Article 17, in the case contemplated in numbers 4
and 5 of this article, within one month counting from the nomination of the last of the
arbiters in the case referred to in Article 12, n. ° 2.
3 – The nominations made under the terms of the preceding numbers are not susceptible
of impugnation.
4 – If within the deadline referred to in n. ° 2 the parts do not reach agreement on the
determination of the object of the conflict, it shall behoove the court to decide. This
decision may be appealed with aggravation, to be heard immediately.
5 – If the arbitration convention is manifestly null the court must declare that there is no
need to nominate the arbiters or to determine the object of the conflict.

Article 20°

Substitution of the arbiters
If any of the arbiters dies, excuses him/herself or becomes permanently unable to
exercise the functions or if the designation becomes ineffective, substitution of the same
shall proceed according to the rules applicable to the nomination or designation, with
the necessary adaptations

Article 21°

President of the arbitral court
1 – Being the court constituted by more than one arbiter, they will choose a president
among themselves, unless the parts have agreed to another solution, in writing, up to the
acceptance of the first arbiter.
2 – Should the designation of the president not be possible under the terms of the
preceding number, the choice shall be made by the president district’s court.
3 – It behooves the president of the arbitral court to prepare the process, direct the
instruction, conduct the audiences work and establish the sequence of the debates, save
for conventions to the contrary.
Article 22º

**Ethical duties of the arbiters**

1 – The arbiter cannot:
   a) Represent the interests of either of the parts;
   b) Receive or obtain, before, after or during the arbitration, any remuneration, premium or patrimonial advantage from persons with direct or indirect interest in the arbitration.

2 – The arbiter must:
   a) Proceed with impartiality, independence, **secrecy** and good faith;
   b) Treat the parts, their representatives and witnesses with diligence and courtesy;
   c) decide in accordance with substantive law and with equity, exclusively on the basis of the elements of the conflict, even when designated by one of the parts;
   d) avail the time necessary for the arbitration process to run with celerity;
   e) respect and impose the rules of the proceeding, ensuring that the arbitration is conducted with diligence, avoiding any untoward action;
   f) accept his/her nomination only if he/she fulfill the conditions to act in conformity with the fundamental principles of this law.

3 - The arbiters are responsible for the damages they cause, by dishonest or fraudulent conduct or by violation of the law, in the exercise of their functions.

**CHAPTER IV**

**OF THE OPERATION OF THE ARBITRATION**

Article 23

**Rules of the process**

1 – In the arbitration convention or in subsequent writing, up to the acceptance of the first last arbiter, the parts may agree on the rules of the process to be observed in the arbitration, as well as on the place from which the court will operate.

2 – The agreement of the parts on the matter referred to in the preceding matter may result from the choice of an arbitration regulation emanating from one of the entities referred to in Article 43 or yet of the choice of one of these entities to organize the arbitration.

3 – If the parts do not agree on the rules of the process to be observed in the arbitration and on the place from which the arbitral court will operate, it behooves the arbiters to make this choice.
Article 24º

Fundamental principles to be observed in the process

On any case, the arbitration process procedures should abide by the following fundamental principles:

a) The parts shall be treated with absolute equality;

b) The demanded shall be summoned to defend him/herself;

c) In all the phases of the process strict observance of the principle of the contradictory shall be observed;

d) Both parts must be heard, verbally or in writing, before a final decision is proffered.

Article 25º

Representation of the parts

The parts may designate someone to represent or assist them in court.

Article 26º

Proof

1 – Any proof admitted by law may be produced before the arbitral court.

2 – When the proof to be produced depends on the will of one of the parts, or, of a third party and the same refuse the necessary collaboration, the interested party may, once the authorization is obtained from the arbitral court, solicit to the judicial court that the proof be produced before it, and the results should be remitted to that first court.

Article 27º

Cautionary measures

Save for stipulation to the contrary by the parts, the arbitral court can, at the request of one of the parts, order that any of them take the provisional measures it considers necessary in relation to the object of the conflict, even to request the posting of a guarantee.

CHAPTER IV

OF THE ARBITRAL DECISION
Article 28º

Time limit for the decision

1 – The parts may fix the time limit for the arbitral court’s decision or the mode for establishing that time limit, in the arbitration convention or in subsequent writing, up to time of acceptance of the first arbiter.

2 – The time limit for the decision shall be six months, if not otherwise agreed upon by the parts, under the terms of the preceding number.

3 – The time limit referred to in n. ° 1 and 2 is counted from the date of the designation of the last arbiter, save convention to the contrary.

4 – By written agreement of the parts, the time limit for the decision may be prorogued up to twice its initial duration.

5 – The arbiters who unjustifiably oppose to proffering a decision within the fixed time limit shall respond for the damages caused.

Article 29º

Deliberation

1 – Being the court composed of more than one member, the decision is taken by majority vote, in a deliberation in which all the arbiters must participate, save if the parts, in the arbitration convention or in subsequent written agreement celebrated up to the time of acceptance of the first arbiter, demand a qualified majority.

2 – The parts may further convention that, if the necessary majority is not formed, the decision be made singularly by the president or that the issue be considered decided in the direction of the president’s vote.

3 – In the event that the necessary majority is not formed simply because of divergence as to the money amount of the condemnation, the issue is considered decided in the direction of the president’s vote, save for a different convention between the parts.

Article 30º

Decision on self-competence

1 – The arbitral court may pronounce its own competence, even if, to that end it becomes necessary to review the existence, the validity or the effectiveness of the arbitration convention or of the contract in which the same is inserted, or the applicability of the referred convention.
2 – The incompetence of the arbitral court can only be argued up to presentation of the defense at the bottom-line of the case, or jointly with it.
3 – The decision by which the arbitral court declares itself competent can be reviewed by the judicial court only after the bottom-line decision has been proffered and by the means specified in articles 33 and 38.

Article 31º

Applicable law; recourse to equity

The arbiters judge according to the constituted law unless the parts, in the arbitration convention or in subsequent document subscribed to up to the acceptance of the first arbiter, authorizes them to judge according to equity.

Article 32º

Elements of the decision

1 – The final decision of the arbitral court is reduced to writing and it will contain:
   a) The identification of the parts;
   b) The reference to the arbitration convention;
   c) The object of the conflict;
   d) The identification of the arbiters;
   e) The place of the arbitration and the location and date in which the decision was proffered;
   f) The arbiters’ signature;
   g) The indication of the arbiters that could not or did not wish to sign.

2 - The decision should contain a number of signatures equal to at least the majority of the arbiters and include the vanquished votes, duly identified.

3 – The decision must be fundamented.

4 – The decision shall contain the fixation and partition by the parts of the financial responsibilities resulting from the process.

Article 33º

Notification and deposit of the decision

1 – The president of the court shall notify each of the parts of the decision, by remitting a copy of it by registered mail.
2 – The original of the decision is deposited in the administration office of the judicial court of the local of arbitration, unless in the arbitration convention or in subsequent writing the parts have dispensed with such deposit or that, in the institutionalized arbitrations, the respective regulation foresees another modality of deposit.
3 – The president of the arbitral court shall notify the parts of the deposit of the decision.

Article 34º

Extinction of the power of the arbiters
The jurisdictional power of the arbiters ends with the notification of the deposit of the decision that ended the conflict or, when such deposit is dispensed, with the notification of the decision to the parts.

Article 35º

Judged case and executive force
1 – Once the arbitral decision is notified to the parts, and if such is the case, the arbitral decision is deposited in the judicial court under the terms of Article 30, the case is considered concluded as soon as it is not susceptible of annulment.
2 – The arbitral decision has the same executive force as a sentence from the judicial of 1st instance.

CHAPTER VI

Impugnation of the arbitral decision

Article 36º

Annulment of the decision
1 – The arbitral sentence can be annulled only by the judicial court fundamented in one of the following:
   a) The conflict is not susceptible of a solution by arbitration;
   b) The sentence was proffered by an incompetent or an irregularly constituted court;
   c) Violation of the principles referred to in Article 22 occurred in the process, with decisive influence in the resolution of the conflict;
d) There was a violation of Article 29 n. ° 1, subparagraph f), 2 and 3;
e) The court acquired knowledge of issues it was not supposed to know, or did not pronounce on issues it should have reviewed.

2 – The fundament of the annulment foreseen in subparagraph b) of the preceding number cannot be invoked by the part who had knowledge of it in the course of the arbitration and that, being able to do so, did not allege it opportunely.

Article 37°

Right to request annulment; time limit
1 – The right to request annulment of the arbiters’ decision in not renounceable.
2 – The annulment action can be attempted within one month counting from the notification of the arbitral decision, In the Supreme Court of Justice.

CHAPTER VII
EXECUTION OF THE ARBITRAL DECISION

Article 38º

Execution of the decision
The execution of the arbitral decision occurs in the court of the 1st instance, under the terms of the civil process law.

Article 39º

Opposition to the execution
The course of the deadline to attempt the annulment action does not impede its fundaments to be invoked as a way to oppose the execution of the arbitral decision.

CHAPTER VIII
OF INTERNATIONAL ARBITRATION

Article 40º

Concept of international arbitration
1 – The arbitration assumes an international character when some of the following circumstances occur with it:
a) That, at the moment of celebrating the arbitral compromise, the parts have domiciles in different states;
b) That the juridical relationship that gives rise to the conflict affects international trade principles.

**Article 41°**

**Applicable law**

1 – The parts may choose the substantive law to be applied by the arbiters, if they have not authorized the arbiters to judge according to equity.
2 – In the absence of a choice, the court applies the law that is more appropriate to the conflict.

**Article 42°**

**Appeals**

In the event of an international arbitration, the court’s decision cannot be appealed, save if the parts have agreed to the possibility of appeal and regulated its terms.

**Article 43°**

**Friendly composition**

If the parts entrust it with this function, the court may decide the conflict by appeal to the composition of the parts on the basis of the equilibrium of the interests at play.

**CHAPTER IX**

**Acknowledgement and Execution of Overseas Arbitration Decisions**

**Article 44°**

**Acknowledgement and Execution**

1. The overseas arbitration decision, irrespective of the State where it is pronounced, is acknowledged as having mandatory force and, upon a written
request submitted to the competent court, it should be enforced, without prejudice to what is written in this, and the next article.

2. The party invoking the arbitration decision, or requesting its enforcement, should provide the original arbitration decision, or an authenticated copy, as well as the original Arbitration Convention mentioned in article 5, or its copy. If said arbitration decision and convention are written in a language other than the portuguese, the party should submit their authenticated translations.

Article 45°

Justifications for Acknowledgment and Execution Refusal

1. An overseas arbitration decision acknowledgement or execution may be refused, by request of the party against which it is invoked, if that party submits to the competent court to which the acknowledgement and execution is requested proof that:

a) The arbitration convention is not valid under the law provisions to which the parties are subordinated or, lacking indications to this purpose, under the law provisions of the State where the arbitration decision was passed;

b) It was not properly informed about the designation or selection of an arbitrator or about the arbitration proceedings, or that it was impossible to assert its rights for any other reason;

c) The arbitration decision pertains to a litigation that was not the object of an arbitration convention, or includes decisions that go beyond the arbitration convention scope, however, its acknowledged that the arbitration decision dispositions regarding to the issues submitted arbitration may be dissociated from those not submitted to arbitration; acknowledgement or execution refusal may only apply to parts of arbitration decisions pertaining to issues not submitted to arbitration;

d) The arbitration court or process constituiion is not in compliance with the parties’ convention or, lacking such convention, to the law of the State where the arbitration took place;

e) The arbitration decision has not yet become mandatory to the parties or has been annuled or suspended by a competent State court where, or under whose law provisions, it had been passed
2. Acknowledgement or execution can be equally refused if the court understands that:
   a) The litigation object is not susceptible to be decided through arbitration, under article 4 terms;
   b) The arbitration decision acknowledgement or execution contravenes public order;
   c) The State where the arbitration decision was passed would refuse acknowledgement or execution of arbitration decisions passed in Cape Verde.
3. If an arbitration decision annulment or suspension is requested of a State competent court where, or under whose law, the arbitration decision had been passed, the court to which the request for acknowledgement or execution has been submitted may, if it finds it appropriate, postpone its decision and may also, by request from the party demanding the arbitration decision acknowledgement or execution, order the other party to produce adequate guaranties.

   CHAPTER X
   Final Dispositions
   Article 46º
   The Government shall define the regime for the delegation of competences to specific entities to perform voluntary institutionalized arbitration, specifying, in each case, of the general or specialized character of such arbitrations, as well as the review rules and eventual revocation of the authorizations granted, when so justified.

   Article 47º
   Revocation
   All contrary legal dispositions is hereby revoked.

   Article 48º
   Effective date
   This law goes into effect 90 days after its publication.
Approved on June 30, 2005

The Chairman of the National Assembly, Aristides Raimundo Lima

Promulgated on July 29, 2005

To be Published

The President of Republic, PEDRO VERONA RODRIGUES PIRES

Signed on August 1, 2005
The Chairman of the National Assembly, Aristides Raimundo Lima