ICLG

The International Comparative Legal Guide to:

International Arbitration 2016

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A practical cross-border insight into international arbitration work

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1 Arbitration Agreements

1.1 What, if any, are the legal requirements of an arbitration agreement under the laws of your jurisdiction?

Under the Finnish Arbitration Act (967/1992, as amended, the "Act"), an arbitration agreement must be in writing.

An arbitration agreement is deemed to be in writing if it is contained in a document signed by the parties or in an exchange of letters, telegrams, telexes, or documents produced in another such manner and providing for a record.

Further, the requirement of written form is fulfilled with reference to general conditions which contain an arbitration clause.

1.2 What other elements ought to be incorporated in an arbitration agreement?

It is advisable that the parties agree on the number of arbitrators and the manner in which they are to be appointed, as well as the seat of arbitration and the language to be used in the proceedings. Additionally, it is recommended that an arbitration agreement contains a reference to applicable institutional rules, if any, and to the IBA Rules on the Taking of Evidence in International Arbitration if the parties are from civil and common law jurisdictions.

1.3 What has been the approach of the national courts to the enforcement of arbitration agreements?

Finnish courts' approach is non-interventionist and arbitration-friendly and the courts recognise and enforce valid arbitration agreements.

According to the Act, a valid arbitration agreement excludes the jurisdiction of the courts as a court may not hear an action that is brought in a matter that is subject to arbitration if a party, before responding to the main claim, invokes that the matter is subject to arbitration.

2 Governing Legislation

2.1 What legislation governs the enforcement of arbitration proceedings in your jurisdiction?

Arbitration proceedings are governed by the Finnish Arbitration Act which came into force on 1 December 1992.

2.2 Does the same arbitration law govern both domestic and international arbitration proceedings? If not, how do they differ?

The Act is applied without distinction to both domestic and international arbitration, and is divided into two parts. Sections 1 to 50 apply to arbitration seated in Finland and Sections 51 to 55 to arbitration agreements providing for arbitration abroad and the recognition and enforcement of foreign arbitral awards in Finland.

2.3 Is the law governing international arbitration based on the UNCITRAL Model Law? Are there significant differences between the two?

Although the Act applies without distinction to both domestic and international arbitration, it is based on the same basic principles as the UNCITRAL Model Law and can be largely considered as compatible with the Model Law. However, the Act does not contain any provision relating to interim measures.

2.4 To what extent are there mandatory rules governing international arbitration proceedings sited in your jurisdiction?

Party autonomy is a governing principle under the Act, and the Act contains only few mandatory provisions, such as that the parties shall be given sufficient opportunity to present their case as well as regulations concerning nullity and setting aside arbitral awards.

This flexibility guarantees that arbitration proceedings can be settled under the Act according to an international approach without focusing purely on civil law or common law characteristics or other cultural anomalies that might be strange to international arbitration proceedings.

3 Jurisdiction

3.1 Are there any subject matters that may not be referred to arbitration under the governing law of your jurisdiction? What is the general approach used in determining whether or not a dispute is "arbitrable"?

Any dispute in a civil or commercial matter, which can be settled by an agreement between the parties and without involvement of a court or other public authority, is arbitrable. Consequently, for example, criminal law and family law related matters are non-arbitrable.

3.2 Is an arbitrator permitted to rule on the question of his or her own jurisdiction?

An arbitral tribunal is permitted to rule on its own jurisdiction. However, a party has the right to request a court to rule on the issue (see question 3.4).

3.3 What is the approach of the national courts in your jurisdiction towards a party who commences court proceedings in apparent breach of an arbitration agreement?

A court cannot decline jurisdiction *ex officio* because of an existing arbitration agreement.

In order for the court to take the arbitration agreement into account, a party must invoke the arbitration agreement before responding to the main claim.

3.4 Under what circumstances can a court address the issue of the jurisdiction and competence of the national arbitral tribunal? What is the standard of review in respect of a tribunal's decision as to its own jurisdiction?

A party has the right to request a court to rule on the issue of the jurisdiction of the arbitral tribunal either when arbitration proceedings are requested by the other party or during the arbitration proceedings.

Nonetheless, the arbitral tribunal may commence or continue the proceedings and even decide the matter at hand pending a court's decision concerning jurisdiction. If a court's decision denying the jurisdiction of the arbitrators has become final, the arbitrators should issue an order for the termination of the proceedings.

Additionally, a court is not bound by the arbitrators' decision concerning their lack of jurisdiction. If a court would later find that the arbitrators had jurisdiction, the arbitral proceedings would need to be initiated again.

3.5 Under what, if any, circumstances does the national law of your jurisdiction allow an arbitral tribunal to assume jurisdiction over individuals or entities which are not themselves party to an agreement to arbitrate?

Generally, an arbitral tribunal has no jurisdiction over third parties and non-signatories to an arbitration agreement. However, there are grounds on which third parties may be bound to an arbitration agreement such as universal succession. Also, in situations concerning assignment, the assignee is generally bound by the arbitration agreement.

There are no provisions in the Act nor case law concerning the applicability of the 'group of companies' doctrine in Finland.

3.6 What laws or rules prescribe limitation periods for the commencement of arbitrations in your jurisdiction and what is the typical length of such periods? Do the national courts of your jurisdiction consider such rules procedural or substantive, i.e., what choice of law rules govern the application of limitation periods?

The Act does not contain any provisions on limitation periods. Limitation periods are considered as part of substantive law. Accordingly, if the seat of arbitration is in Finland, the arbitral tribunal shall most likely apply the limitation periods as provided in the law applicable to the merits of the dispute.

If the applicable substantive law is Finnish law, the general limitation period is three years from the due date of the invoice or, in a case of contractual breach, the date when the aggrieved party knew or should have known of the breach.

Further, a debt becomes statute barred after 10 years from the breach of contract or the event causing the damage, unless the limitation period is interrupted.

3.7 What is the effect in your jurisdiction of pending insolvency proceedings affecting one or more of the parties to ongoing arbitration proceedings?

Generally, if the debtor has entered into an arbitration agreement before the insolvency proceedings, the arbitration agreement is binding upon both the administrator and the other party. However, if a claim of a creditor is contested by another creditor, who is not bound by the arbitration agreement, the prevailing opinion is that the claim shall be referred to a court.

Further, if the administrator finds that the debtor has made a transaction which violates the creditors' rights and wants to have such transaction declared null and void or rescinded, the administrator will not be bound by an arbitration agreement which the debtor has entered into before the insolvency proceedings.

4 Choice of Law Rules

4.1 How is the law applicable to the substance of a dispute determined?

The parties may freely decide the applicable substantive law.

In the absence of such agreement, the arbitral tribunal decides the law applicable to the substance of a dispute. However, the Act does not contain provisions on how such a decision is to be made. Generally, the arbitral tribunal should base its decision on the applicable choice of law rules.

4.2 In what circumstances will mandatory laws (of the seat or of another jurisdiction) prevail over the law chosen by the parties?

The Act is silent on the issue. The prevailing opinion is that the arbitral tribunal is not required to apply mandatory law in the same way as national courts. However, under the Act, an award shall be null and void to the extent that the recognition of the award is to be deemed contrary to the public policy of Finland. Consequently, the public policy of Finland prevails over the law chosen by the parties.

4.3 What choice of law rules govern the formation, validity, and legality of arbitration agreements?

The Act is silent on the issue. In the absence of the parties' agreement, the law applicable to the arbitration agreement is in the discretion of the arbitral tribunal. In most cases, the arbitral tribunal shall presumably apply the law applicable to the underlying contract or the law of the seat of arbitration.

5 Selection of Arbitral Tribunal

5.1 Are there any limits to the parties' autonomy to select arbitrators?

Unless otherwise agreed by the parties, any person of age who is not bankrupt and whose competence has not been restricted may act as an arbitrator. There are no restrictions for foreign nationals to act as arbitrators in arbitrations seated in Finland.

5.2 If the parties' chosen method for selecting arbitrators fails, is there a default procedure?

If the parties have not chosen method for selecting arbitrators or the method chosen by the parties fails, the default number of arbitrators under the Act is three. Each party shall appoint one arbitrator and the arbitrators appointed shall appoint the chairman. If the parties have agreed on a sole arbitrator, the parties must agree on the appointment of the arbitrator.

A court shall, upon a request of a party, appoint the arbitrator if a party has not within 30 days of receiving the notice of arbitration fulfilled its obligation to appoint an arbitrator, or if the arbitrators appointed by the parties have not within 30 days of their appointment agreed on the chairman, or if the parties have not agreed on the sole arbitrator within 30 days of the date when a party received the notice of arbitration from the other party.

5.3 Can a court intervene in the selection of arbitrators? If so, how?

A court is not allowed to intervene in the selection of arbitrators *ex officio*. A court may only intervene in the selection of arbitrators if a party has requested the court to appoint an arbitrator (see question 5.2).

5.4 What are the requirements (if any) as to arbitrator independence, neutrality and/or impartiality and for disclosure of potential conflicts of interest for arbitrators imposed by law or issued by arbitration institutions within your jurisdiction?

Under the Act and the Arbitration Rules of the Finland Chamber of Commerce (the "FAI Rules"), an arbitrator must be and remain directly and indirectly independent and impartial in relation to all parties, and not only to the nominating party.

The notion of independence is not defined in the Act nor in the FAI Rules. Consequently, the issue is analysed on a case-by-case basis, taking into account the specific circumstances of each case, the applicable law as well as the nationality of the parties and the arbitrators. The requirement of impartiality is closely connected with the requirement of independence although the terms are not identical. The concept of impartiality is more subjective which makes it more difficult to detect in the arbitration proceedings. Additionally, when assessing the independence and impartiality of the arbitrators, guidance is often searched from the IBA Guidelines on Conflicts of Interest in International Arbitration.

Under the Act, if an arbitrator accepts their appointment, he or she is obliged to, throughout the proceedings, immediately disclose any circumstances likely to endanger or give rise to justifiable doubts as to his or her independence and impartiality as an arbitrator.

According to the Act, on the challenge of a party, an arbitrator shall be disqualified if he or she would have been disqualified from hearing a case as a judge, or if other circumstances exist that give rise to justifiable doubts as to his or her independence or impartiality as an arbitrator. The Code of Judicial Procedure (4/1734) sets forth provisions concerning the disqualification of judges.

Under the FAI Rules, each arbitrator must, before the confirmation or appointment, sign and submit to the Arbitration Institute of the Finland Chamber of Commerce (the "FAI") a statement of acceptance, availability, impartiality and independence. In this statement, the arbitrator must disclose any circumstances likely to give rise to justifiable doubts as to his or her independence or impartiality.

Further, according to the FAI Rules, an arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence.

6 Procedural Rules

6.1 Are there laws or rules governing the procedure of arbitration in your jurisdiction? If so, do those laws or rules apply to all arbitral proceedings sited in your jurisdiction?

The procedure of arbitration is governed by Sections 21 to 30 of the Act which generally apply to all arbitral proceedings seated in Finland. However, if the parties have agreed on institutional arbitration, the arbitration procedure is governed by the rules of the chosen institute.

6.2 In arbitration proceedings conducted in your jurisdiction, are there any particular procedural steps that are required by law?

No, there are not.

6.3 Are there any particular rules that govern the conduct of counsel from your jurisdiction in arbitral proceedings sited in your jurisdiction? If so: (i) do those same rules also govern the conduct of counsel from your jurisdiction in arbitral proceedings sited elsewhere; and (ii) do those same rules also govern the conduct of counsel from countries other than your jurisdiction in arbitral proceedings sited in your jurisdiction?

No, there are no particular rules governing the conduct of a Finnish or a foreign counsel in arbitration proceedings sited in Finland or elsewhere. However, if a counsel is a member of the Finnish Bar Association, he or she is required to obey the rules of conduct of the said association.

6.4 What powers and duties does the national law of your jurisdiction impose upon arbitrators?

The arbitrators are required to give the parties sufficient opportunity to present their case and to conduct the proceedings in accordance with the agreement of the parties. In the absence of such agreement, the arbitrators may conduct the arbitration in such manner as they consider appropriate, taking into account the requirements of impartiality and expediency.

6.5 Are there rules restricting the appearance of lawyers from other jurisdictions in legal matters in your jurisdiction and, if so, is it clear that such restrictions do not apply to arbitration proceedings sited in your jurisdiction?

In order to represent a client in a Finnish court, a person is required to be a member of the Finnish Bar Association, a licensed counsel admitted to appear before courts in Finland or a public legal aide.

It is clear that the restrictions do not apply to arbitration proceedings.

6.6 To what extent are there laws or rules in your jurisdiction providing for arbitrator immunity?

There are no laws or rules providing for arbitrator immunity in Finland.

6.7 Do the national courts have jurisdiction to deal with procedural issues arising during an arbitration?

A court only has jurisdiction to rule on the following issues explicitly determined in the Act: appointment and removal of arbitrators; challenges to the jurisdiction of the arbitral tribunal; interim measures; examining a witness, an expert or a party in the court; and deciding matters relating to document production requests.

7 Preliminary Relief and Interim Measures

7.1 Is an arbitrator in your jurisdiction permitted to award preliminary or interim relief? If so, what types of relief? Must an arbitrator seek the assistance of a court to do so?

The Act is silent on the issue.

Under the FAI Rules, the arbitral tribunal may, at the request of a party, grant any interim measures of protection it deems appropriate.

However, interim measures granted by the arbitral tribunal are not enforceable. In order to obtain a binding and enforceable interim relief, the request must be submitted to a court.

7.2 Is a court entitled to grant preliminary or interim relief in proceedings subject to arbitration? In what circumstances? Can a party's request to a court for relief have any effect on the jurisdiction of the arbitration tribunal?

In Finland, national courts have an exclusive jurisdiction to order binding and enforceable interim measures at the request of a party. A party's request for interim measures to a court does not have any effect on the jurisdiction of the arbitral tribunal.

7.3 In practice, what is the approach of the national courts to requests for interim relief by parties to arbitration agreements?

Finnish national courts approach requests for interim relief in matters subject to arbitration in the same manner as requests in other matters.

7.4 Under what circumstances will a national court of your jurisdiction issue an anti-suit injunction in aid of an arbitration?

National courts in Finland do not have explicit authority to issue anti-suit injunctions in aid of an arbitration.

7.5 Does the national law allow for the national court and/or arbitral tribunal to order security for costs?

The arbitrators have the right to demand an advance on the compensation or a security therefor. National courts are not allowed to order security for costs.

7.6 What is the approach of national courts to the enforcement of preliminary relief and interim measures ordered by arbitral tribunals in your jurisdiction and in other jurisdictions?

Interim measures granted by the arbitral tribunal, seated either in Finland or elsewhere, are not enforceable in Finland. In order to obtain a binding and enforceable interim relief, the request must be submitted to a court.

8 Evidentiary Matters

8.1 What rules of evidence (if any) apply to arbitral proceedings in your jurisdiction?

The parties may agree on the applicable rules of evidence as well as the type of evidence admissible. In the absence of such agreement, the arbitral tribunal shall decide on the conduct of the proceedings, taking into account the mandatory requirements of impartiality and expediency.

In international arbitration proceedings, the IBA Rules on the Taking of Evidence in International Arbitration are often applied.

8.2 Are there limits on the scope of an arbitrator's authority to order the disclosure of documents and other disclosure (including third party disclosure)?

The arbitral tribunal may, at the request of a party or on its own motion, request a party or any other person in possession of a document or other object which may have relevance as evidence to produce the document or object.

The arbitral tribunal may not impose the threat of a fine nor issue orders regarding other coercive measures. It may also not administer an affirmation. However, the arbitral tribunals' requests to produce evidence are usually respected.

The Finnish legal system is unfamiliar with a common law type of discovery.

8.3 Under what circumstances, if any, is a court able to intervene in matters of disclosure/discovery?

In Finland, a party to an arbitration may, by approval of the arbitral tribunal, file an application of the production of a document to the District Court. The arbitral tribunal should approve the application concerning the court's assistance if the requested document is relevant and necessary for the case and does not cause exorbitant costs.

Court orders concerning disclosure are enforceable and a court may also impose sanctions.

8.4 What, if any, laws, regulations or professional rules apply to the production of written and/or oral witness testimony? For example, must witnesses be sworn in before the tribunal or is cross-examination allowed?

The Act does not contain any provisions regarding written and/or oral witness testimony. The parties are free to agree on submitting written witness testimonies and the arbitral tribunal is also allowed to order said testimonies to be submitted. However, such witnesses are usually heard in the hearing as well.

The arbitral tribunal may not administer any affirmations. Cross-examination is always allowed.

8.5 What is the scope of the privilege rules under the law of your jurisdiction? For example, do all communications with outside counsel and/or in-house counsel attract privilege? In what circumstances is privilege deemed to have been waived?

The Act is silent on the issue. The prevailing opinion is that the privilege rules as applied in national courts may also be invoked in arbitration.

In Finland, as in other civil law jurisdictions, legal privilege does not generally cover in-house legal counsels who are regarded as regular employees of the company. However, it is clear that the documents created or exchanged in the attorney-client relationship between a retained independent legal counsel and a client are protected by the principles of legal privilege, as stated in the *Akzo Nobel* judgment of the Court of First Instance of the EU (T-125/03, T-253/03).

If an attorney is a member of the Finnish Bar Association, the privilege may only be broken if the attorney is obliged to testify under the Code of Judicial Procedure.

9 Making an Award

9.1 What, if any, are the legal requirements of an arbitral award? For example, is there any requirement under the law of your jurisdiction that the Award contain reasons or that the arbitrators sign every page?

An award must be in writing and signed by the arbitrators. The award shall be void if the aforementioned criteria is not met.

However, the award shall not be deemed null and void in the absence of the signature of one or more arbitrators if it has been signed by a majority of the arbitrators provided that they, on the award, have stated the reason why an arbitrator who has participated in the arbitration has not signed the award.

The award must also indicate its date and the place of arbitration as agreed or determined.

9.2 What powers (if any) do arbitrators have to clarify, correct or amend an arbitral award?

A party may request the arbitrators to correct any errors in computation and any clerical errors as well as any other corresponding errors in the award. Generally, a party shall request the correction within 30 days of receipt of a copy of the award. The arbitrators may also correct the errors on their own initiative.

If the arbitrators consider the request for correction to be justified, they shall make the correction without delay and, if possible, within 30 days of receipt of the request.

10 Challenge of an Award

10.1 On what bases, if any, are parties entitled to challenge an arbitral award made in your jurisdiction?

The Act separates provisions concerning null and void awards and awards that may be set aside.

An award shall be null and void:

1) to the extent that the arbitrators have decided that an issue is non-arbitrable under Finnish law;
2) to the extent that the recognition of the award would be contrary to the public policy of Finland;
3) if the award is so obscure or incomplete that it is unclear how the dispute has been decided; or
4) if the award is not in writing or signed by the arbitrators. However, the absence of a signature does not always make an award null and void (see question 9.1).

There is no time limit to challenge an award as null and void.

An award may be set aside, by the request of a party, if:

1) the arbitrators have exceeded their authority;
2) an arbitrator has not been properly appointed;
3) an arbitrator could have been disqualified to act as an arbitrator, but a challenge duly made by a party has not been accepted before the award was made, or if a party has become aware of the ground for disqualification so late that it could not have been able to challenge the arbitrator before the award was made; or
4) the arbitrators have not given a party sufficient opportunity to present its case.

An action for setting aside an award must be brought before the District Court in whose circuit the award was made within three months from receiving a copy of the award. The challenge procedure might take between six months and four years according to the Finnish legal praxis.

10.2 Can parties agree to exclude any basis of challenge against an arbitral award that would otherwise apply as a matter of law?

The parties cannot agree to exclude any basis of challenge provided in the Act before the award has been rendered.

10.3 Can parties agree to expand the scope of appeal of an arbitral award beyond the grounds available in relevant national laws?

There are no provisions in the Act nor case law concerning the issue. However, according to the principle of party autonomy, it may be possible that the parties can expand the scope of appeal of an arbitral award beyond the grounds available in the Act.

10.4 What is the procedure for appealing an arbitral award in your jurisdiction?

There is no appeal procedure concerning arbitral awards.

11 Enforcement of an Award

11.1 Has your jurisdiction signed and/or ratified the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards? Has it entered any reservations? What is the relevant national legislation?

Yes, Finland has signed and ratified the New York Convention which has been in force without any reservations since 19 April 1962. The relevant national legislation is the Act.

11.2 Has your jurisdiction signed and/or ratified any regional Conventions concerning the recognition and enforcement of arbitral awards?

No, it has not.

11.3 What is the approach of the national courts in your jurisdiction towards the recognition and enforcement of arbitration awards in practice? What steps are parties required to take?

Finnish courts are supportive of both domestic and international arbitration and the threshold for refusal of the recognition and enforcement is high.

An application for the enforcement of an award shall be submitted to the District Court accompanied by the original arbitration agreement, or the document containing the arbitration clause and the original award or certified copies thereof as well as translations into Finnish or Swedish if necessary.

Before an application is granted, the party against whom enforcement is sought may be given an opportunity to be heard if necessary.

11.4 What is the effect of an arbitration award in terms of *res judicata* in your jurisdiction? Does the fact that certain issues have been finally determined by an arbitral tribunal preclude those issues from being re-heard in a national court and, if so, in what circumstances?

A final award constitutes *res judicata* immediately when it has been rendered. The prevailing opinion is that *res judicata* effect should be considered as a non-mandatory procedural requirement and therefore, a court should only observe it if a respondent invokes the award as a bar to proceedings before responding to the main claim.

11.5 What is the standard for refusing enforcement of an arbitral award on the grounds of public policy?

A court may dismiss the application for enforcement *ex officio* only if the enforcement would be against the public policy of Finland. It should be noted that if only a part of an award is deemed to be contrary to the public policy, the refusal of the recognition and enforcement shall be limited to the part of the award that concerns such issues.

12 Confidentiality

12.1 Are arbitral proceedings sited in your jurisdiction confidential? In what circumstances, if any, are proceedings not protected by confidentiality? What, if any, law governs confidentiality?

Arbitration proceedings are private, but there are no provisions in the Act nor case law concerning confidentiality. Therefore, in the absence of a confidentiality agreement or a reference to institutional rules containing provision on confidentiality, the proceedings are not, in principle, confidential. In practice, however, the arbitrators uphold the confidentiality of the proceedings and the award.

The FAI Rules contain an explicit provision on confidentiality which is binding upon the arbitral tribunal, the FAI and the parties.

12.2 Can information disclosed in arbitral proceedings be referred to and/or relied on in subsequent proceedings?

Yes, such information can be referred to in subsequent proceedings taking into account possible confidentiality obligations.

13 Remedies / Interests / Costs

13.1 Are there limits on the types of remedies (including damages) that are available in arbitration (e.g., punitive damages)?

There are no provisions in the Act nor case law concerning the issue. The prevailing opinion is that punitive damages could be considered to be against the public policy of Finland.

13.2 What, if any, interest is available, and how is the rate of interest determined?

The parties may agree on the interest or it can be determined according to the applicable substantive law.

13.3 Are parties entitled to recover fees and/or costs and, if so, on what basis? What is the general practice with regard to shifting fees and costs between the parties?

The parties are entitled to recover fees and costs of arbitration. Generally, the losing party is ordered to bear the costs of the proceedings and cover the legal fees of both parties. However, if both parties have won, in part, the costs can be divided between the parties in proportion to the success of their respective claims or the parties can be ordered to bear their own costs.

13.4 Is an award subject to tax? If so, in what circumstances and on what basis?

Generally, an award is not subject to tax. However, under some circumstances, a compensation paid under the award can be subjected to income taxation.

13.5 Are there any restrictions on third parties, including lawyers, funding claims under the law of your jurisdiction? Are contingency fees legal under the law of your jurisdiction? Are there any "professional" funders active in the market, either for litigation or arbitration?

Third party funding and contingency fees are not restricted under the Finnish law. However, if an attorney is a member of the Finnish Bar Association, a contract concerning contingency fees requires special reasons and it must be in writing.

There are no active professional funders in Finland.

14 Investor State Arbitrations

14.1 Has your jurisdiction signed and ratified the Washington Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (1965) (otherwise known as "ICSID")?

Finland has signed and ratified the ICSID Convention, which has been in force since 8 February 1969.

14.2 How many Bilateral Investment Treaties (BITs) or other multi-party investment treaties (such as the Energy Charter Treaty) is your jurisdiction party to?

Finland is a party to 67 BITs.

14.3 Does your jurisdiction have any noteworthy language that it uses in its investment treaties (for example in relation to "most favoured nation" or exhaustion of local remedies provisions)? If so, what is the intended significance of that language?

Generally, the BITs provide national treatment, 'most favoured nation' requirement, prohibition of expropriation and/or nationalisation, fair and equitable treatment, full protection and security and free transfer of investment and its profits.

The language is common.

14.4 What is the approach of the national courts in your jurisdiction towards the defence of state immunity regarding jurisdiction and execution?

States can be parties to arbitration agreements under the Act. State immunity defence may only be invoked if a dispute concerns acts of state but not in matters with commercial law or private law connection.

15 General

15.1 Are there noteworthy trends in or current issues affecting the use of arbitration in your jurisdiction (such as pending or proposed legislation)? Are there any trends regarding the type of disputes commonly being referred to arbitration?

There are no pending legislative changes. Recently, it has been debated among Finnish arbitration practitioners that the Act should be updated and brought fully consistent with the UNCITRAL Model Law.

In 2015, according to statistics published by the FAI, the three main categories relating to the subject matter concerned in the arbitration proceedings were mergers and acquisitions (25%), shareholders' agreements (17.3%), and delivery and supply agreements (17.3%). The FAI cases have become more complex, and the number of multi-party and multi-contract proceedings is on the rise. The monetary value of the FAI cases and the proportion of international cases also increased in 2015.

15.2 What, if any, recent steps have institutions in your jurisdiction taken to address current issues in arbitration (such as time and costs)?

During the past few years, the FAI has actively developed its rules, boards, services, seminars and position among the leading arbitration institutes. The current FAI Rules, including FAI arbitration rules and expedited rules, entered into force on 1 June 2013, on which date the FAI also set up an international board composed of a number of non-Finnish, distinguished international arbitration practitioners. The FAI Rules serve both domestic and foreign users well and contain provisions concerning, *inter alia*, multi-party arbitration (e.g., joinder and consolidation), emergency arbitrators and confidentiality. The FAI Rules also provide a nine-month time limit from the commencement of the arbitration proceedings for the final award. The FAI expedited rules contain features that emphasise the rapidity of the proceedings.

The FAI Rules also contain a provision that makes it possible to learn the case law of the FAI arbitration proceedings as the FAI may publish on its website, unless otherwise agreed by the parties, excerpts or summaries of selected awards, orders and other decisions by both the FAI board and arbitral tribunals in FAI cases, provided that all references to parties' names and other identifying details are deleted and remain strictly confidential. During the past year, the FAI has published some useful decisions and arbitral awards of FAI proceedings that are of high quality and deal with some procedural issues that are of general interest to a large number of users of the FAI Rules. In practice, anonymously published awards and decisions of the FAI have been most certainly useful for those practising in the field of arbitration under the FAI Rules, and in general if the arbitration is seated in Finland, even though the anonymously published arbitral awards and other decisions of the FAI naturally do not create any binding case law as such.

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Timo specialises in domestic and international dispute resolution, contract, construction, corporate, and employment law matters as well as insolvency procedures.

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Attorneys at law Ratiolex Ltd is one of the leading dispute resolution law firms in Finland. Ratiolex offers a full range of dispute resolution services for all businesses and industries covering *inter alia* all aspects of domestic litigation as well as domestic and international arbitration, both *ad hoc* and institutional. Ratiolex focuses on high-end domestic and international dispute resolution services. Ratiolex has represented its corporate clients successfully in dispute resolution assignments before courts and arbitral tribunals and different domestic and international contractual and corporate arrangements.

Ratiolex's clientele has consisted mainly of domestic SMEs, growing and internationalising companies, and international corporations. Ratiolex has served a number of high profile clients such as Finland's leading building services consulting company, one of the leading international freight forwarding and logistics companies and one of the leading international chemical industry companies as well as recently several foreign clients in matters relating to Finland.

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