

# How to Annul an Arbitration Award in Panama

According to Law No.131 of 2013, the Writ of Annulment (Recurso de Anulación) is the only way to challenge an Arbitration Award or decision in Panama. This motion is intended to review the validity of the decision based on specific grounds set forth in the law.

The Fourth Chamber of the Supreme Court of Justice of Panama is the authority in charge of hearing the Writ of Annulment.

For an arbitration award to be annulled, the party requesting annulment must demonstrate one of the following grounds:

1. That one of the parties to the arbitration agreement did not have legal capacity or the agreement is invalid under applicable law.
2. That the appointment of an arbitrator or the actions undertaken in the arbitration were not properly notified, and the affected party was unable to assert their rights.
3. That the arbitration award resolves a dispute not foreseen in the arbitration agreement or makes decisions that exceed what was agreed upon.
4. That the appointment of the arbitral tribunal or the procedure did not followed the agreement between parties, unless the agreement between parties violates a provision of the arbitration law from which the parties could not deviate or, in the absence of such an agreement, did not conform to the arbitration law.
5. That the arbitrators made decisions on issues that cannot be resolved through arbitration.
6. That the international award goes against the international public order, while for national awards, the Panamanian public order will be taken into account.

The Writ of Annulment must be filed within 30 business days from the notification or from the time the arbitral tribunal resolves requests for correction or interpretation of the arbitration award. After the annulment is admitted, the counterparty is granted 30 days to defend or oppose.

After this period, the file may proceed to an evidentiary phase if necessary. Subsequently, the Fourth Chamber of the Supreme Court of Justice of Panama will issue a judgement on the validity or nullity of the arbitration award, which is unappealable.

