



## COVID-19.

About restriction of activity of state courts and alternative dispute resolution methods.



**Vladimir Komarov**

Advocate, managing partner  
GRATA International St. Petersburg

+7 (812) 384 38 48

Vkomarov@gratanet.com

## DEAR CUSTOMERS!

The " Black swan " of coronavirus has already led such economic sectors as tourism, air transportation, hotel business, and non-food retail to a deep crisis. We can confidently predict that violations of contractual obligations, unilateral termination of contracts and other consequences of the disease and measures to combat it will affect all areas of business without exception. Even if the judicial system were functioning normally, these circumstances would lead to serious failures in its work – first of all, to an increase in the time frame and a decrease in the quality of case handling.

Meanwhile, on March 18, 2020, due to the threat of spread of infection, the Presidium of the Supreme court of the Russian Federation issued a decree restricting the consideration of cases and the acceptance of documents by the courts. Restrictions are imposed for the period from 19.03.2020 to 10.04.2020. It is obvious that if the coronavirus infection continues to spread, the restrictions will be extended.

These circumstances require actions aimed at reducing the risks and minimizing possible damage to businesses. In particular, we recommend you to conduct an inventory of existing obligations, identify those that require changes, and initiate the appropriate procedures. Taking into account the difficulties in predicting the development of the situation, you should pay extra attention to the sections of dispute settlement and alternative to state courts methods of resolving commercial disputes – mediation and referral of the case to the Arbitration Court.

The inclusion of a mediation clause based on specific rules of mediation will determine the procedure for pre-trial settlement of the dispute and in many cases significantly reduces the time and means to reach a compromise solution. Today, it is especially important that the parties are free to choose the form of mediation and can conduct it remotely by exchanging the documents and proposals or using video communication systems, they are also not limited in determining the terms of the procedure, including not taking into account holidays and weekends.

The dispute may be submitted to the Arbitration Court on the basis of the agreement between the parties or if there is a corresponding clause in the contract. As in the case of a decision of an Arbitration Court or a Court of General jurisdiction, the decision of the Arbitration Court will be binding on the parties, however, if there is a corresponding clause, it may also be immediately enforceable and final.

In addition to other advantages of arbitration, the most valuable today is the ability of the parties to determine the procedure of case consideration by a special agreement, including providing for remote participation, via videoconferencing, and the Internet telecommunication network. Some permanent arbitration institutions continue to operate, which allows the parties to resolve disputes, despite the restrictions imposed in arbitration courts and courts of General jurisdiction on the consideration of cases.

Tracking the current situation and proceeding from the needs of its clients and partners, GRATA International, an international law firm, has created a group of lawyers to resolve issues related to the legal consequences of COVID-19. With significant experience in dispute resolution, we will be happy to advise you on the issues raised in this letter free of charge.

Please contact us at [office.spb@gratanet.com](mailto:office.spb@gratanet.com) and [aivanova@gratanet.com](mailto:aivanova@gratanet.com)