

The First Successful Case of Recognition of a Foreign Arbitral Award in Nepal

On March 2, 2025, the Patan High Court ("High Court") handed down a judgment in favor of recognizing and enforcing a foreign arbitral award rendered by a three-member arbitral tribunal under the International Chamber of Commerce (ICC), seated in Singapore ("ICC Tribunal"). The written text of the judgment has been released recently.

The proceeding was initiated by Amadeus IT Group S.A. ("Amadeus"), a Spanish company at the High Court after obtaining a favorable award from the ICC Tribunal in excess of €1.36 million for its recognition and enforcement in Nepal against Himalayan Airlines Pvt. Ltd., a Nepal based international airline. Amadeus sought recognition and enforcement of the foreign arbitral award of the ICC Tribunal in Nepal pursuant to § 34 of the Arbitration Act, 2055 (1999 A.D.) ("Arbitration Act"), Rule 13 of the Arbitration (Court Procedure) Rules, 2059 (2002 A.D.) ("Arbitration Rules") and the Recognition and Enforcement of Foreign Arbitral Awards, New York 1958 ("New York Convention").

The High Court in accepting Amadeus's claims relied on the following grounds in its judgement:

- The award of the ICC Tribunal remains to be final.
- The award satisfies the requirements set forth in § 34(2) of the Arbitration Act.
- Enforceability of the foreign arbitral award was not contested.
- Both Singapore and Nepal are signatories to the New York Convention.

The High Court recognized the award rendered by the ICC Tribunal and pass a judgment in favor of its enforcement in Nepal. This case stands as the first case where a Nepalese court has recognized a foreign arbitral award. There have been at least three reported cases where the High Court and the Supreme Court declined to recognize foreign arbitral awards in Nepal for various reasons, such as, lack of reciprocity, lack of proper notice to parties regarding arbitration proceedings, etc. The High Court's judgement stands as a precedent, reaffirming Nepal's adherence to the New York Convention in recognizing and enforcing a foreign arbitral award in Nepal.

Amadeus was represented by Pradhan & Associates at the High Court.

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