

ARBITRATION NOW SEEN AS FASTER WAY TO RESOLVE DISPUTES - AAMM

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Despite the fact that clients may prefer arbitration over litigation for the flexibility, independence and specialism it offers, it has traditionally been considered the more expensive option, according to Paulo de Moura Marques, founding partner at Lisbon-based AAMM.

However, Moura Marques adds that with arbitration costs now more balanced, parties are viewing it as a faster way to resolve a dispute and avoid a prolonged judicial fight.

"One of the major trends I've seen in Portugal over the last two to three years is an increasing number of parties asking for alternative dispute resolution [ADR]," says Moura Marques. "The fact that arbitration in particular, is now considered just as viable an option as going to court, is a real game changer within the legal community."

Moura Marques adds that another trend observed by lawyers is that, the higher the value the case, the more likely that arbitration will be used "whether by contract or by clause, or where both parties believe it is the best way to solve the issue", according to Moura Marques. He adds: "Arbitration

clauses are also becoming increasingly relevant for lawyers disputing certain elements within ongoing contracts, due to the fact that confidentiality can be maintained over a period of time." Meanwhile, arbitration is mandatory in some specialist areas of the law, such as sport and pharmaceuticals. In such circumstances, Moura Marques says lawyers are "no longer able to suggest arbitration as a good option for resolution, instead they're legally obliged to start one". Consequently, Moura Marques believes that these trends are now beginning to be followed by those that have traditionally been averse to arbitration. He says: "The rules have changed – I've seen a number of state contracts proposing ADR clauses for conflict resolution and this is a major departure from what we had in the past."