

## SCC Rules for Expedited Arbitrations 1995

### Recommended Arbitration Clause:

“Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Rules for Expedited Arbitration of the Arbitration Institute of the Stockholm Chamber of Commerce.”

The parties are advised to make the following additions to the clause, as required:

“The place of arbitration shall be \_\_\_\_\_”

“The language(s) to be used in the arbitral proceedings shall be \_\_\_\_\_”

### Recommended Governing Law Clause:

“This contract shall be governed by the substantive law of \_\_\_\_\_ (insert jurisdiction).”

## **The Arbitrator**

### Section 1

#### Appointment of Arbitrator

The arbitral tribunal shall consist of, a sole arbitrator who shall be appointed by the Arbitration Institute of the Stockholm Chamber of Commerce (the “Institute”).

If the arbitrator dies, resigns or is discharged, the Institute shall appoint a new arbitrator.

### Section 2

#### Duty of the Arbitrator to Disclose

A person who is asked whether he wishes to accept appointment as an arbitrator shall disclose any circumstances which might lead one to question his impartiality or independence (disqualification).

If he is nevertheless appointed, he shall at once make the same disclosure to the parties.

An arbitrator who, in the course of the arbitral proceedings, becomes aware of any circumstances which may create an impression of bias, must immediately inform the parties thereof.

### Section 3

#### Challenge of Arbitrator

Any party wishing to challenge an arbitrator must do so in writing and state the reasons therefor. He shall notify the Institute and the other parties of such challenge.

The challenge shall be made immediately after the allegedly disqualifying circumstance becomes known to the party, and in any event, within thirty days thereafter. A party who fails to challenge an arbitrator in accordance with this section is deemed to have waived his right to make such challenge.

Decisions regarding challenges are rendered by the Institute.

### Section 4

#### Discharge of Arbitrator

If the Institute finds that an arbitrator is disqualified it shall discharge him. The Institute may also decide to discharge an arbitrator for any lawful excuse or for failure to perform his duties in an adequate manner.

Before a decision on discharge is made, the Institute shall solicit the views of the parties and the arbitrator.

## **Initiation of Proceedings**

### Section 5

#### Request for Arbitration

Arbitration is initiated by a party filing with the Institute a request for arbitration which shall include:

- a) a statement of the parties names, addresses, telephone and telefax numbers;
- b) the nature of the dispute;
- c) a preliminary statement of the relief claimed by the claimant; and
- d) a copy of the agreement on which the claim for relief is based and a copy of the arbitration agreement, if it is not included in the former agreement.

### Section 6

#### Dismissal

If it is clear that the Institute lacks jurisdiction over the dispute, the request for arbitration shall be dismissed.

### Section 7

#### The Respondent's Reply

If it is not clear that the Institute lacks jurisdiction over the dispute, the request shall be communicated by the Institute to the respondent. The respondent shall be asked to submit a statement commenting on the request made by the claimant.

If the respondent wishes to raise any objection concerning the validity or applicability of the arbitration agreement, such objection shall be made in the statement together with the grounds therefor.

If the respondent wishes to make a counterclaim or plead a set-off, a statement to that effect shall be made in the reply, including the nature of the dispute and a preliminary statement of the relief claimed. The basis for any counterclaim and set-off must be in accordance with the arbitration agreement.

The respondent's reply shall be communicated to the claimant. The claimant shall be given an opportunity to comment on any objections and pleas advanced by the respondent.

Failure to submit a written statement does not prevent the proceedings in the case from continuing.

### Section 8

#### Amplification. Time Limits

The Institute may request a party to amplify any written statement to the Institute.

If the claimant fails to comply with such request, the Institute may decide to dismiss the case.

If the respondent fails to amplify the written statement, such failure does not prevent the proceedings from continuing.

If the respondent fails to amplify his counterclaim or set-off plea, such claim or plea may be dismissed by the Institute.

If the Institute has requested a party to perform any act within a specified time, such time limit may be extended by the Institute.

#### Section 9.

##### Security for Costs

The Institute determines the sum which shall be paid to the Institute and which, together with accrued interest, shall constitute security for the costs of the proceedings.

The amount is fixed in accordance with regulations issued by the Institute (Appendix). The Institute may determine separate sums for a counterclaim and a set-off plea. After notification by the arbitrator, the Institute may, in the course of the proceedings, decide to increase the sums to be paid.

Each party shall as a rule contribute half of such sums referred to in the preceding paragraph. One party may, however, pay the entire sum.

If a party fails to make a required payment, the Institute shall afford the other party an opportunity to do so. This notwithstanding, if the required payment is not made, the case will be wholly or partly dismissed or suspended.

The Institute may, both in the course of the proceedings and thereafter, utilize the security amount to pay fees to the arbitrators and other costs of the proceedings.

The Institute may decide that the security may consist partly of a bank guarantee or other security.

#### Section 10

##### Decisions of the Institute

When the exchange of written statements pursuant to Sections 5-8 has been concluded, the Institute shall, unless it is clear that it lacks jurisdiction:

- a) appoint an arbitrator;
- b) determine the place of arbitration, unless the parties have already done so; and
- c) decide the amount of the security and the time within which each party shall pay his share thereof.

#### Section 11

##### Submission of Case to the Arbitrator

As soon as the arbitrator has been appointed and the security has been provided, the Institute

shall submit the case to the arbitrator.

## **The Proceedings Before the Arbitrator**

### Section 12

#### The Procedure Before the Arbitrator

The arbitrator shall determine the manner in which the proceedings will be conducted. In so doing, the arbitrator shall comply with these Rules as well as the terms of the arbitration agreement and the wishes of the parties.

The arbitrator shall handle the case in an impartial, practical and speedy manner. Each party shall be given a sufficient opportunity to present his case.

The parties must seek to limit the scope of the case.

The arbitrator shall prepare and distribute to the parties a time schedule for the proceedings. The following shall apply to the proceedings unless the arbitrator, for special reasons, decides otherwise:

- a) in addition to the statement of claim and the statement of defence, the parties each may only submit one written statement, including statements of evidence;
- b) the statements must be brief; and
- c) the time limits within which the documents shall be submitted may not exceed ten working days.

The arbitrator may order a party to finally state his claims for relief and the facts relied on as grounds thereof, and the evidence on which the party relies. At the expiration of the time period for such statement, the party may not amend his claim for relief nor adduce additional facts or evidence, unless the arbitrator, for special reasons, so permits.

### Section 13

#### Language

Unless the parties have agreed on the language or languages to be used in the proceedings, the arbitrator shall make such decision.

### Section 14

#### Statement of Claim and Statement of Defence

The claimant shall submit a statement of claim which, unless such information has previously been provided in the case, shall include:

- a) the specific relief claimed;

- b) the circumstances which constitute the material facts on which the claimant relies. The statement of claim should also include a preliminary statement of the evidence on which the claimant intends to rely.

The respondent shall submit a statement of defence which, unless such information has previously been provided in the case, shall include:

- a) a statement as to whether and to what extent the respondent accepts or opposes the relief claimed by the claimant;
- b) if the claim is denied in whole or in part, the circumstances which constitute the material facts on which such denial is based and specifying whether respondent accepts or denies the material facts relied upon by the claimant, and if the respondent so pleads;
- c) a specific plea by way of set-off or counterclaim and the grounds on which it is based.

The statement of defence should also include a preliminary statement of the evidence on which the respondent intends to rely.

#### Section 15

##### Amendment to Statement of Claim and Statement of Defence

A party may amend his statement of claim or statement of defence in the course of the proceedings if his case, as amended, is still in accordance with the arbitration agreement and, unless the arbitrator considers it inappropriate due to the point of time at which the request is made, the prejudice that may be caused to the other party, or other circumstances.

The preceding paragraph shall apply equally to the right of a party to introduce a set-off plea or a counterclaim.

#### Section 16

##### Oral Hearing

An oral hearing will be arranged only if a party so requests and if the arbitrator deems it necessary.

If a hearing is held, the arbitrator, guided by the wishes of the parties, shall decide the time at which such a hearing shall take place, its duration and how it shall be organized, including the manner in which the evidence is to be presented.

#### Section 17

##### Evidence

At the request of the arbitrator, the parties shall state the evidence on which they intend to rely, specifying what they intend to prove with each item of evidence, and shall provide the written evidence on which they rely.

The arbitrator determines whether written affidavits may be submitted.

The arbitrator may refuse to accept evidence offered to him if he considers that such evidence is not required, or is irrelevant, or that proof can be established by other means in a considerably simpler manner, or at considerably lesser expense.

After having conscientiously scrutinized and evaluated everything that has transpired during the proceedings, the arbitrator shall determine what has been proved in the case.

#### Section 18 Expert

Unless the parties decide otherwise, the arbitrator may appoint an expert to give his opinion on a particular matter.

#### Section 19 Failure of a Party to Appear

If one of the parties, without showing valid cause, fails to appear at a hearing or otherwise to comply with an order of the arbitrator, such failure does not prevent the arbitrator from proceeding with the case or from rendering an award.

#### Section 20 Waiver of Procedural Irregularities

A party who fails, during the proceedings, to object within a reasonable time to any deviation from provisions of the arbitration agreement or other rules applicable to the proceedings shall be deemed to have waived his right to object to such deviation.

### **The Award**

#### Section 21 Time for Making an Award

An award shall be made not later than three months after the case has been submitted to the arbitrator. At the request of the arbitrator, the Institute may, however, extend this period if there are special reasons therefor.

#### Section 22 Separate Award

At the request of a party, a separate issue, or part of the matter in dispute between the parties may be decided by a separate award.

If any party objects, such an award may be rendered only if there are special reasons therefor. Where a party has partially admitted a claim, the arbitrator may give a separate award on the part that has been admitted.

## Section 23

### Award

The award shall be rendered at the place of arbitration.

The award shall be signed by the arbitrator and shall contain, in addition to information about the parties and the arbitrator, an order or declaration. The award shall also in brief include the relief claimed by the parties together with supporting statements. A party may request a reasoned award no later than at the closing statement.

If a settlement is made, the arbitrator may, at the request of the parties, confirm such settlement in an award.

## Section 24

### Costs

The Institute shall decide the arbitrator's compensation regarding fees and expenses and the compensation to the Institute, in accordance with regulations issued by the Institute (Appendix).

The parties are jointly and severally liable for the costs referred to above. The arbitrator shall, in the award, order the parties to pay the amounts determined by the Institute.

The losing party shall, as a rule, be ordered to pay the costs referred to above as well as the costs of the other party.

When deciding which party is to pay the costs, the Institute shall also take into account whether a party has delayed the proceedings, or otherwise carelessly caused increased costs in the proceedings.

An award may be rendered even if it concerns only costs.

## Section 25

### Correction of Award

Any clear miscalculation or clerical error in an award shall be corrected by the arbitrator.

If a party so requests, within 30 days of receiving the award, the arbitrator may decide a question which should have been decided in the award, but which was not decided therein.

If a party so requests, within 30 days of receiving the award, the arbitrator may provide an interpretation thereof in writing.

Before the arbitrator takes any action in accordance with this section, the parties shall be afforded an opportunity to express their views.

## Miscellaneous Provisions

### Article 26

#### Filing of Award

An arbitrator must, after the close of the proceedings, submit to the Institute one copy of the award and written order issued in the case, as well as of all recorded minutes therein.

### Article 27

#### Effectiveness

These Rules shall enter into force on 1 July 1995.

## Appendix

Regulations for the determination of the amount to be paid as security for the costs of the proceedings and for the determination of the arbitrator's fee as well as for the amount of compensation due to the Institute in expedited arbitrations.

### Table for Determination of the Security Amount

The amount constituting security for the costs of the proceedings is determined on the basis of the amount in dispute according to the table below. If a case is expected to require substantially more or less work than is normally the case, the Institute may deviate from the amounts stated in the table.

If the amount in dispute cannot be determined, the security amount will be decided on the basis of an assessment of the size of the case.

Amount in Dispute (SEK) (*)	Security Amount (SEK)
- 100,000	30,000
100,000 - 300,000	30,000 + 18 % of the amount above 100,000
300,000 - 1,000,000	66,000 + 12 % of the amount above 300,000
1,000,000 - 5,000,000	150,000 + 1.2% of the amount above 1,000,000
5,000,000 -	198,000 + 0.8% of the amount above 5,000,000

### Table for Determination of the Arbitrator's Fee and of the Compensation Due to the Institute

The arbitrator's fee and the compensation due to the Institute are determined on the basis of the amount in dispute according to the table below. If a case has required substantially more or less work than is normally the case, the Institute may deviate from the amount stated in the table. If the amount in dispute cannot be determined, the compensation will be determined on the basis of an assessment of the size of the case. In addition to the fee, the Institute may determine compensation to the arbitrator for reasonable expenses. The amounts mentioned



below do not include VAT.

Amount in Dispute (SEK) (*)	Remuneration to the Arbitrator (SEK)	Compensation to the Institute (SEK)
- 100,000	15,000	5,000
100,000- 300,000	15,000 + 10% of the amount above 10,000	5,000 + 3% of the amount above 100,000
300,000- 1,000,000	35,000 + 5% of the amount above 30,000	11,000 + 2% of the amount above 300,000
1,000,000 - 5,000,000	70,000 + 1% of the amount above 1,000,000	25,000 + 0.4% of the amount above 1,000,000
5,000,000 -	110,000 + 0.5% of the amount above 5,000,000	41,000 + 0.2% of the amount above 5,000,000

## References

- \*) The amount in dispute refers to the amount requested in the claim and counterclaim, with the exception of interest claims.
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