

# Arbitration Rules

In force as from 1 June 2020

2020

Achieving fast, innovative and cost-effective dispute resolution for businesses.

## **Article 1: About the London Chamber of Arbitration and Mediation**

The London Chamber of Arbitration and Mediation (“LCAM”) is the body responsible for the administration of disputes in accordance with LCAM Arbitration Rules (the Rules). LCAM is composed of a board of directors (the “Board”) and a secretariat (the “Secretariat”). Detailed provisions regarding the organisation of LCAM are set out in Appendix 1.

### **Article 1A: Effective Date and scope.**

- (1) This version of the Rules shall come into force on 1 June 2020 and unless otherwise agreed by the parties, shall apply to all arbitrations commenced on or after this date.
- (2) The Rules shall govern the arbitration except to the extent that they conflict with a provision of the law applicable to the arbitration which cannot be derogated from by the parties agreement.

## **Commencement of Proceedings**

### **Article 2: Request for Arbitration**

A Request for Arbitration shall be in writing.

- (i) It may be in hardcopy or electronic. If hardcopy in respect of a sole arbitrator, two copies shall be provided; in the event of three arbitrators, four copies shall be provided.
- (ii) The request for arbitration shall include a statement of the names, addresses, telephone and facsimile numbers and email addresses of the parties and their counsel if instructed;
- (iii) A summary of the dispute;
- (iv) A preliminary statement of the relief sought by the Claimant, including the anticipated value of any monetary relief sought;
- (v) A copy or description of the arbitration agreement or clause under which the dispute is to be settled;
- (vi) Copies of the contract(s) under which the dispute arises;
- (vii) If applicable, the name, address, telephone number, facsimile number and email address of the arbitrator appointed by the Claimant;

- (viii) Any proposals as to the appropriate seat of arbitration or substantive applicable law(s).
- (ix) The LCAM shall be empowered to continue to constitute a Tribunal notwithstanding any dispute as to the compliance of any Request with the foregoing provisions.

### **Article 3: Registration Fee**

- (1) Upon filing the Request for Arbitration LCAM, the Claimant shall pay a Registration Fee. The amount of the Registration Fee shall be determined in accordance with the Schedule of Costs (Appendix II) in force on the date when the Request for Arbitration is filed.
- (2) If the Registration Fee is not paid upon filing the Request for Arbitration, the Secretariat shall set a time period within which the Claimant shall pay the Registration Fee. If the Registration Fee is not paid within this time period, the Secretariat shall dismiss the Request for Arbitration.

### **Article 4: Commencement of Arbitration**

Arbitration is commenced on the date when LCAM receives the Request for Arbitration, subject to receipt by LCAM of cleared funds in respect of Registration Fee.

### **Article 5: Answer**

- (1) The Secretariat shall send a copy of the Request for Arbitration and the documents attached thereto to the Respondent. The Secretariat shall set a time period within which the Respondent shall submit an Answer. The Answer shall include:
  - a. Any objections concerning the existence, validity or applicability of the arbitration agreement; however, failure to raise any objections shall not preclude the Respondent from subsequently raising such objections at any time up to and including the submission of the Statement of Defence.
  - b. An admission or denial of the relief sought in the Request for Arbitration;
  - c. A preliminary statement of any counterclaims or set-offs;
  - d. Comments on the number of arbitrators and the seat of arbitration; and

- e. If applicable, the name, address, telephone number, facsimile number and email address of the arbitrator appointed by the Respondent
- (2) The Secretariat shall send a copy of the Answer to the Claimant. The Claimant shall be given an opportunity to submit comments on the Answer.
- (3) Failure by the Respondent to submit an Answer shall not prevent the arbitration from proceeding.

#### **Article 6: Request for Further Details**

The Board may request further details from either party regarding any of their written submissions to LCAM. If the Claimant fails to comply with a request for further details, the Board may dismiss the case. If the Respondent fails to comply with a request for further details regarding its counterclaim or set-off, the Board may dismiss the counterclaim or set-off. Failure by the Respondent to otherwise comply with a request for further details shall not prevent the arbitration from proceeding.

#### **Article 7: Time Periods**

The Board may, on application by either party or on its own motion, extend any time period which has been set for a party to comply with a particular direction.

#### **Article 8: Notices**

- (1) Any notice or other communication from the Secretariat, the Board, the Arbitral Tribunal or the parties shall be deemed served if (i) delivered to the addressee personally, or (ii) sent pursuant to Article 8(2) below to the addressee's last known address (including email address) or place of business, or (iii) registered office, or (iv) to any address agreed by the parties.
- (2) Any notice or other communication may be delivered by courier or registered mail, facsimile transmission, electronically or any other means of communication that provides a record of the sending thereof.
- (3) A notice or communication sent in accordance with paragraph (2) shall be deemed to have been received by the addressee on the date it would normally have been

received given the chosen means of communication.

### **Article 9: Decisions by the Board**

When necessary the Board shall:

- (i) Decide whether LCAM manifestly lacks jurisdiction over the dispute pursuant to Article 10(i)
- (ii) Decide whether to consolidate cases pursuant to Article 11;
- (iii) Decide the number of arbitrators pursuant to Article 12;
- (iv) Make any appointment of arbitrators pursuant to Article 20; and
- (v) Determine the Advance on Costs pursuant to Article 45.

To the extent permitted by any applicable law, the parties waive any right of appeal or review in respect of any determination or decision of the Board. Save in relation to Article 9(i), the Board shall be under no obligation to give reasons for these decisions or determinations.

### **Article 10: Dismissal**

The Board shall dismiss a case, in whole or in part:

- (i) If LCAM manifestly lacks jurisdiction over the dispute; or
- (ii) If the Advance on Costs is not paid pursuant to Article 45.
- (iii) As otherwise provided for in these rules.

### **Article 11: Consolidation**

- (1) If arbitration is commenced concerning a legal relationship in respect of which an arbitration between the same parties is already pending under these Rules, the Board may, at the request of a party, decide to consolidate the new claims with the pending proceedings. Such decision may only be made after consulting the parties and the Arbitral Tribunal.
- (2) The Arbitral Tribunal may, with the Board's consent, permit one or more third parties to join the arbitration as a party provided that they and any applicant party consent to such joinder in writing, and may then proceed to make a single final award or separate awards as it sees fit, unless it concludes that to do so would unfairly

prejudice any other party. Any claim by or against that third party shall be deemed to be commenced when the Request in respect of any claim by or against them is received by LCAM.

## **Composition of the Arbitral Tribunal**

### **Article 12: Number of Arbitrators**

The parties may agree on the number of arbitrators. Where the parties have not agreed on the number of arbitrators, the Arbitral Tribunal shall consist of one arbitrator, unless the Board, taking into account the complexity of the case, the amount in dispute or other circumstances, decides that the dispute is to be decided by more than one arbitrator.

### **Article 13: Appointment of Arbitrators**

- (1) The appointment of all arbitrators in arbitrations under the Rules, whether made by the parties or by the Board, shall be subject to confirmation by the Board following its receipt of the arbitrator's statement of impartiality, independence and availability, as provided in Article 14. Confirmation shall be in the Board's absolute discretion. The parties may not derogate from this provision.
- (2) The parties may agree on a different procedure for appointment of the Arbitral Tribunal than as provided under this Article. In such cases, if the Arbitral Tribunal has not been appointed within the time period agreed by the parties, or, where the parties have not agreed on a time period, within the time period set by the Board, the appointment shall be made pursuant to the remainder of this Article.
- (3) Following the Board's receipt of the Answer and of any further information which it may have requested under Article 6, where the parties have agreed to make a joint appointment of a sole arbitrator the Board shall give the parties 10 working days within which to jointly appoint the arbitrator. If the parties have not so agreed or fail to make the appointment within this time period, the arbitrator shall be appointed by the Board.
- (4) Where the Arbitral Tribunal is to consist of more than one arbitrator, and the parties have agreed that they may each appoint arbitrators, each party shall appoint an equal number of arbitrators and the Chairperson shall be appointed by the Board. Where the parties have not so agreed or a party fails to appoint arbitrator(s) within the time period stipulated by the Board in a notice to the parties, the Board shall

make the appointment(s) in its absolute discretion

- (5) Where there are multiple Claimants or Respondents and the Arbitral Tribunal is to consist of more than one arbitrator, the multiple Claimants, jointly, and the multiple Respondents, jointly, shall appoint an equal number of arbitrators. If either side fails to make such joint appointment, or in the event of any dispute as to how multiple parties are to be organised into “sides”, the Board shall appoint the entire Arbitral Tribunal.
- (6) In selecting arbitrators for appointment, the Board shall take into account (i) any method or criteria selected by the parties, (ii) the nature and value of the dispute, (iii) the locations and languages of the parties, (iv) the law(s) said to be applicable and (v) any other factors which it considers relevant in the circumstances.
- (7) The parties may appoint any arbitrator(s) of their choice, subject to Article 14 and the Board’s confirmation. If the Board is to appoint arbitrator(s), it shall do so from LCAM Panel, unless it decides otherwise.
- (8) The Board shall not appoint one of its members to an Arbitral Tribunal. If any of the parties, or any of the arbitrators appointed by them, appoints a member of the Board to an Arbitral Tribunal, that member shall take no part in the confirmation of the tribunal or in any other function of the Board relating to the arbitration.

#### **Article 14: Impartiality and Independence**

- (1) Every arbitrator must be impartial and independent of the parties.
- (2) Before being appointed as an arbitrator, a person shall disclose any circumstances which may give rise to justifiable doubts as to his/her impartiality or independence in the eyes of the parties. If the person is appointed as an arbitrator, he/she shall submit to the Secretariat a signed statement of impartiality independence and availability disclosing any circumstances which may give rise to justifiable doubts as to that person’s impartiality or independence in the eyes of the parties, and confirming that they are ready, willing and able to devote sufficient time, diligence and industry to ensure the expeditious conduct of the arbitration and the production of the award. The Secretariat shall send a copy of the statement of impartiality, independence and availability to the parties and the other arbitrators.
- (3) An arbitrator shall immediately inform the Board, Secretariat, the parties and the other arbitrators in writing if during the course of the arbitration any of the circumstances set out in (2) above change.

- (4) Upon commencement of the arbitration the parties must not communicate with any member of the Arbitral Tribunal except (i) by copying in all other parties to written communications, or (ii) at hearings in person or by telephone or by video conferencing to which all parties have been invited to attend.

#### **Article 15: Challenge to Arbitrators**

- (1) A party may challenge any arbitrator if circumstances exist which give rise to justifiable doubts as to the arbitrator's impartiality or independence or if he/she does not possess qualifications agreed by the parties. A party may challenge an arbitrator whom it has appointed or in whose appointment it has participated, only for the reasons of which it becomes aware after the appointment was made.
- (2) A challenge to an arbitrator shall be made by submitting a written statement to the Secretariat setting forth the reasons for the challenge within 10 working days from when the circumstances giving rise to the challenge became known to the party. Failure by a party to challenge an arbitrator within the stipulated time period constitutes a waiver of the right to make a challenge.
- (3) The Secretariat shall notify the parties and the arbitrators of the challenge and give them an opportunity to submit comments on the challenge.
- (4) If the other party agrees to the challenge, the arbitrator shall resign. In all other cases, the Board shall make the final decision on the challenge.

#### **Article 16: Release from an Appointment**

- (1) The Board shall release an arbitrator from appointment where:
  - a. The Board accepts the resignation of an arbitrator;
  - b. A challenge to the arbitrator under Article 15 is sustained or
  - c. The arbitrator is otherwise prevented from fulfilling his/her duties or fails to perform his/her functions in an adequate manner.
- (2) Before the Board releases an arbitrator, the Secretariat may give the parties and the arbitrators an opportunity to submit comments.
- (3) The Board shall remain entitled to determine what if any fees and expenses are payable to an arbitrator who has been released pursuant to Article 16(1).



## **Article 17: Replacement Arbitrators**

- (1) The Board shall identify and appoint a new arbitrator where an arbitrator has been released from his / her appointment pursuant to Article 16, or where an arbitrator has died. Where the arbitrator being replaced was nominated by a party, that party shall nominate the replacement arbitrator, who shall be appointed by the Board unless they deem such an appointment inappropriate.
- (2) Where an arbitrator has been replaced, the newly composed Arbitral Tribunal shall decide whether to and to what extent the proceedings are to be repeated.

## **The proceedings before the Arbitral Tribunal**

### **Article 18: Referral to the Arbitral Tribunal**

When the Arbitral Tribunal has been appointed and confirmed by the Board and the Advance on Costs has been paid, the Secretariat shall refer the case to the Arbitral Tribunal.

### **Article 19: Conduct of the Arbitration**

- (1) Subject to these Rules and any agreement between the parties, the Arbitral Tribunal may conduct the arbitration in such manner as it considers appropriate.
- (2) In all cases, the Arbitration Tribunal shall conduct the arbitration in an impartial, practical and expeditious manner, giving each party an equal and reasonable opportunity to present its case.
- (3) The Arbitral Tribunal shall have the power to rule upon its own jurisdiction, including any questions as to the existence validity or scope of the Arbitration Agreement.
- (4) The parties shall be entitled to be represented in the arbitration by legal or other representatives of their choice. All such representatives should be identified to the Board, the Tribunal and the other parties in writing as soon as they are appointed.
- (5) In the event that the appointment of any representative is notified pursuant to Article 19(4) after any member of the Arbitral Tribunal is appointed, then if the appointment of that representative would give rise to a requirement for that arbitrator to make a disclosure pursuant to Article 14(2), the Arbitral Tribunal may order that such new representative may not represent that party in the arbitration.

## **Article 20: Seat of Arbitration**

- (1) Unless agreed upon by the parties, the seat of arbitration will be London.
- (2) The Arbitral Tribunal may, after consultation with the parties, conduct hearings at any other place which it considers appropriate. The Arbitral Tribunal may meet and deliberate at any place which it considers appropriate. If any hearing, meeting, or deliberation is held elsewhere than at the seat of arbitration, the arbitration shall be deemed to have taken place at the seat of arbitration.
- (3) The award shall be deemed to have been made at the seat of arbitration.

## **Article 21: Language**

- (1) Unless agreed upon by the parties, the Arbitral Tribunal shall determine the language(s) of the arbitration. In so determining, the Arbitral Tribunal shall have due regard to all relevant circumstances and shall give the parties an opportunity to submit comments.
- (2) The Arbitral Tribunal may request that any documents submitted in languages other than the language(s) of the arbitration be accompanied by a translation into the language(s) for the arbitration.
- (3) All communications with LCAM, and all communications with the Arbitral Tribunal prior to the determination in Article 21(1), shall be in English.

## **Article 22: Applicable Law**

- (1) The Arbitral Tribunal shall decide the merits of the dispute on the basis of the law(s) or rules of law agreed upon by the parties. In the absence of such agreement the Arbitral Tribunal shall apply the law or rules of law which it considers to be most appropriate.
- (2) Any designation made by the parties of the law of a given state shall be deemed to refer to the substantive law of that state and not to its conflict of laws rules.

## **Article 23A: Early Dismissal of Claims and Defences**

- (1) If a party considers that a claim or defence advanced by another party is manifestly without legal merit, even on the facts as advanced by that other party, it may apply for that claim or defence to be dismissed.

- (2) The Tribunal may in its discretion permit such an application to proceed. After giving the parties the opportunity to be heard, the Tribunal shall determine whether to grant the application in whole or in part.
- (3) If the application is wholly or partially granted, the Tribunal shall make an order or an Award on the application, giving reasons therefor.

#### **Article 23: Provisional Timetable**

After the referral of the case to the Arbitral Tribunal, the Arbitral Tribunal shall promptly consult with the parties with a view to establishing a provisional timetable for the conduct of the arbitration. The Arbitral Tribunal shall send a copy of the provisional timetable to the parties and to the Secretariat.

#### **Article 24: Written Submissions**

- (1) The Claimant shall, within the period of time determined by the Arbitral Tribunal, submit a Statement of Claim which shall include, unless previously submitted:
  - a. The specific relief sought;
  - b. The material circumstances on which the Claimant relies; and
  - c. The documents on which the Claimant relies.
- (2) The Respondent shall, within the period of time determined by the Arbitral Tribunal, submit a Statement of Defence which shall include, unless previously submitted:
  - d. Any objections concerning the existence, validity or applicability of the arbitration agreement
  - e. A statement whether, and to what extent, the Respondent admits or denies the relief sought by the Claimant;
  - f. The material circumstances on which the Respondent relies;
  - g. Any counterclaim or set-off and the grounds on which it is based; and
  - h. The documents on which the Respondent relies.
- (3) The Claimant shall, within the period of time determined by the Arbitral Tribunal,

submit a Statement of Defence to any Counterclaim, including the matters set out in Article 24(2) above, mutatis mutandis.

- (4) The Arbitral Tribunal may order the parties to submit additional written submissions.

#### **Article 25: Amendments**

At any time prior to the close of proceedings pursuant to Article 34, a party may amend or supplement its claim, counterclaim, defence or set-off provided its case, as amended or supplemented, is still comprised by the arbitration agreement, unless the Arbitral Tribunal considers it inappropriate to allow such amendment or supplement having regard to the delay in making it, the prejudice to the other party or any other circumstances.

#### **Article 26: Evidence**

- (1) The admissibility, relevance materiality and weight of evidence shall be for the Arbitral Tribunal to determine.
- (2) The Arbitral Tribunal may order a party to identify the documentary evidence it intends to rely on and specify the circumstances intended to be proved by such evidence.
- (3) At the request of a party, the Arbitral Tribunal may order a party to produce any documents or other evidence which may be relevant to the outcome of a case.

#### **Article 27: Hearings**

- (1) A hearing shall be held if requested by a party, or if deemed appropriate by the Arbitral Tribunal.
- (2) The Arbitral Tribunal shall, in consultation with the parties, determine the date, time, location and format of any hearing and shall provide the parties with reasonable notice thereof. A hearing may take place in person, by telephone conference or by video conference or by a combination of any of these.
- (3) Unless otherwise agreed by the parties, hearings will be held in private.

#### **Article 28: Witnesses**

- (1) In advance of any hearing, the Arbitral Tribunal may order the parties to identify each

witness or expert they intend to call and specify the circumstances intended to be proved by each testimony.

- (2) The testimony of witnesses and party-appointed experts may be submitted in the form of signed statements.
- (3) Any witness or expert, on whose testimony a party seeks to rely, shall attend a hearing for examination, unless otherwise agreed by the parties.

#### **Article 29: Experts Appointed by the Arbitral Tribunal**

- (1) After consultation with the parties the Arbitral Tribunal may appoint one or more experts to report to it on specific issues set out by the arbitral tribunal in writing. Such expert(s) must be and remain impartial and independent of the parties.
- (2) Upon receipt of a report from an expert appointed by the Arbitral Tribunal, the Arbitral Tribunal shall send a copy of the report to the parties and shall give the parties an opportunity to submit written comments on the report.
- (3) Upon the request of a party, the parties shall be given an opportunity to examine any expert appointed by the Arbitral Tribunal at a hearing.

#### **Article 30: Default**

- (1) If the Claimant, without showing good cause, fails to submit a Statement of Claim in accordance with Article 24, the Arbitral Tribunal shall dismiss the proceedings provided the Respondent has not filed a counterclaim.
- (2) If a party, without showing good cause, fails to submit a Statement of Defence or other written statement in accordance with Article 24, or fails to appear at a hearing, or otherwise fails to avail itself of the opportunity to present its case, the Arbitral Tribunal may proceed with the arbitration and make an award.
- (3) If a party without good cause fails to comply with provision of, or requirement under, these Rules or any procedural order given by the Arbitral Tribunal, the Arbitral Tribunal may draw such inferences as it considers appropriate.

#### **Article 31: Waiver**

A party, who during the arbitration fails to object without delay to any failure to comply with the arbitration agreement, these Rules or other rules applicable to the proceedings, shall be

deemed to have waived the right to object to such a failure.

### **Article 32: Interim Measures**

- (1) The Arbitral Tribunal may, at the request of a party, grant any interim measures it deems appropriate.
- (2) The Arbitral Tribunal may order the party requesting an interim measure to provide appropriate security in connection with the measure.
- (3) An interim measure shall take the form of an order or an award.
- (4) Provisions with respect to interim measures requested before arbitration has been commenced or a case has been referred to an Arbitral Tribunal are set out in Appendix II.
- (5) A request for interim measures made by a party to a judicial authority is not incompatible with the arbitration agreement or with these Rules.

### **Article 33: Communications from the Arbitral Tribunal**

Article 8 shall apply to communications from the Arbitral Tribunal.

### **Article 34: Close of Proceedings**

The Arbitral Tribunal shall declare the proceedings closed when it is satisfied that the parties have had a reasonable opportunity to present their cases. In exceptional circumstances, prior to the making of the final award, the Arbitral Tribunal may reopen the proceedings on its own motion, or upon the application of a party. Where the proceedings are reopened, the Arbitral Tribunal shall have all the powers under these Rules as if they had not been closed including (without limitation) the right to permit amendments pursuant to Article 25.

## **Awards and Decisions**

### **Article 35: Awards and Decisions**

- (1) When the Arbitral Tribunal consists of more than one arbitrator, any award or other decision of the Arbitral Tribunal shall be made by a majority of the arbitrators or,

failing a majority, by the Chairperson.

- (2) The Arbitral Tribunal may decide that the Chairperson alone may make procedural rulings.

### **Article 36: Making of Awards**

- (1) The Arbitral Tribunal shall make its awards in writing, and, unless otherwise agreed by the parties, shall state the reasons upon which the award is based. The Tribunal is empowered to order that compound or simple interest be paid, at a rate, for a period and on a basis of calculation to be determined by it.
- (2) An award shall include the date of the award and the seat of arbitration in accordance with Article 20.
- (3) An award shall be signed by the arbitrators. If an arbitrator fails to sign the award, the signatures of the majority of the arbitrators or, failing a majority, of the Chairperson shall be sufficient, provided that the reason for the omission of the signature is stated in the award.
- (4) The Arbitral Tribunal shall deliver a copy of the award to LCAM without delay. A copy of the award may be provided in hardcopy and/or electronically. The LCAM shall deliver a copy of the award to the parties.
- (5) If any arbitrator fails without valid cause to participate in the deliberations of the Arbitral Tribunal on an issue, such failure will not preclude a decision being made by other arbitrators.

### **Article 37: Time Limit for Final Award**

- (1) The final award shall be made no later than six weeks from the date upon which the arbitration was concluded by the Arbitral Tribunal. The Board may extend this time limit upon a reasoned request from the Arbitral Tribunal or if otherwise deemed necessary.
- (2) In the event that there is unreasonable delay, in the delivery issue of the final award by the Arbitral Tribunal, the Board may reduce the amount of fees to be paid the Arbitral Tribunal in an amount at the Board's absolute discretion.

### **Article 38: Separate Award**

The Arbitral Tribunal may decide a separate issue or part of the dispute in a separate award

or awards, made at different times.

#### **Article 39: Settlement or Other Grounds for Termination of the Arbitration**

- (1) If the parties reach a settlement before the final award is made, the Arbitral Tribunal may, upon the request of both parties, record the settlement in the form of a consent award.
- (2) If the arbitration for any other reason is terminated before the final award is made, the Arbitral Tribunal shall issue an award recording the termination.

#### **Article 40: Effect of an Award**

An award shall be final and binding on the parties when rendered. By agreeing to arbitration under these Rules, the parties undertake to carry out any award without delay.

#### **Article 41: Correction and Interpretation of an Award**

- (1) Within 28 working days of receiving an award, a party may, upon notice to other party, request that the Arbitral Tribunal correct any clerical, typographical or computational errors in the award, or provide an interpretation of a specific point or part of the award. If the Arbitral Tribunal considers the request justified, it shall make the correction or provide the interpretation within 30 days of receiving the request.
- (2) The Arbitral Tribunal may correct any error of the type referred to in paragraph (1) above on its own motion within 28 working days of the date of an award.
- (3) Any correction or interpretation of an award shall be in writing and shall comply with the requirements of Article 36.

#### **Article 42: Additional Award**

Within 28 working days of receiving an award, a party may, upon notice to the other party, request the Arbitral Tribunal to make an additional award on claims presented in the arbitration but not determined in the award. If the Arbitral Tribunal considers the request justified, it shall make the additional award within 28 working days of receipt of the request. When deemed necessary, the Board may extend this 28 working day limit.



## **Costs of the Arbitration**

### **Article 43: Costs of the Arbitration**

- (1) The Costs of the Arbitration consist of:
  - a. The Fees of the Arbitral Tribunal;
  - b. The Administrative Fee; and
  - c. The expenses of the Arbitral Tribunal and LCAM
- (2) Before making the final award, the Arbitral Tribunal shall request the Board to finally determine the costs of the Arbitration in accordance with the Schedule of Costs (Appendix II) in force on the date of commencement of the arbitration pursuant to Article 4.
- (3) If the arbitration is terminated before the final award is made pursuant to Article 39, the Board shall finally determine the Costs of the Arbitration having regard to when the arbitration terminates, the work performed by the Arbitral Tribunal and the other relevant circumstances.
- (4) The Arbitral Tribunal shall include in the final award the Costs of the Arbitration as finally determined by the Board and specify the individual fees and expenses of each member of the Arbitral Tribunal and LCAM.
- (5) Unless otherwise agreed by the parties, the Arbitral Tribunal shall, at the request of a party, apportion the Costs of the Arbitration between the parties, having regard to the outcome of the case and other relevant circumstances.
- (6) The parties are jointly and severally liable to the arbitrator(s) and to the LCAM for the costs of the Arbitration

### **Article 44: Costs Incurred by a Party**

Unless otherwise agreed by the parties, the Arbitral Tribunal may in the final award upon the request of a party order one party to pay any reasonable and proportionate costs incurred by another party, including costs for legal representation, having regard to the outcome of the case and other relevant circumstances.

## **Article 45: Advance on Costs**

- (1) The Board shall determine an amount to be paid by the parties as an Advance on Costs.
- (2) The Advance on Costs shall correspond to the estimated amount of the Costs of Arbitration pursuant to Article 43(1).
- (3) Each party shall pay half of the Advance on Costs, unless separate advances are determined. Where counterclaims or set-offs are submitted, the Board may decide that each of the parties shall pay the advances on costs corresponding to the claim. Upon a request from the Arbitral Tribunal or otherwise if deemed necessary, the Board may order parties to pay additional advances during the course of the arbitration.
- (4) If a party fails to make a required payment, the Secretariat shall give the other party an opportunity to do so within a specified period of time. If the required payment is not made, the Board shall dismiss the case in whole or in part. If the other party makes the required payment, the Arbitral Tribunal may, at the request of such party and after inviting comments from the other party, make a separate award for reimbursement of the payment.
- (5) At any stage during the arbitration or after the Award has been made, the Board may draw on the Advance on Costs to cover the Costs of the Arbitration.
- (6) The Board may decide that part of the Advance on Costs may be provided in the form of a bank guarantee or other form of security.
- (7) At the end of the proceedings, the Board shall repay to the parties any unspent amounts forming part of the Advance on Costs. In the absence of any order to the contrary from the Arbitral Tribunal, unspent amounts shall be repaid in proportion to the financial contributions of each party.

## **General Rules**

### **Article 46: Confidentiality**

Unless otherwise agreed by the parties, LCAM and the Arbitral Tribunal shall maintain the confidentiality of the arbitration and the award. The parties must keep the arbitration and all documents produced or created in relation to it confidential, except to the extent that

disclosure is required by law, to protect or pursue a legal right, or in relation to legal proceedings before a court or other competent authority.

#### **Article 47: Enforcement**

In all matters not expressly provided for in these Rules, LCAM, the Arbitral Tribunal and the parties shall act in the spirit of these Rules and shall make every reasonable effort to ensure that all awards are legally enforceable.

#### **Article 48: Exclusion of Liability**

Neither LCAM, its officers and employees, nor the arbitrator(s) are liable to any party for any act or omission in connection with the arbitration unless such act or omission constitutes fraud or wilful misconduct.

### **Appendix 1**

#### **Organisation**

##### **Article 1: About the LCAM**

The London Chamber of Arbitration and Mediation (“LCAM”) is a body providing administrative services in relation to the settlement of disputes. The LCAM is part of the London Chamber of Commerce and Industry (“LCCI”), but is independent in exercising its functions in the administration of disputes. LCAM is composed of a board of directors (the “Board”) and a secretariat (the “Secretariat”).

##### **Article 2: Function of the LCAM**

The LCAM does not itself decide disputes. The function of the LCAM is to:

- (1) Administer domestic and international disputes in accordance with the LCAM Rules and other procedures or rules agreed upon by the parties; and
- (2) Provide information concerning arbitration and mediation matters.

### **Article 3: The Board**

The Board shall be composed of one chairperson, a maximum of three vice-chairpersons and a maximum of 12 additional members.

### **Article 4: Appointment of the Board**

The Board shall be appointed by the Board of Directors of the London Chamber of Commerce and Industry (the “Board of Directors”). The members of the Board shall be appointed for a period of three years and are eligible for re-appointment in their respective capacities for one further three-year period only, unless exceptional circumstances apply. For the avoidance of doubt, a member of the board may accept an appointment as an arbitrator under these rules. In such circumstances, that board member shall not perform the functions of the board set out in Articles 6, in respect of the arbitration where he/she has been appointed

### **Article 5: Removal of a member of the Board**

In exceptional circumstances, the Board of Directors may remove a member of the Board. If a member resigns or is removed during a term of office, the Board of Directors shall appoint a new member for the remainder of the term.

### **Article 6: Function of the Board**

The function of the Board is to take the decisions required of the LCAM in administering disputes under the Rules and any other rules or procedures agreed upon by the parties. Such decisions include decisions on the jurisdiction of the LCAM, determination of advances on costs, appointment of arbitrators, decisions upon challenges to arbitrators, removal of arbitrators and the fixing of arbitration costs.

### **Article 7: Decisions by the Board**

Three members of the Board form a quorum. If a majority is not attained, the Chairperson has the casting vote. The Chairperson, or a Vice Chairperson may take decisions on behalf

of the Board in urgent matters. A committee of the Board may be appointed to take certain decisions on behalf of the Board. The Board may delegate decisions to the Secretariat, including decisions on advances on costs, extension of time for rendering an award, dismissal for non-payment of Registration Fee, release of arbitrators and fixing of arbitration costs. Decisions by the Board are final.

### **Article 8: The Secretariat**

The Secretariat carries out the functions assigned to it under the LCAM Rules. The Secretariat may also take decisions delegated to it by the Board.

### **Article 9: Procedures**

The LCAM shall maintain the confidentiality of the arbitration and the award and shall deal with the arbitration in an impartial, practical and expeditious manner.

## **Appendix II**

### **Schedule of Costs**

#### **Arbitration Costs**

#### **Article 1: Registration of Fee**

- (1) The Registration Fee referred to in Article 3 of the Arbitration Rules amounts to £1,500
- (2) The Registration Fee is non-refundable and constitutes a part of the Administrative Fee in Article 3 below. The Registration Fee shall be credited to the Advance on Costs to be paid by the Claimant pursuant to Article 45 of the Arbitration Rules.

#### **Article 2: Fees of the Arbitral Tribunal**

- (1) The fee of each of the arbitrators shall be based on the amount in dispute in accordance with the table below.
- (2) The amount in dispute shall be the aggregate value of all claims, counterclaims and set-offs. Where the amount in dispute cannot be ascertained, the Board shall

determine the Fees of the Arbitral Tribunal taking all relevant circumstances into account.

- (3) In exceptional circumstances, the Board may deviate from the amounts set out in the table.

### **Article 3: Administrative Fee**

- (1) The Administrative Fee shall be determined in accordance with the table below.
- (2) The amount in dispute shall be the aggregate value of all claims, counterclaims and set-offs. Where the amount in dispute cannot be ascertained, the Board shall determine the Administrative Fee taking all relevant circumstances into account.
- (3) In exceptional circumstances, the Board may deviate from the amounts set out in the table.

### **Article 4: Expenses**

In addition to the Fees of the arbitrator(s) and the Administrative Fee, the Board shall fix an amount to cover any reasonable expenses incurred by the arbitrator(s) and the LCA. The expenses of the arbitrator(s) may include the fee and expenses of any expert appointed by the Arbitral Tribunal pursuant to Article 29 of the Arbitration Rules.

### Arbitrator's Fees

Amount in Dispute £	Fee of the Chairman / Sole Arbitrator - Hourly Rate
Up to 49,999.00	£200
From 50,001 to 999,999.99	£300
From 1,000,000	£400

### Administrative Fee

Amount in Dispute (£)	Administrative Fee (£)
To 24,999.99	1,000
From 25,000.00 to 99,999.99	2,000
From 100,000 to 999,999.99	3,000
From 1,000,001 to 9,999,999.99	5,000
Over 10,000,000	10,000