

Guidelines on Procedure under the LMAA Intermediate Claims Procedure 2021

Compared to the LMAA's original, now well-established, sets of procedural rules, the LMAA Terms (the Terms) and the LMAA Small Claims Procedures (the SCP), both of which have been in print for over 30 years now, the LMAA Intermediate Claims Procedure (the ICP) is a relative 'teenager', having only been created some 12 years ago.

Following the continued appeal and success of the SCP, the ICP was introduced in 2009 to 'bridge the gap' between the Terms and the SCP, to cater for the arbitration of those claims which exceeded the monetary limit of the SCP (then most often set at USD 50,000), but where proportionality dictated the dispute may not justify the 'full' procedure offered by the Terms.

The ICP is recommended for references where the amounts in disputes fall outside the scope of the SCP (over USD 100,000) up to USD 400,000, but it is open to parties to agree their own limits.

The ICP offers some of the recognised benefits of the SCP, such as a short procedural timetable, limits on how the claim is to be presented and limits on both parties' recoverable legal fees and the tribunal's costs, combined with some of the procedural rules which are likely to be relevant or useful to medium size claims, such as provision for witness evidence and a possible oral hearing.

The ICP provides for a three person tribunal, compared to determination under the SCP by a sole arbitrator. This means the Parties can benefit from the established LMAA procedure that the two originally appointed arbitrators may proceed to an award on the documents, without having to incur the costs of a third arbitrator, as long as the two are in agreement and there is no oral hearing. In contrast to the SCP, the English law right of appeal on a point of law is not excluded, although it is restricted.

The ICP can be accessed in various ways; it can be expressly agreed in the arbitration agreement included in the parties' contract. A short reference to "*LMAA Terms and Procedures*" should be sufficient to incorporate all three sets of the LMAA's procedural rules. It is always open to parties to agree that a dispute be referred to arbitration under the ICP after a dispute has arisen, e.g. where the ICP was not originally agreed or where the dispute does not fall within the recommended financial parameters, but where the procedure would be appropriate.