

SINGAPORE INTERNATIONAL ARBITRATION CENTRE

PRACTICE NOTE PN - 03/07 (1 July 2007)

ON CASE ADMINISTRATION, APPOINTMENT OF ARBITRATORS & FINANCIAL MANAGEMENT FOR CASES UNDER THE

UNCITRAL RULES

Introduction

1. This Practice Note shall apply to all cases administered by the SIAC under the UNCITRAL Arbitration Rules ('UNCITRAL Rules') where the SIAC is designated to administer the arbitration whether stipulated in the arbitration agreement or agreed upon subsequent to the dispute arising.
2. In this Practice Note –

 'Chairman' means the Chairman of the Singapore International Arbitration Centre ('SIAC') and includes the Deputy Chairman;

 'Registrar' means the Registrar of SIAC and includes an Assistant Registrar.
3. Administration by the SIAC includes:
 - a. Confirmation and appointment of arbitrators;
 - b. Financial management of the arbitration;
 - c. Case management, which includes liaising with arbitrators, parties and their authorised representatives on proper delivery of notices, monitoring schedules and time lines for submissions, arranging hearing facilities and all other matters which facilitate the smooth conduct of the arbitration;
 - d. Exercising such supervisory functions under the UNCITRAL Rules as may be necessary; and
 - e. Scrutiny and issuance of awards made by the Tribunal.
4. Administration by the SIAC for cases referred to in paragraph 1 shall be subject to the requisite filing fee and administration fees ascertained in accordance with the Schedule of Fees in force at the time the request for such administration is made.

Notifications and Service of Documents

5. All notices, Statements of Case, Defence, Counterclaim, Reply (and any amendments thereto) as well as any communications, and notifications, between the parties and the Tribunal shall also be sent to the Registrar SIAC.

Confirmation and Appointment of Arbitrators

6. The Chairman will perform the functions of the appointing authority as set forth in the UNCITRAL Rules.
7. The Chairman will insofar as practicable follow the list procedure set out in Article 6.
8. If the Chairman considers the list procedure to be inappropriate in a case, he may make the appointment in accordance with the SIAC appointing procedure:
 - a. The Nomination Committee comprising legal officers of the SIAC will short list and rank candidates based on the matching of expertise/experience and the nature of the dispute; time availability of candidates; number of arbitration appointments made (to ensure fair distribution of cases); historical performance of cases handled ... etc;
 - b. The Confirmation Council comprising members of the SIAC Board may confirm, re-rank or otherwise reject the list of candidates short listed by the Nomination Committee;
 - c. The Chairman will make the appointment of the candidate who ranks first on the list received from the Confirmation Council unless there are circumstances within his knowledge to warrant a departure.
9. In each case, consideration is given to the candidate's qualifications, language abilities, expertise, nationality, residence and any other factors which may be relevant to ensure that the arbitrator appointed meets the expectations of the parties for a fair, expeditious and economical resolution of their disputes.
10. Any reference in the agreement or the UNCITRAL Rules to the appointment by any party to the arbitration or by a third person (other than the Chairman) of an arbitrator shall be treated for the purposes of the UNCITRAL Rules, as a nomination of that candidate for confirmation and appointment by the Chairman.

Conflict of Interest Audit

11. Before a candidate is confirmed and appointed, SIAC conducts an audit for possible sources of conflict of interest so that the arbitrator appointed in any given case is not only independent and impartial in fact, but is also perceived by the parties to be so.
12. The conflict audit is done by requiring the prospective appointee to execute SIAC's Code of Ethics and to make frank and full disclosures of all past and present relationships with any of the parties and their representatives, and other matters that might give rise to justifiable doubts about his independence and impartiality.

SIAC Financial Management

13. In lieu of Articles 39 and 41 of the UNCITRAL Rules, the financial management of the arbitration administered by the SIAC includes:
- a. fixing of Tribunal's fees and other terms of appointment;
 - b. regular rendering of accounts;
 - c. collecting deposits towards the costs of the arbitration; and
 - d. processing the Tribunal's fees and expenses.

Tribunal Not to Make Directions Concerning Fees and Deposits

14. The Tribunal shall not at any time issue directions concerning its own fees and expenses, and deposits thereof.
15. Any administrative matter concerning the costs or expenses in the arbitration shall be dealt with by the Registrar.

Tribunal's Fees

16. The Tribunal's fees shall be ascertained in accordance with the Schedule of Arbitrator's Fees in force at the time the request for administration was made. These fees are payable following the final conclusion of the matter.
17. In exceptional circumstances, the Registrar may allow an additional fee to be paid to the arbitrator over that prescribed in the Schedule of Arbitrator's Fees.
18. Where the arbitration is terminated, withdrawn or settled, the Registrar shall fix the quantum of fees payable to the arbitrator. In doing so, the Registrar shall take into account the stage of proceedings at which the arbitration was terminated and the amount of work done or time spent by the arbitrator on the matter.

Tribunal's Expenses

19. The Tribunal's reasonable out-of-pocket expenses necessarily incurred shall be borne by the parties and reimbursed at cost. The expenses will be reimbursed upon submission and verification by the SIAC of the supporting invoices or receipts.
20. An arbitrator who is required to travel outside his place of residence will be reimbursed with business class airfare, supported by an invoice or receipt.
21. In addition to out-of-pocket expenses, a per diem of SGD 800 shall be allowed to an arbitrator who is required to travel outside his place of residence, whenever overnight accommodation is required.

22. Where no overnight accommodation is required, a per diem of SGD 400 shall be paid.
23. The expenses covered by the per diem in paragraphs 21 and 22 include the following items and are therefore not claimable as out-of-pocket expenses:
- a. Hotel accommodation
 - b. Meals / beverages
 - c. Laundry / dry cleaning / ironing
 - d. Airport transfers and city transportation
 - e. Communication costs (telephone, faxes, internet usage etc)
 - f. Tips

Advances and Deposits

24. The SIAC shall collect advances and deposits from the parties towards the costs of the arbitration.
25. The costs of arbitration specified in Article 38 of the UNCITRAL Rules shall include SIAC's administrative fees and expenses.
26. The first tranche of advances and deposits shall normally be required from the parties shortly after the Registrar receives the request for administration.
27. The Registrar may from time to time request for further advances and deposits from the parties.
28. Unless the Registrar directs otherwise, such advances and deposits shall be payable by the parties in equal shares.
29. If the required advances and deposits are not paid pursuant to the directions of the Registrar, either wholly or in part, the Registrar may direct the Tribunal to suspend its work until such deposits are paid.
30. All advances and deposits shall be made to and held by the SIAC. Any interest which may accrue on such advances and deposits shall be retained by the SIAC.

Interim Payments to the Arbitrator

31. In exceptional circumstances and upon the request of the arbitrator, the Registrar may allow interim payments to be made.
32. In assessing interim payments, the Registrar shall take into consideration the relevant stage of the arbitration and may make payments in accordance with the following:

Stage of the Proceedings	Percentage of Fees
Completion of filing of case statements	Up to 25%
Commencement of hearing on merits	Up to 50%

33. The percentages referred to in paragraph 32 shall be taken from the total amount of fees ascertained in accordance with the Schedule of Arbitrator's Fees.
34. The aggregate amount of interim payments shall not exceed 50% of the arbitrator's fees ascertained in accordance with the applicable Schedule of Arbitrators' Fees.
35. 'Exceptional circumstances' referred to in paragraphs 17 and 31 may include:
- a. multiple preliminary issues requiring determination by the arbitrator
 - b. multiple interlocutory applications
 - c. extreme length of oral hearings
 - d. inordinate delay by one or more of the parties
36. Interim payments to the arbitrator may be made without reference to the parties. The parties will be informed of such payments through an updated statement of account.

Legal Liability

37. The parties are jointly and severally liable for the costs of the arbitration. SIAC acts as agent of the Tribunal in collecting these advances and deposits, but is not legally liable to the Tribunal or the parties except to account for the advances and deposits so collected.
38. SIAC, including its officers, employees or agents, shall not be liable for anything done or omitted to be done in connection with the administration of any arbitration conducted under the UNCITRAL Rules.

Scrutiny of Awards

39. Before issuing any award under the UNCITRAL Rules, the Tribunal shall submit it in draft form to the Registrar. The Registrar may suggest modifications as to the form of the award and, without affecting the Tribunal's liberty of decision, may also draw the Tribunal's attention to points of substance.
40. No award shall be issued by the Tribunal until it has been approved by the Registrar as to its form.

Miscellaneous

41. This Practice Note applies to all cases submitted to the SIAC for administration under the UNCITRAL Rules on or after 1 July 2007.

Issued by:

**Registrar, SIAC
1 July 2007**