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REGULATIONS ON THE REGIME OF ARBITRATION SUPPORT OF A CONTRACT

1. Arbitration support of a contract is a special regime of execution of a contract by the parties under documentary and legal supervision of the AICAC.
2. Arbitration support of a contract shall be performed by the IACAC provided that such contract or a special agreement between the parties (annex to the relevant contract) contains a note of arbitration support of the contract.
3. Arbitration support of a contract can cover contracts containing the AICAC arbitration clause, the contracts where the jurisdiction of other arbitration institutions or state courts to consider the disputes between the parties is provided in the arbitration clause, as well as contracts with no arbitration clause included.
4. Documentary and legal control assumes that the parties provide the AICAC with notifications about legal facts related to the contract, any kinds of legally significant nuances of relations between the parties, as well as their views and explanations in relation to circumstances that may have evidential status in the event of a dispute between these parties (expected to be considered by the AICAC). The parties shall provide the aforesaid information without any delays (as the corresponding events occur and within a reasonable period after their occurrence), and the AICAC shall perform legal examination of these facts. Documentary and legal control may imply the possibility for the parties to ask the AICAC for legal advice on the essence of their obligations arising from the contract.
5. Arbitration support of a contract can have the form of passive or active documentary and legal control.
 - 5.1. Passive documentary legal control means that the AICAC performs the systematization and legal assessment of information related to the contract in order to use such data in the event of a possible dispute between the parties (subject to arbitral settlement), without informing the parties about the results of legal assessment of the relevant data performed by the AICAC.
 - 5.2. As for the active documentary and legal control, in addition to systematization and legal assessment of relevant information, the AICAC shall also send consultative notes or notations to parties, based on the results of assessment of the timeliness and completeness of fulfillment of contractual obligations by the parties (such assessment is to be performed by the arbitration institution as well). If a "blank note contract" is used (par. 7 of the Regulations), the AICAC shall have the right to demand (jointly with the injured party) immediate fulfillment of contractual obligations from the violator of contract provisions, and claim compensation for the damage inflicted thereby.
6. In the course of arbitration support of a contract, the AICAC may issue special control documents: notes (in which the AICAC states its consultations, recommendations or legal assessments upon request of the parties to a contract) and notations (in which the AICAC on its initiative indicates the untimely or incomplete fulfillment of contractual obligations by the parties, and points out objective facts known to the Court, which can affect the execution of the contract by the parties).
7. In the course of arbitration support of a contract, parties to the contract may agree to use consultative notations of the AICAC. In this case the arbitration court will have the right to formulate

such notes for the parties on its own initiative after the corresponding assessment of certain facts related to fulfillment of contractual obligations (which become known to the AICAC in the course of arbitration support of the contract). In case the parties duly authorize the AICAC, consultative notations containing legal assessment (performed by the Court) of certain facts related to fulfillment of contractual obligations by the parties, will be sent by the AICAC to the parties within 48 hours of receiving the information making a consultative note necessary. The necessity to draft a consultative note concerning certain facts shall be determined by the AICAC.

8. If the parties so wish, their contract (including the note of arbitration support of the contract) may be drafted using the official high-security letterhead of the AICAC. It has several levels of protection against forgery, the AICAC President's seal and an international registration number of the contract. This format of a contract execution using the arbitration support mechanism is called a "blank note contract". It implies obligatory consultative notations of the AICAC. In this case, in addition to the aforesaid authority associated with the arbitration support of a contract, the AICAC shall also have the right to demand (jointly with the injured party to the contract) immediate fulfillment of contractual obligations from the violator of contract provisions, and claim compensation for the damage inflicted thereby – in favor of the aggrieved party. This additional right of the AICAC does not give rise to any other proprietary or liability rights of the AICAC (arising from the contract or related to it) in relation to the parties to the contract.

9. Arbitration support of a contract is not a form of participation of the AICAC in a contract concluded between the parties. It does not imply emergence of any rights or obligations of the Court associated with this contract or arising there from with respect to the parties to the contract, except for the rights and obligations directly related to implementation of the arbitration support procedure.

10. Arbitration support of a contract does not create any additional obligations for parties to the contract towards each other or the AICAC, except for the following obligations: a) to provide the AICAC with relevant information; b) to recognize the authority of the AICAC to provide the arbitration support of the contract; c) to pay for the services rendered by the AICAC related to arbitration support of a contract.

11. Arbitration support of a contract shall be considered to have started, in accordance with the will of its parties, after the conclusion of the contract or any other stage of its execution by the parties. It shall be considered to have ended after the complete fulfillment of the contract by the parties or its termination upon the initiative of authorized persons, or at any other time.

12. Arbitration support of a contract, in accordance with the will of its parties, may concern the entire scope of contractual obligations of the parties or its individual parts.

13. Arbitration support of a contract is characterized by the set of special legal features determining the appropriateness of this mechanism in commercial practice:

a) Prevention

The possibility for an arbitration institution to conduct simultaneous monitoring, accumulation, preliminary legal assessment, and archiving of information related to fulfillment of contractual obligations by the parties (such information has legal significance and a hypothetical evidentiary status in case of consideration of a corresponding dispute between the parties in the AICAC) has obvious preventive nature. Parties to a contract having included the mechanism of arbitration support of a contract into the system of their legal relations on their own initiative will realize the fact of external synchronous legal assessment of their actions and the consequences of such supervision. Therefore they will be more likely to refrain from the intentional breach of the contract.

b) Increased responsibility of the parties

Arbitration support of a contract is actually a separate element of contractual relations between the parties. From the very initiation of this legal mechanism (before emergence of any disputes) it acts as the process of collection and assessment of evidence, but its legal significance becomes obvious only in the event of a dispute between the parties. Thus, each of the parties to a contract under the arbitration support procedure clearly understands that

every action (or inaction) is actually not only the fact of fulfillment or non-fulfillment of contractual obligations, but also an event, which undergoes procedural assessment and has evidential significance.

c) Practical impossibility to deceive an arbitration court, and guaranteed objectivity of proceedings

Arbitration support of a contract is carried out in parallel to execution of a contract (following the occurrence of relevant facts). This actually rules out the possibility for a contract breaching party to develop a detailed version of justification for the breach. It also virtually eliminates the possibility for the party to evade financial liability for the breach stipulated by the contract and the law.

d) Increased period of time for legal assessment of relevant facts

Arbitration support of a contract involves preliminary assessment of relevant legal facts by the arbitration authority (before the actual arbitration proceedings start). This gives the AICAC a relatively long period for the most objective, comprehensive, fair and well-grounded analysis of all circumstances of the possible future dispute between the parties to a contract.

e) Efficiency, short timeframe and cost-effectiveness of arbitral proceedings

Arbitration support of a contract involves preliminary assessment of relevant legal facts by the arbitration authority (before the actual arbitration proceedings start). Thereby, the arbitration expenses borne by the parties are reduced, as well as the time it takes for the AICAC to obtain and study the evidence after initiation of arbitration proceedings.

f) High potential of correcting actions of the parties without conducting the arbitration proceedings

Documentary and legal control provided by the AICAC in the course of arbitration support of a contract, connected, in particular, with the regime of consultative notations from the AICAC, can significantly affect the behavior of the parties to a contract. In addition to preventing their misconduct, such form of control can provide timely correction of actions or inactions breaching the contract provisions.

g) Additional guarantees in relation to fulfillment of contractual obligations when using the regime of consultative notations and subsidiary responsibility of the AICAC

If, in accordance with the will of the parties, their contract provides for the use of arbitration support with consultative notations, the AICAC may under certain conditions and in accordance with these Regulations be subsidiarily responsible to the injured party to a contract for non-fulfillment of contractual obligations by the other party.

14. The AICAC must send copies of any kinds of information obtained in the framework of arbitration support of a contract from one of the parties to the other party within 24 hours.

15. If arbitration support is performed in relation to contracts that do not contain an arbitration clause indicating the competence of the AICAC to consider disputes between the parties arising from the contracts, the information collected by the AICAC in the course of support of a contract, as well as its legal assessment conducted by the AICAC shall acquire the status of qualified expert testimony (evidence) in the course of consideration of a relevant dispute in any competent arbitration or state court.

16. All information obtained by the AICAC in connection with arbitration support of a contract shall be held confidential (any form of disclosure is excluded). Such information shall be used by the AICAC solely for the purpose of arbitration support of a contract or in the course of a competent arbitration or judicial proceeding in respect of disputes between the parties to a contract.

17. Arbitration support of a contract as a form of documentary and legal control performed by the AICAC shall be initiated according to free expression of will of interested parties. For this purpose, the parties shall set out in their contract or in a special agreement between the parties (annex to the contract) the following note of arbitration support of the contract:

"The parties to this contract provide that, starting from its entry into force (*or from another moment*) and until the complete execution of the contract by the parties or its termination upon the initiative of authorized persons (*or till any other moment*), the provisions of this contract and actions of the parties aimed at its execution are subject to arbitration support (documentary and legal control) conducted by the American International Commercial Arbitration Court (the AICAC) according to its Regulations on the Regime of Arbitration Support of a Contract. In the course of arbitration support of the contract during its entire effective period (*or a period defined above*), the parties undertake to promptly provide the AICAC with all the information related to the facts of execution of this contract by the parties (as well as their views in relation to these facts) for systematization and legal assessment. The parties choose arbitration support of the contract in an active (*or passive*) form of documentary and legal control. All provisions of this contract (*or a separate part of them*) are subject to arbitration support. In the framework of arbitration support of this contract, the parties choose the following way to maintain operative contact with the AICAC: ___ (*telephone communication, e-mail, etc.*). Language of communication with the AICAC - _____. The cost of arbitration support of the contract shall be paid to the AICAC by the parties in equal parts (*or in other proportion*)."

18. The cost of services rendered by the AICAC in the course of arbitration support of a contract depends on the contract price (total value of all liabilities of the party to a contract, which is obliged to pay, to transfer goods of a certain price to the counterparty or to perform other commercially valuable actions). The cost of services shall be calculated according to the table below. The cost of services, rendered by the AICAC in the course of arbitration support of a contract with duration over one year, shall grow according to the indices specified in the following table.

Contract price				The cost of arbitration support of a contract					
(U.S. dollars)				(U.S. dollars)					
				Base cost (calculated for a contract with duration less than one year)					Additional fee for each successive year
up to			10,000.00	300.00	-	-	-		200.00
from	10,001.00	up to	50,000.00	500.00	-	-	-		400.00
from	50,001.00	up to	100,000.00	700.00	-	-	-		550.00
from	100,001.00	up to	200,000.00	1000.00	plus	0.8 %	amounts over	100,000.00	1000.00
from	200,001.00	up to	500,000.00	1,400.00	plus	0.5%	amounts over	200,000.00	25% of the base cost
from	500,001.00	up to	1,000,000.00	1,800.00	plus	0.3%	amounts over	500,000.00	25% of the base cost
from	1,000,001.00	up to	2,000,000.00	2,000.00	plus	0.2%	amounts over	1,000,000.00	20% of the base cost
from	2,000,001.00	up to	5,000,000.00	2,500.00	plus	0.17 %	amounts over	2,000,000.00	20% of the base cost
from	5,000,001.00	up to	10,000,000.00	3,000.00	plus	0.15 %	amounts over	5,000,000.00	18% of the base cost
from	10,000,001.00	up to	30,000,000.00	4,500.00	plus	0.08 %	amounts over	10,000,000.00	18% of the base cost
from	30,000,001.00	up to	50,000,000.00	8,000.00	plus	0.07 %	amounts over	30,000,000.00	16% of the base cost
from	50,000,001.00	up to	80,000,000.00	12,000.00	plus	0.05 %	amounts over	50,000,000.00	14% of the base cost
from	80,000,001.00	up to	100,000,000.00	20,000.00	plus	0.04 %	amounts over	80,000,000.00	12% of the base cost
over	100,000,001.00			30,000.00	plus	0.01 %	amounts over	100,000,000.00	

19. The cost of services, rendered by the AICAC in the course of arbitration support of a contract with duration under one year, is paid by the parties in two equal payments: 50% at the moment the arbitration support of the contract is initiated, and 50% - 10 calendar days before the arbitration support of the contract ends.

20. The cost of services, rendered by the AICAC in the course of arbitration support of a contract with duration over one year, shall be paid by the parties as follows: 50% of the base cost of arbitration support services in the first year of the effective period are paid at the moment the arbitration support of the contract is initiated; 50% of the base cost of arbitration support services in the first year of the effective period are paid 10 calendar days before the first year of arbitration support of the contract ends; in the subsequent years full additional fee (100%) for each successive year of arbitration support of the contract shall be paid during the first ten days of January.

21. The parties to the contract shall pay the cost of arbitration support of a contract in equal parts, unless otherwise provided by the agreement between them.

22. Terms of subsidiary responsibility of the AICAC with respect to obligations of the parties to a contract:

22.1. If arbitration support of a contract is implemented using the regime of consultative notations, the AICAC shall be subsidiarily liable to the injured party to the contract for guilty sending of untimely or inconsistent with the actual state of affairs consulting notes (when having an actual opportunity to perform this obligation properly). Such subsidiary responsibility shall be related to the defaulted obligation of the contract breaching party (including the responsibility for negative consequences of non-execution) due to which the AICAC has failed to issue a timely or proper consultation note.

22.2. An unfulfilled obligation means an obligation, which the contract breaching party has ultimately failed to fulfill within the effective period of a contract or the period, during which the fulfillment of the obligation was relevant for the injured party, as stipulated by the contract.

22.3. Subsidiary responsibility implies that the AICAC at its expense shall compensate in favor of the injured party the part of the cost of the obligation unfulfilled by the contract breaching party, as well as the direct and actual damage inflicted to the injured party by such failure, which was not recovered by the contract breaching party due to its insolvency.

22.4. If the AICAC, according to its subsidiary responsibility principle, compensates in favor of the injured party the part of the cost of the obligation unfulfilled by the contract breaching party, the Court shall acquire the right to recourse against the contract breaching party for the corresponding compensation.

23. All disputes arising from the arbitration support of a contract, as well as those related to the issues of subsidiary responsibility of the AICAC, which could not be settled by the parties through reconciliation, shall be resolved according to the arbitration clause or arbitration agreement applicable to the contract. In the absence of an arbitration clause or arbitration agreement applicable to the contract, or if they specify the competence of the AICAC, these disputes shall be settled by an arbitration institution selected in accordance with the following procedure:

a) the process of approving an arbitration court to consider a dispute between the parties may not exceed 15 calendar days;

b) the Claimant shall send a written notice to the Defendant offering to select an international commercial arbitration court from among the five institutional arbitration courts proposed by the Claimant;

c) the Defendant may choose two of the five institutional arbitration courts offered by the Claimant and add one more to them; then the Defendant shall send a written notice to the Claimant and offer to consider these three options and to choose an arbitration court;

d) if the parties fail to agree upon an arbitration court within the term specified in par. 23 item a), the following algorithm shall be initiated: when each party has officially selected one of the

three proposed arbitration courts, a court agreed upon shall be considered the one that has not been chosen by the parties;

e) the dispute shall be settled in accordance with the Regulations of the arbitration court agreed upon by the parties. Language of arbitration: English. Applicable substantive law: Swiss law. The place and time of arbitration shall be agreed upon by the parties.