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## AMERICAN INTERNATIONAL COMMERCIAL ARBITRATION COURT REGULATION

### "ON THE PROCEDURE OF ORGANIZATION AND CONDUCT OF "AD HOC" ARBITRAL PROCEEDINGS"

*Approved by the Board of Directors  
of International Union of Commerce and Industry (UK)  
- Resolution N 17/77-10 of 08.12.2010*

*Adopted by the Congress of the American International  
Commercial Arbitration Court (USA) - Resolution N 02/11-10 of 07.07.2010*

#### **Article 1. General concept of «ad hoc» arbitration**

"Ad hoc" arbitration is the type of organization of arbitration and conduct of arbitral proceedings, which, in contrast to the institutional (standing in a certain place according to certain rules) arbitration, which is the American International Commercial Arbitration Court (hereinafter - the Arbitration Court), is formed and implemented by the parties to contractual relations (hereinafter - the parties) for a single consideration of a specific dispute arisen between them (in this case).

#### **Article 2. «Ad hoc» arbitration in the Arbitration Court practice**

1. The regulations of this Appendix are applied in cases when the parties have included into an economic (commercial, trade), civil legal or labor contract (agreement) or into a separate arbitration agreement a clause specified by the Regulations of the Arbitration Court and this Regulation, establishing a competence of the Arbitration Court to mediate in the organization and conduct of «ad hoc» arbitration.

2. The Arbitration Court may offer interested parties to include into their economic (commercial, trade), civil legal or labor contracts (agreements) or into separate arbitration agreements one of the following clauses establishing a competence of the Arbitration Court to mediate in the organization and conduct of «ad hoc» arbitration:

*2.1. "Any disputes, controversies, claims or demands arising from this agreement or relating to it, as well as related to the execution, breach, termination or invalidity of the agreement shall be referred for "ad hoc" arbitration settlement, organized and conducted through intermediary of American International Commercial International Commercial t(LLC) in accordance with its Regulations and Regulation "On the procedure of organization and conduct of "ad hoc" arbitral proceedings".*

*2.2. "Any disputes, controversies, claims or demands arising from this agreement or relating to it, as well as related to the execution, breach, termination or invalidity of the agreement shall be referred for "ad hoc" arbitration settlement, organized and conducted through intermediary of American International Commercial International Commercial t(LLC) in accordance with UNCITRAL Arbitration Rules and Regulation*

of American International Commercial Arbitration Court (LLC) "On the procedure of organization and conduct of "ad hoc" arbitral proceedings".

*3. Arbitration clauses specified in this article of the Regulation, with mandatory preservation of unambiguous indication of a competence of the Arbitration Court to mediate in the organization and conduct of «ad hoc» arbitration can be adjusted by the parties, as well as supplemented with rules agreed by the parties to arbitration.*

### **Article 3. Content of mediation of the Arbitration Court in organization and conduct of "ad hoc" arbitration**

1. Mediation of the Arbitration Court in organization and conduct of "ad hoc" arbitration consists in exercise by the authorized representatives of the Arbitration Court Secretariat of the following functions:

1.1. Sending all types of notifications and reports of legal significance, specified by the Regulations of the Arbitration Court and executed on the initiative of "ad hoc" arbitration tribunal arbitrators, to the parties, arbitrators and other persons involved in the arbitration proceedings;

1.2. Drawing up minutes of the meetings and other official documents relating to the conduct of "ad hoc" arbitration;

1.3. Organizing translation of documents, written and oral testimony of the parties, witnesses and other persons involved in the arbitration proceeding;

1.4. Providing the necessary accommodation to conduct hearings, meetings of the arbitrators, and other necessary procedural actions executed in the course of arbitration proceeding;

1.5. Participation of persons authorized by the Secretariat of the Arbitration Court in establishing the optimum dates, and actual places of hearings and other events associated with the arbitration proceeding, with respect to the convenience of the arbitration proceeding, objectivity and fairness of the final "ad hoc" arbitration award;

1.6. Organizational support, in particular - with respect to transport, accommodation and meals, participation in the arbitration proceeding of the arbitrators, the parties, experts, witnesses and other persons involved in hearings and other procedural actions by the "ad hoc" arbitration tribunal decision;

1.7. Accompanying and monitoring all expenditures and financial procedures associated with "ad hoc" arbitration;

1.8. Any other kind of support, specified in this Regulation or logically resulting from its content and being not contrary to the Regulations of the Arbitration Court, as well as the provision of "ad hoc" arbitration tribunal with other assistance it deems necessary to request for to ensure proper conduct of arbitration proceeding.

2. Functions specified in p. 1 of this article of the Regulation shall be executed by the Arbitration Court only with the consent of the chairman of "ad hoc" arbitration tribunal or the sole "ad hoc" arbitrator.

### **Article 4. Regulatory support for organization and implementation of "ad hoc" arbitration**

1. Procedures to initiate an arbitration proceeding, namely, sending and receiving notice of arbitration, filing a claim and executing points of defense, formation of "ad hoc" arbitration tribunal and other legally significant actions prior to the beginning of the consideration of the dispute on its merits, are executed by the parties under the mutually agreed rules.

2. In the event that the parties, having an arbitration clause establishing a competence of the Arbitration Court to mediate in the organization and conduct of "ad hoc" arbitration, have not agreed on the special rules regulating the procedures of initiating and subsequent conduct of the arbitration proceeding by the parties, the rules established by either the Regulations of the Arbitration Court or UNCITRAL Arbitration Rules are applied at their option.

3. Following the approval of the numeric strength and personal composition of the "ad hoc" arbitration tribunal, but before the beginning of considering the dispute on its merits, the parties may, at their discretion or by agreement with the arbitrators of the approved by them "ad hoc" tribunal, confirm or change the previously agreed rules of conduct of the arbitration proceeding.

4. In the event that the parties, having an arbitration clause establishing a competence of the Arbitration Court to mediate in the organization and conduct of "ad hoc" arbitration, the parties have not agreed on specific rules of arbitration proceeding, the «ad hoc» arbitration is conducted in accordance with the Regulations of the Arbitration Court.

5. In the event that the parties, having an arbitration clause establishing a competence of the Arbitration Court to mediate in the organization and conduct of «ad hoc» arbitration, the parties additionally agreed to specific rules of "ad hoc" arbitration, but these rules do not fully ensure the regulation of all procedures of the arbitration process, such regulatory gaps are filled in by the application of the Regulations of the Arbitration Court, to the extent not contrary to the rules agreed by the parties and the present Regulation.

6. In the event of the Regulations of the Arbitration Court being applied to regulate "ad hoc" arbitration proceeding, in each case the term "arbitral tribunal" is mentioned in this Regulations it should be understood as "ad hoc" arbitration tribunal, consisting of arbitrators selected by the parties.

#### **Article 5. Formation of the numerical strength and personal composition of the "ad hoc" arbitration tribunal**

1. "Ad hoc" arbitration tribunal, according to the will of the parties, may consist of one or three arbitrators.

2. The parties have the right to determine in arbitration clause or in a special arbitration agreement that the numerical strength and personal composition of arbitration tribunal shall be formed in accordance with the rules established by the Regulations of the Arbitration Court or UNCITRAL Arbitration Rules, or in accordance with the rules established by the parties.

3. Regardless of the rules of formation of the numerical strength and personal composition of "ad hoc" arbitration tribunal, approved and applied by the parties, to facilitate the procedures of selecting arbitrators of "ad hoc" arbitration tribunal by the parties, the Arbitration Court forms and provides the parties at their request, with the list of persons who are residents of different countries, have the necessary qualification to act as arbitrators in disputes of the same nature which has arisen between the parties. Parties have the right to choose arbitrators from among persons outside the list of qualified experts provided by the Arbitration Court.

#### **Article 6. Seat of "ad hoc" arbitration and venues of separate procedural actions**

1. The address of the seat of "ad hoc" arbitration, organized and conducted through intermediary of the Arbitration Court is the following: USA, the State of Delaware is 1209 Orange Street in the City of Wilmington, DE 19801-1120.

2. Certain procedural actions in the course of the "ad hoc" arbitration tribunal proceeding, may be conducted in various countries and cities, if the "ad hoc" arbitration tribunal deems it advisable.

**Article 7. Arbitration expenses**

1. Arbitration costs payable by the parties to the dispute during "ad hoc" arbitral proceedings, carried out through intermediary of the Arbitration Court, consist of the following categories of fees payable by the parties to the dispute:

- 1.1. Arbitration Court Registration fee;
- 1.2. Administrative fee;
- 1.3. Remuneration fee;
- 1.4. Compensating arbitration fees.

2. The registration fee is paid by the parties to the dispute in amounts and in accordance with rules established by the Regulations of the Arbitration Court.

3. The administrative fee is paid by the parties to the dispute in accordance with rules established by the Regulations of the Arbitration Court.

4. Amounts of administrative fees payable by the parties to the dispute when conducting "ad hoc" arbitration through intermediary of the Arbitration Court, are the followings:

The value of the dispute (USD)		Administrative fee amount (USD)
	up to 50 000.00	1000.00
from 50 001.00	up to 100 000.00	1500.00 + 1.5% of the amount over 50 000
from 100 001.00	up to 500 000.00	2000.00 + 1.3% of the amount over 100 000
from 500 001.00	up to 1 000 000.00	3500.00 + 0.8% of the amount over 500 000
Over 1 000 000.00		5000.00 + 0.1% of the amount over 1 000 000.00 but not exceeding 22 000.00

5. The remuneration fee is paid by the parties to the dispute in accordance with rules established by the Regulations of the Arbitration Court.

6. If the amount of remuneration fee (remuneration of arbitrators of "ad hoc" arbitration tribunal) is established by the parties at a greater rate than the amounts of remuneration fees established by this article of the Regulation, the remuneration fees agreed by the parties shall be payed.

7. If the parties to the dispute considered by an "ad hoc" arbitration tribunal through intermediary of the Arbitration Court have not established larger remunerations for arbitrators of "ad hoc" arbitration tribunal, they shall to pay the following remuneration fees:

The value of the dispute (USD)		Remuneration of each arbitrator of "ad hoc" arbitration (USD)
	up to 50 000.00	1 500.00
from 50 001.00	up to 100 000.00	2 000.00
from 100 001.00	up to 300 000.00	3 000.00
from 300 001.00	up to 500 000.00	4 000.00

from 500 001.00	up to 1 000 000.00	5 000.00
from 1 000 001.00	up to 2 000 000.00	6 000.00
Over 2 000 000.00		10 000.00

8. Taking into account the high degree of complexity of the arbitration proceeding, the time actually spent by the arbitrators of "ad hoc" arbitration tribunal to consider the dispute before making a final award, the President of the Arbitration Court at the request of the arbitrators of "ad hoc" arbitration tribunal or on his own initiative, may adopt one of the following decisions to be binding on the parties to the dispute:

8.1. Set the value of arbitrators' remunerations in "ad hoc" arbitration tribunal considering a particular dispute, in accordance with the parameters set by the Regulation "On the amounts of arbitration fees of the American International Commercial Arbitration Court;

8.2. Increase the value of arbitrators' remunerations in "ad hoc" arbitration tribunal, considering a particular dispute specified in paragraph 7 of this article of regulation by 50%.

9. All amounts of arbitration expenses associated with the "ad hoc" arbitration proceeding and established on the basis of this Regulation shall be paid by the parties before the "ad hoc" arbitration tribunal makes a final award in accordance with the Regulations of the Arbitration Court.

10. Administrative fees charged by the Arbitration Court under the mediation in organization and conduct of "ad hoc" arbitration, as well as the total remunerations for arbitrators of "ad hoc" arbitration tribunal, are subject to the rule of total deductions in order to reward persons contributing to the development of arbitral proceedings in the Arbitration Court established by the Regulations of the Arbitration Court.