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REGULATION

of the mediation procedure

in Joint Mediation Council of International Union of Commerce and Industry (UK) American International Commercial Arbitration Court (U.S.)

*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
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Chapter I. General Provisions

Article 1. General concept of the mediation procedure within the course of American International Commercial Arbitration Court activity

1. This Regulation establishes the procedure for the conduct, in the course of the American International Commercial Arbitration Court activity (hereinafter - the Arbitration Court), with the participation of one or more mediators, the mediation procedure (hereinafter - the mediation procedure) intended for resolving international economic (commercial, trade) disputes arising between residents of different states and economic (commercial, trade) disputes and disputes arising from civil legal and labor relations between residents of the United States.
2. The mediation procedure can be used to settle disputes between non-residents of the USA, arising from civil legal and labor relations, as well as disputes arising from agreements and contracts, signed in professional sport, if it isn't contrary to the legislation of the countries, which residents are the disputing parties.
3. The mediation procedure specified and regulated by this Regulation is carried out by the Joint Mediation Council of International Union of Commerce and Industry (London, UK) and American International Commercial Arbitration Court (hereinafter - Mediation Council), which numerical strength and personal composition is formed in accordance with the rules established by this Regulation.
4. Mediation is an alternative (non-judicial) method of dispute resolution that implies negotiations, adjustments and compromises made by the disputing parties with the help of one or more mediators.

Article 2. Normative regulation of the mediation procedure

1. The mediation procedure is regulated by this Regulation, and issues and relations associated with the mediation procedure, which are not directly regulated by this Regulation shall be resolved in accordance with the rules established by the Regulations of the Arbitration Court.
2. The Regulations of the Arbitration Court are used to regulate the mediation procedure to the extent not contrary to this Regulation.
3. Issues and relations associated with the rules of the mediation procedure conduct which are not directly regulated by this Regulation and cannot be directly regulated by the rules of the Arbitration Court Regulations because of being contrary to certain norms of this Regulation, shall be resolved in the context of general principles and ideology of UNCITRAL Model Law on International Commercial Arbitration, taking into account generally accepted business practice and international arbitration practice, as well as criteria of social justice.

Article 3. Mediation provision (mediation clause)

1. The parties have the right to fix a mediation clause which will determine the competence of Mediation Council for resolving possible disputes between them, both in the main contract (agreement), which regulates their relations, and in a separate agreement.

2. Effects of the mediation clause of any of the types specified by this Regulation, if executed officially by the parties, does not depend on the contracts in which they may be included or in connection with which may be fixed in separate agreements.

3. Mediation clause is advisable to have a composite content providing for the submission of the dispute to arbitration resolution if it is impossible to settle by conducting the mediation procedure.

4. In practice of the Arbitration Court the following mediation clauses are used and offered for use to interested parties in contracts (agreements), executing their economic (commercial, trade), civil legal or labor relations:

4.1. *Abbreviated mediation clause:*

a) Clause containing a reference to the Regulations of the Arbitration Court:

"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 (hereinafter - the disputes) shall be referred for settlement by means of the mediation procedure to Joint Mediation Council of International Union of Commerce and Industry (London, UK) and the Arbitration Court. In case the disputes are not settled through mediation, they shall be referred to "American International Commercial Arbitration Court (LLC)" to be finally settled in accordance with its Regulations by one or more arbitrators appointed in accordance with these Regulations".

b) Clause containing a reference to UNCITRAL Arbitration Rules:

"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 (hereinafter - the disputes) shall be referred for settlement by means of the mediation procedure to Joint Mediation Council of International Union of Commerce and Industry (London, UK) and the Arbitration Court. In case the disputes are not settled through mediation, they shall be referred to "American International Commercial Arbitration Court (LLC)" to be finally settled in accordance with UNCITRAL Arbitration Rules by one or more arbitrators appointed in accordance with these Rules. "

4.2. *Full mediation clause:*

a) Clause containing a reference to the Regulations of the Arbitration Court:

"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 (hereinafter - the disputes) shall be referred for settlement by means of the mediation procedure to Joint Mediation Council of International Union of Commerce and Industry (London, UK) and the Arbitration Court. In case the disputes are not settled through mediation, they shall be referred to "American International Commercial Arbitration Court (LLC)" to be finally settled in accordance with its Regulations by one or more arbitrators appointed in accordance with these Regulations. The proper law of the contract – the substantive law _____. Number of arbitrators - _____. Place of arbitration - _____. Language of arbitration proceeding - _____».

b) Clause containing a reference to UNCITRAL Arbitration Rules:

"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 (hereinafter - the disputes) shall be referred for settlement by means of the mediation procedure to Joint Mediation Council of International Union of Commerce and Industry (London, UK) and the Arbitration Court. In case the disputes are not settled through mediation, they shall be referred to "American International Commercial Arbitration Court (LLC)" to be finally settled in accordance with UNCITRAL Arbitration Rules by one or more

arbitrators appointed in accordance with these Rules. The proper law of the contract – the substantive law _____. Number of arbitrators - _____. Place of arbitration - _____. Language of arbitration proceeding - _____».

Article 4. Special features of conduct of the mediation procedure

1. Regulatory power and advocacy nature of the mediation procedure are based on the fact of confidence of the disputing parties in a mediator, as an authoritative person who facilitates negotiations between such parties and assist them in reaching a compromise settlement of the conflict by finding a mutually acceptable, effective solution unambiguously acknowledgeable by the parties.
2. The disputing parties have the right to resort voluntarily to the mediation procedure defined by this Regulation and intended to settle their dispute, regardless of the fact that such dispute may be pending in any state court or arbitration court and regardless of the procedural phase of the consideration. However, the dispute cannot be referred for settlement by means of the mediation procedure, if a decision of a court or arbitration tribunal on it have entered into force, or in the course of its review in an arbitration tribunal or court, in accordance with the will of the parties, the procedure of peaceful settlement of the dispute is carried out, which should lead to the conclusion of a settlement agreement.
3. Implementation of mediation is based on the principles of free and equal access of the parties to the procedure, the voluntary consent of the parties to participate in it and their desire to settle disputes through negotiation, as well as confidentiality, objectivity and impartiality of the mediation procedure, a free selection of mediators, their neutrality and independence.

Article 5. Participants in mediation procedure

1. Participants in the procedure of mediation are the parties and the mediator. Parties in mediation may be both individuals and legal entities, including public state government bodies of different countries.
2. Mediation can occur between two or more parties and be conducted through intermediary of one or more mediators.
3. The parties have the right to participate in the procedure of mediation in person or through their official representatives. During mediation the parties, by mutual consent, may be assisted by lawyers, consultants, translators and others.
4. The mediator is not authorized to represent the parties in the dispute. Such person may not thereafter be an arbitrator in the same dispute, unless the parties have not specified otherwise.

Chapter II. Mediation procedure

Article 6. Request for mediation

1. Parties wishing to settle their dispute through the mediation procedure, if having formulated a mediation clause in the main contract (agreement) which regulates their relations or in a separate agreement, may apply with a joint request for the conduct of the mediation procedure to the Secretariat of the Arbitration Court.
2. The request for the conduct of the mediation procedure shall be addressed to the Secretariat of the Arbitration Court and the Joint Mediation Council of International Union of Commerce and Industry (London, UK) and the Arbitration Court.
3. A joint request of the parties for mediation procedure shall contain the following information:
 - names of the parties, their addresses,, telephone and facsimile numbers, e-mail addresses;
 - personal data of authorized representatives of the parties, if present;
 - a brief description of the dispute nature, including an assessment of its value;
 - a list of key documents relevant to the nature of the dispute;
 - an indication of one or more mediators selected by the parties or a joint request for the appointment of a mediator specifying requirements for his qualification.

4. The joint request of the parties for the conduct of the mediation procedure shall be accompanied by:

- duly attested copies of documents relevant to the nature of the dispute;
- proof of the registration fee payment, determined in accordance with the rules established by the provisions of this Regulation.

5. If the request for the conduct of the mediation procedure is made with the participation of not all parties actually involved in the dispute, those who submitted the request shall within 10 days from the date of the submission send its copy to the parties to the dispute who did not. In the event that the parties duly notified by the above indicated method of the request for the conduct of the mediation procedure do not address the Secretariat of the Arbitration Court with the application for joining such request within 15 days of receiving its copy, the mediation procedure is considered not agreed upon by all parties to the dispute and shall not be conducted.

6. The mediation procedure commences from the date of registration by the Secretariat of the Arbitration Court of the corresponding joint request of the parties.

7. Parties to the dispute that was not subject to the mediation procedure on the grounds specified in p. 5 of this article of the Regulation, as well as in the case that the previous mediation procedure has not led to their full and final reconciliation, have the right to request for a re-mediation for the same dispute.

8. A mediator has no right to accept instructions for mediation directly from the parties. In the case all parties to the dispute or some of them appeal directly to a mediator, he must explain them the established herein order of conducting the mediation procedure.

Article 7. Formation of Joint Mediation Council of International Union of Commerce and Industry (London, UK) and the Arbitration Court and appointment of the Chairman (Speaker) of the Mediation Council

1. The Mediation Council is formed from among arbitrators of the Arbitration Court, other authoritative lawyers, human rights lawyers and public men, as well as other highly qualified professionals in various fields from around the world.

2. numerical strength and personal composition of the Mediation Council is approved and corrected annually, once in 4 calendar months by issuing a joint order of the President of the Arbitration Court and the President of International Union of Commerce and Industry (London, UK) and the Arbitration Court.

3. In their first in each calendar year joint order on the formation of the Mediation Council, the persons specified in p. 2 of this article of the Regulation appoint one of mediators as the Chairman (Speaker) of the Mediation Council.

Article 8. Selection (appointment) mediators

1. Unless the parties agree otherwise, the mediation is conducted by one mediator.

2. The provisions of these Regulation, regulating the functions and official operation procedure of the sole mediator, apply to cases of participation of two or more mediators in the mediation procedure. Allocation of responsibilities between these mediators is made by agreement with the parties and, if necessary, with the participation of the President (Speaker) of the Mediation Council.

3. The mediator is selected by the parties on the List of mediators of Mediation Council (hereinafter - the List of mediators). Also, with the mutual consent of the parties, other persons can be appointed as mediators if their personal qualities meet the requirements for mediators. The parties may agree that a sole mediator or more mediators shall be elected by the Chairman (Speaker) of the Mediation Council, appointed jointly by the Presidents of International Union of Commerce and Industry and the Arbitration Court.

4. If within 15 days of receiving the corresponding request by the Secretariat of the Arbitration Court the parties do not agree on the name of a mediator, he shall be appointed by the Chairman (Speaker) of the Mediation Council, taking into account the wishes of the parties, if declared.

5. The elected or appointed mediator makes a signed statement to be neutral, independent, objective and impartial, to keep confidentiality regarding the information disclosed to him during the mediation.

6. If a selected or appointed mediator for any objective reason cannot proceed to mediation or continue the process started, the Chairman (Speaker) of Mediation Council appoints other mediator if the parties do not agree otherwise.

Article 9. Preparation for conducting the mediation procedure

1. In the course of preparation for the conduct of mediation, the parties to the dispute together with the selected or appointed mediator, hold a special meeting to define the procedures and rules of dispute settlement except the cases when the parties have agreed on other mechanism to establish such rules.

2. In preparing for mediation the mediator arranges and conducts preliminary individual and joint consultations with the parties to the dispute.

Article 10. Consultations of the mediator with the parties

1. Consultations of the mediator with the parties concerning issues of conducting mediation procedures commence only upon the parties produce proofs of having paid their registration fee.

2. Consultation with the parties conducted by the mediator has the following objectives:

- clarifying the circumstances of the dispute and the positions of the parties;
- defining necessary documents related to the dispute;
- preliminary defining conditions, requirements and wishes of the parties for the conduct of mediation and its results;
- clarifying views of the parties on the estimated time necessary to conduct and complete mediation;
- defining a place and time of the commencement of mediation.

3. After completion of consultations, the day of the beginning of the mediation procedure and, if necessary, subsequent dates of meetings are jointly determined by the parties and the mediator so as to provide opportunity and maximum convenience of participation in this procedure for the parties or their authorized representatives.

Article 11. Conduct of mediation

1. The mediation procedure is conducted only on condition that the parties pay a corresponding part of remuneration, administrative and compensating fees, which amounts, manner and terms of payment are determined by Act of expenses published by the Secretariat of the Arbitration Court in accordance with the provisions of this Regulation.

2. Meetings held in the course of the mediation procedure, begin with the identification of persons participating in the settlement of the dispute and the verification of the corresponding authority of official representatives of the parties to the dispute.

3. The mediator selected or appointed in accordance with rules established by this Regulation introduce himself to the parties as a public official of the Arbitration Court. In the process of making acquaintance of the mediation procedure participants, the mediator informs the parties of his professional experience and explains the basic principles of conciliation procedure. Parties are informed about the role of mediator in the procedure mediation intended to assist the parties to reach the Settlement Agreement (Agreement of reconciliation), as well as of their right to refuse at any time to continue mediation.

4. The mediator obligatory complying with the standards of this Regulation, is completely free to choose the method of conducting mediation and arranges it at his own discretion, in order to ensure the maximum efficiency of the conciliation of the parties and to reach a final result in the form of a just and mutually acceptable for the parties Settlement Agreement.

5. In the course of mediation the mediator studies the documents related to the dispute the parties state their views on the nature of the conflict between them, ground their positions in the dispute and make proposals for its settlement.

6. If the mediator considers it necessary, he communicates with each of the parties separately. Information received by the mediator in a conversation with one of the parties, may be transmitted to another party only with the consent of the party having given the corresponding information.

7. The mediator gives the parties an opportunity to speak and to formulate proposals which they believe could lead to a settlement of their dispute.

8. Among the main tasks of the mediator in the process of conciliation are:

a) identification of real interests and intentions of each of the parties within their relations and in the process of mediation;

b) development and implementation of measures for convergence of interests and intentions of the parties, leading to the settlement of the conflict between the parties and the achievement of a mutually acceptable agreement on the nature of the dispute.

9. Following the principles of neutrality and equality of the parties, the mediator may make, with their consent, his proposals regarding the possibility of resolving the dispute and the conclusion of the corresponding Settlement Agreement.

10. Unless the parties agree otherwise, the mediation procedure is conducted in the seat of the Arbitration Court.

Article 12. Suspension and termination of the mediation procedure

1. The mediator suspends the mediation procedure for a particular period or for a term directly related to the onset of a specific event, fact or circumstance relevant for the mediation procedure, in the following cases:

- when he considers it advisable, in particular, in the event the parties get it temporarily difficult to achieve a mutually accepted approach to resolve the dispute;
- in other cases - at the request of one or both parties.

2. Mediation finally terminated in the following cases:

- if due to inactivity of at least one of the parties to the dispute, after the suspension of the mediation, it is not resumed within 30 days or other agreed term;
- if the continuation of the mediation procedure, resumed after its previous suspension is considered unpromising by the mediator, or at least one of the parties, or it becomes impossible for other reasons;
- if the term agreed to settle the dispute expires and the parties have not agreed to extend it;
- in cases the parties fail to pay the required fees specified by this Regulation, associated with the mediation procedure.

3. The mediation procedure is considered to be terminated when the parties sign the Settlement Agreement (Agreement on reconciliation) or Act on mediation procedure termination because of the impossibility of reaching a compromise between the parties.

Article 13. Settlement Agreement of the parties (Agreement of reconciliation)

1. Settlement Agreement is executed by the Secretariat of the Arbitration Court with the participation of a mediator and signed by the parties.

2. Settlement Agreement consists of indicative, descriptive, operative and legalizing parts.

3. The indicative part of the Settlement Agreement registers the date, time and place of its execution, the parties to the dispute, the arbitral tribunal, represented by the Mediation Council, as the organizer of the mediation procedure, information of mediators involved in the mediation procedure.

4. The descriptive part of the Settlement Agreement briefly states the nature of the dispute, giving a list of key documents related to the dispute, the basic arguments of the parties in a dispute, and the methods used during the mediation procedure.
5. The operative part of the Settlement Agreement clearly defines the terms of the dispute settlement and contains the obligations of each of its parties to voluntarily perform the Settlement Agreement with a schedule for its execution.
6. The legalizing part of the Settlement Agreement specifies the names of the parties, the officials representing them, their signatures and the corresponding seals (if any), as well as the signature of the mediator and the Arbitration Court seal stamped on behalf of the Mediation Council are fixed.
7. The Settlement Agreement is executed in the number of copies corresponding to the number of the parties to the Settlement Agreement, and one more copy of the Settlement Agreement, shall be deposited after the official registration in the Office of the Mediation Council.
8. If the parties in future, for various reasons, refer the dispute previously settled through the mediation procedure to an arbitration or any national court, the status and the content of the Settlement Agreement allows the mediator, with the consent of the parties to the dispute, to act in such process as an objective witness or a duly informed expert.
9. Individual elements of the procedure of execution and performance of the Settlement Agreement that are not directly regulated by this Regulation, to the extent not contrary to this Regulation shall be regulated in accordance with the rules established by the Regulations of the Arbitration Court for final arbitration award.

Article 14. Report on the procedure of mediation

1. In the event the parties reach agreement on a settlement agreement, the Secretariat of the Arbitration Court issues the Report on the procedure of mediation, which is endorsed by the mediator.
2. The Report on the mediation registers all terms of the Settlement Agreement, which the parties committed themselves to conclude, and finally sets the total amounts **of fees associated with the mediation procedure payable by the parties, taking into account the previous payments and the need for redistribution of costs associated with paying these fees between them.**

Chapter III. Expenses of the parties related to the conduct of mediation

Article 15. Fees related to the mediation procedure

1. Fees associated with the mediation procedure which are payable by the parties, consist of: registration fee, administrative fee, remuneration fee and compensating fees.
2. Fees associated with the mediation procedure are established and paid in accordance with the rules established by this Regulation.
3. Specific amounts of fees and mechanism of payment associated with the mediation procedure are established by the Secretariat of the Arbitration Court by agreement with the Chairman (Speaker) of the Mediation Council.
4. If the fees associated with the mediation procedure established in accordance with the rules of this Regulation are not paid by the bound parties in proper time and in full, the request for conduct of the mediation procedure or the mediation process remain shelved.
5. Fees expenditures associated with the mediation procedure shall be distributed among the parties in equal parts, unless otherwise stipulated by agreement between them.
6. Distributional issues between the parties concerning fees expenditures associated with the mediation procedure, as well as the manners and terms of payment by the parties, not directly regulated by this Regulation to the extent not contrary to this Regulation, shall be regulated in accordance with the rules established by the Regulations of the Arbitration Court for arbitration fees.
7. The mediation procedure will not commence, and being started the procedure will not continue until the parties in accordance with the rules established by this Regulation and Act of expenses, pay the fees associated with the mediation procedure.

8. In case of refusal or inability of the parties to pay the corresponding fee or the remainder, the mediation procedure shall be suspended. If the corresponding fee is not paid within thirty days since the creation of obligation of the parties to pay it, the mediation procedure can be terminated.

9. Amounts of fees established in this Regulation, are specified adjusted for taxation and fiscal charges payable by the Arbitration court and mediators according to the legislation that results in the corresponding obligations.

Article 16. Amounts of fees related to the mediation procedure

1. General concepts of registration fee, administrative fee, remuneration fee and compensating fee correspond with the content of similar concepts contained in the Regulations of the Arbitration Court.

2. Registration fee payable by the parties having requested for the mediation procedure is 500.00 U.S. dollars and is paid by the parties when filing a request for the mediation procedure.

3. Remuneration fee payable by the parties having requested for the mediation procedure is: a) 380.00 U.S. dollars a day - for the time spent by each mediator to participate in meetings held under the mediation procedure, and b) 170.00 U.S. dollars - per each hour spent by each mediator in connection with participation in mediation, including the time spent by each mediator to get to places where the mediation procedures are conducted (except for time spent to participate in meetings held under the mediation procedure). In case of participation of several mediators in the procedure, they have the right, on the initiative of one of the mediators and by agreement with the Secretariat of the Arbitration Court, to set the partial redistribution of remunerations owed to them towards increasing the remunerations of mediators most actively involved in the mediation procedure or who having found effective ways of resolving the dispute between the parties. Such redistribution of remunerations is made on the basis of a special Resolution of the Secretariat of the Arbitration Court, entering into force upon its signature by all mediators involved in the mediation procedure.

4. Amounts of administrative fees payable by the parties to the dispute when conducting the mediation procedure, depending on the sum in dispute (actual or comparative value of goods, services, obligations, other valuable, benefits or advantages constituting the matter of the dispute), are the followings:

Sum in dispute (dispute value) (USD)		Administrative fee amount (USD)
	up to 50 000.00	1000.00 + 70.00 USD per each hour spent by the Secretariat of the Arbitration Court for the organization of the mediation procedure
from 50 001.00	up to 100 000.00	1 500.00 + 85.00 USD per each hour spent by the Secretariat of the Arbitration Court for the organization of the mediation procedure
from 100 001.00	up to 500 000.00	2 000.00 + 100.00 USD per each hour spent by the Secretariat of the Arbitration Court for the organization of the mediation procedure
from 500 001.00	up to 1 000 000.00	2 500.00 + 115.00 USD per each hour spent by the Secretariat of the Arbitration Court for the organization of the mediation procedure
Over 1 000 000,00		3 000.00 + 130.00 USD per each hour spent by the Secretariat of the Arbitration Court for the organization of the mediation procedure

5. Compensating fees are payable by the parties in equal parts, according to the rules established by the Regulation of the Arbitration Court.

6. Specific or final size of the mediator's remuneration depending on the complexity of the dispute and the estimated expenditure of time for its settlement, is determined by the President of the Arbitration Court or his authorized official based on consultations with the parties and the mediator.

7. The President of the Arbitration Court or his authorized official, by agreement with the mediator and the parties may decide to increase, at their discretion, the amount of the mediator's remuneration as against the previously established (agreed) sum, in the event of unforeseen circumstances, significantly complicating the possibility of settling the dispute or a significant over expenditure of time compared with the estimated one identified during the consultations.

8. All estimated fees expenditures of the parties associated with the mediation procedure shall be recorded in Act of expenses, which is published by the Secretariat of the Arbitration Court, after holding a meeting for the preparation of the mediation procedure, under article 9 of this Regulation, and based on consultations of the President of the Arbitration Court or his authorized official with the mediator and the parties.

9. Amounts of the parties' fees expenditures, associated with the mediation procedure, which are specified in Act of expenses can be adjusted and become final amounts of the fees payable by the parties in the Report on the procedure of mediation.

Article 17. Other costs of the parties

Each party pays its own expenses not related to the fees expenditures associated with the mediation procedure independently as they arise.

Article 18. Rewards to persons contributing to the development of arbitral proceedings in the Arbitration Court

Administrative fees, as well as the total remunerations of mediators charged by the Arbitration Court when the Mediation Council conducts the mediation procedure, 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.