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**REGULATIONS OF THE AMERICAN INTERNATIONAL COMMERCIAL
ARBITRATION COURT**
**"ON THE PROCEDURE OF ORGANIZATION AND CONDUCT OF "AD HOC"
ARBITRAL PROCEEDINGS"**

*Approved by the Board of Directors
of the International Union of Commerce and Industry (UK)
- Resolution No. 17/77-10 of 08/12/2010
Adopted by the Congress of the American International
Commercial Arbitration Court (USA) - Resolution No. 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 and operating according to certain rules) arbitration, like the American International Commercial Arbitration Court (hereinafter - the Arbitration Court), is developed and implemented by the parties to contractual relations (hereinafter - the parties) for single consideration of a specific dispute between them (for a specific case).

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

1. The statements of this Annex are applied in cases when the parties have included a clause specified by the Regulations of the Arbitration Court and this Regulation into their economic (commercial, trade), civil or labor contract (agreement), or into a separate arbitration agreement. This clause establishes 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 one of the following clauses establishing the competence of the Arbitration Court to mediate in the organization and conduct of «ad hoc» arbitration into their economic (commercial, trade), civil or labor contracts (agreements), or into separate arbitration agreements:

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

Regulation of the 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 can be adjusted by the parties and extended with rules agreed upon by the parties to arbitration. In this case indication of competence of the Arbitration Court to mediate in the organization and conduct of «ad hoc» arbitration must be mandatorily preserved.

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 assumes execution of the following functions by the authorized representatives of the Arbitration Court Secretariat:

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

1.2. Keeping the minutes of the meetings and drafting other official documents related to the conduct of "ad hoc" arbitration;

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

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

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 convenience of the arbitration proceedings for everyone involved, objectivity and fairness of the final "ad hoc" arbitration award;

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

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

1.8. Any other kinds of support, specified in this Regulation or logically resulting from its content (not contrary to the Regulations of the Arbitration Court), as well as other assistance to the "ad hoc" arbitration tribunal deemed necessary by it in order to ensure proper conduct of arbitration proceedings.

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

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

1. Procedures aimed at initiation of arbitration proceedings, namely, sending and receiving the notice of arbitration, filing a claim, drafting the statement of defense, formation of the "ad hoc" arbitration tribunal and other legally significant actions prior to hearing the merits of the dispute, are executed by the parties under the mutually agreed rules.

2. In the event that the parties, having in their agreement an arbitration clause establishing the 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 proceedings by the parties, the rules established by either the Regulations of the Arbitration Court or the UNCITRAL Arbitration Rules shall be applied (to be chosen by the parties).

3. After approving the list of members of the "ad hoc" arbitration tribunal, but before hearing the merits of the dispute, the parties may, at their discretion or in coordination with the arbitrators of the "ad hoc" tribunal approved by them, confirm or change the previously agreed rules of conduct of the arbitration proceedings.

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

5. In the event that the parties, having in their agreement an arbitration clause establishing the competence of the Arbitration Court to mediate in the organization and conduct of "ad hoc" arbitration, have additionally introduced specific rules of "ad hoc" arbitration, but these rules do not fully regulate all procedures of the arbitration process, such regulatory gaps shall be filled in by applying the statements of the Regulations of the Arbitration Court (to the extent not contrary to the rules agreed upon by the parties and the present Regulations).

6. If the Regulations of the Arbitration Court are applied to regulate "ad hoc" arbitration proceedings, in each case the term "arbitration tribunal" is mentioned in these Regulations it should be understood as the "ad hoc" arbitration tribunal, consisting of arbitrators elected by the parties.

Article 5. Formation of the list of arbitrators of the "ad hoc" arbitration tribunal

1. The "ad hoc" arbitration tribunal may consist of one or three arbitrators - according to the will of the parties.

2. In the arbitration clause or in the special arbitration agreement the parties can indicate that the list of arbitrators of the of arbitration tribunal is formed in accordance with the rules specified in the Arbitration Court Regulations or the UNCITRAL Arbitration Rules (or in accordance with other rules established by the parties).

3. Regardless of the rules of building the list of arbitrators of the "ad hoc" arbitration tribunal, approved and applied by the parties, in order to facilitate the procedure of selecting arbitrators to the "ad hoc" arbitration tribunal for the parties, the Arbitration Court shall compose and provide to the parties (upon their request) the list of persons from different countries, having the necessary qualification to act as arbitrators in disputes similar to the specific dispute between the parties. Parties will have the right to choose other arbitrators – not included in the list of qualified experts provided by the Arbitration Court.

Article 6. Seat of the "ad hoc" arbitration and venues for separate proceedings

1. The seat of the "ad hoc" arbitration, organized and conducted through intermediation of the Arbitration Court: 1209 N Orange Street, Wilmington DE 19801-1120, the State of Delaware, USA.

2. In the course of the "ad hoc" arbitration separate proceedings may be conducted in various countries and cities, if the "ad hoc" arbitration tribunal deems it advisable.

Article 7. Arbitration expenses

1. Arbitration expenses to be paid by the parties to the dispute in the course of the "ad hoc" arbitration proceedings, carried out through intermediation of the Arbitration Court, include the following categories of fees to be paid by the parties to the dispute:

- 1.1. Registration fee of the Arbitration Court;
- 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. The following table shows the amounts of administrative fees to be paid by the parties to the dispute when conducting the "ad hoc" arbitration through intermediation of the Arbitration Court:

Sum in dispute (dispute value) (USD)		Administrative fee (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 the "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 Regulations, the remuneration fees agreed upon by the parties shall be paid.

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

The value of the dispute (USD)		Remuneration of each arbitrator of the "ad hoc" arbitration tribunal (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 arbitration proceedings, as well as the time actually spent by the arbitrators of the "ad hoc" arbitration tribunal to consider the dispute before making a final award, the President of the Arbitration Court at the request of arbitrators of the "ad hoc" arbitration tribunal (or on his own initiative) may adopt one of the following decisions (binding on the parties to the dispute):

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

8.2. To increase the amounts of arbitrators' remunerations in the "ad hoc" arbitration tribunal, considering a particular dispute specified in par. 7 of this article of the Regulations by 50%.

9. All amounts of arbitration expenses associated with the "ad hoc" arbitration proceedings 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 when providing assistance in organization and conduct of the "ad hoc" arbitration, as well as the total remunerations for arbitrators of the "ad hoc" arbitration tribunal, are covered by the rule of total deductions aimed at rewarding persons contributing to the development of arbitral proceedings in the Arbitration Court. This rule is established by the Regulations of the Arbitration Court.