

Standard Dispute Rules[®]

The Standard Dispute Rules (hereinafter referred to as 'the rules') are special drawing to resolve quickly, simply and more cheaply national and international disputes.

I. Conciliation

Whenever the law requires or one parties deems it advisable, a preliminary attempt at conciliation is organized by the secretariat. Either party may demand conciliation. The demand for conciliation is made by letter, fax or Internet. Within 10 workdays, and once the administrative costs have been covered, the other party (parties) is (are) advised of this demand for conciliation.

The applicant is notified of any response or reaction by the other party. If the case reveals a serious difficulty the parties may, in that event, call for an expert or a mediator to be appointed, so as to avoid litigation.

The refusal, failure or unsigned PV within the month ended the attempt at conciliation and allow either may initiate proceedings.

II. Expertise & Mediation

All the parties may demand, together, in writing, an expertise or a mediation. Within 15 workdays, and once the administrative costs have been covered, an expert or a mediator will be appointed. Each party bears the costs thereof for equal parts. Within 30 days after the appointment, the expert or mediator shall meet the parties and, within 3 months, he shall make a compromise or give a report with a clear opinion.

III. Arbitration

Article 1: Application

Arbitration has, since 1958, been an internationally recognized procedure (convention of New York). Unless otherwise agreed between the parties, only the arbitrations' laws of the country of the seat of arbitration shall apply to all that is not expressly stipulated in these rules.

Article 2: Jurisdiction

Parties who had not foreseen an arbitration clause, may, after a dispute has arisen, conclude a contract thereto.

An arbitration agreement must be incorporated in a document signed by both parties or in other legally binding documents. Disputes which cannot be legally submitted for arbitration shall be inadmissible. If one party refuses to take part in the proceedings or does not present its arguments within the stipulated time limit, the dispute will be heard anyway and an award shall be pronounced.

Either party may petition the judge to seek conservatory or provisional measures. This does not imply that this party waives the arbitration agreement.

Article 3: Seat, Debates and Language

The seat of arbitration shall be considered as the place of the award. The Court of Arbitration may seat in any country. Unless other agreement the clerk's office fixes the seat of arbitration and the place of the debates.

The parties shall choose the language of the proceedings. The proceedings may take place in two languages. In the absence of an agreement, the language(s) of the proceedings is/are that/those of the parties or English. All charges for translations shall be paid by the party remitting documents in another language. The award is written in the language of the procedure, in accordance with the place of enforcement or in English. In principle, the procedure shall take place in writing. Either party is entitled to ask for an audience with debates and to be assisted by or represented by an attorney or mandatory.

Article 4: Multipartite Arbitration

- Linking of controversies: If between the same parties, there are controversies that are connected or indivisible, the clerk's office can order to link these controversies, if the parties are bound by the same arbitration clause on binding documents. The linking is not possible if already an award has been taken "before justice has been done" on its merits.

- Third party intervention: The parties give to any third party the right to intervene in the proceedings. The third party shall accept by agreement the rules. It is conditional on the assent of the Arbitral Court.

Article 5: Copies and Originals

The parties to send only copies of their documents. The original documents may only be provided on request of the Tribunal and if in doubt. Only these original documents will be returned during the audience or by registered letter.

A. Court of Arbitration

Article 6: Mission

The Arbitral Court decides autonomously, even in cases where one party raises objections, on the competence and existence or validity of the arbitration agreement. The clerk's office should be informed, at once, of any other decisions of other judicial authorities regarding the unresolved dispute.

The challenging of an arbitrator must be effected in a reasoned request (and by registered mail) to the clerk's office within 10 days of receiving notification of the composition of the Arbitral Court. The challenged arbitrator is duly advised thereof by the clerk's office. The challenged arbitrator shall duly resign within 10 workdays or notify the objecting party that (s)he will not be withdrawing. The replacement shall be effected according to the rules governing new appointments.

The Arbitral Court may decide autonomously whether to hear the parties (or their mandatory), to summon witnesses and/or to order an on-site inspection and, if appropriate, to appoint external experts whose brief shall be specified in writing. The demand of arbitration shall be deemed to be demand to obtain an award provisionally enforceable and to exclude consignations.

If the defendant neither reacts in the first instance on the notification of arbitration or responds to the notification of composition of the Arbitral Court, sent by registered letter, a verdict by default shall be pronounced.

Article 7: In equity

The Court of Arbitration can only judge by law except when the parties prefers expressly to neglect this and when there is no degree of appeal (yet).

Article 8: Appointment

Unless the parties have agreed otherwise, the clerk's office in the first instance shall appoint one arbitrator and three for the appeals court. If an arbitrator dies or is legally impeded, the clerk's office is in charge of the replacement. The parties agreed that, as ad hoc arbitration, to appoint themselves the arbitral tribunal can out of the tasks of the clerk's office and the appeal level to the Arbitration Institute. If they fall within 30 days to constitute an arbitral tribunal the clerk will be in charge of it.

B. Pronounce

Article 9: Award

The award also indicates with a final allocation of paid advances, the party will pay the procedure bill or in which proportion this charges are divided amongst parties and to whom they shall be paid or reimbursed. The parties accept the Court of Arbitration may decide 'ex officio' about even they have not introduce conclusions on this point. The parties undertake to execute the award.

Article 10: Term

Within 10 workdays after receipt of the defendant's final statements or before the hearing, the whole dossier shall be remitted by the clerk's office to the Arbitral Court. Within 30 workdays the Arbitral Court shall give a verdict. This term can only be lengthened by the clerk's office. Without a verdict within the term and without approved longer term the proceedings are postponed, the clerk's office may appoint, ex officio, a new Arbitral Court. In this case only article 10 shall be applicable.

Article 11: Exequatur

Except in countries where the law prohibits it, the Court of Arbitration shall ex-officio registers its decision and demand the exequatur to the public court of the seat of arbitration.

Article 12: Notification

The award which has obtained a title for enforcement will be notified by the clerk with a copy to the losing party and with the original to the other party. This sending of the order of enforcement means the end of the mission. No second copy of this order shall be sent.

For awards of first instance or in countries where exequatur should be requested by the parties or a lawyer the notification by registered letter of the award to the parties means the end of the mission of the Court of Arbitration. Then the clerk deposits the original award at the clerk's office of the public court of the seat of the arbitration. A party may request than an executable expedition to this Court.

C. Mini Arbitration

Article 13: Application

For a money claim of a determined debt that is not contested by registered letter within 30 days from the due date a claimant may demand a mini-arbitration.

Article 14: Proceeding

It's sufficient to introduce a demand at the secretariat. Within 15 days, after payment of costs, the clerk's office notifies to the debtor by registered letter at once of the arbitration, the registration and the immediate designation of one arbitrator. If the claim is still uncontested within 10 days, an award in first instance will be pronounced in 20 days. When suddenly the claim is contested before the award in first instance, the arbitration procedure continues from article 19 §2, and the clerk's office appoints, ex officio, another arbitrator seats for contested money claims. The clerk's office can refuse an incomplete demand and/or imposes the classic arbitration from article 15.

D. Classic Arbitration

Article 15: Starting a Procedure

In order to begin classic arbitration, the requesting party is required to send a registered 'notification of arbitration' (16) to the opposing party, as well as a 'demand' (17) by registered letter to the secretariat referring to the arbitration clause.

Article 16: Notification of Arbitration

The claimant invites on a formal way the opposite party to give its point of view within 15 workdays. The notification of arbitration contains the demand as sent to the secretariat.

Article 17: Demand of Arbitration

This sent to the secretariat just after the notification of arbitration. It contains the complete identity of the parties, an accurate description of the claim (principal, interest, damage,...) and a copy of the notification of arbitration with proof of sending to the opposite party.

Article 18: Registration

The secretariat confirms the receipt of the demand of arbitration by ordinary mail to the parties, within 15 workdays.

The claimant is invited to pay a deposit estimated by the secretariat for initial costs. If it is not paid within the time limit, the request shall be, ex officio, considered withdrawn.

In cases of serious financial difficulties, the secretariat may ask for a bank security or guarantee or shall reduce or postpone the payment of this deposit.

Article 19: Terms

- Within 15 workdays after receipt of the notification of arbitration, the defendant has to send his point of view (counter claim) and pieces to the claimant, and two copies to the secretariat with proof of sending to the claimant.

- Unless otherwise agreed by the parties or the demanded advance on costs is not paid, the clerk's office who's indicated after expiration of the previous deadline, shall appoint the Arbitral Court and inform the parties within 20 workdays.

- Within 15 workdays after receipt of the defendant's statement, the claimant must send his final statement and supplementary proofs to the defendant and two copies to the clerk's office with proof of sending to the opposite party.

- Within 15 workdays after receipt of the claimant's final statement, the defendant must send his final statement to the claimant and two copies to the clerk's office with proof of sending to the claimant.

The claimant has no right to reply, unless the defendant submits completely new elements. Only the Arbitral Court can decide about this. Conclusions and documents out of the terms fixed, can be kept out of the debates.

The receipts mentioned above are considered to be done, for national sending 3 workdays after the deposit to the post office and for international sending 6 workdays after the deposit to the post office. The contrary shall be proven by the requesting party. The proof of sending is the receipt of the Post Office. The day of sending does not count to calculate the terms.

Parties may foresee or decide to replace the exchange in writing mentioned above by an immediate hearing with debates. In this case it shall take place within one month after the appointment of the Arbitral Court.

The clerk's office can postpone the proceedings at any time if the amount to cover the proceedings costs has not been paid. One party can request, by means of a well-motivated letter, the shortening or extension of terms. The secretariat or the clerk's office decides sovereignly on this request and can also extend a term if useful for a good dispatch of the lawsuit. The Arbitral Court can also request the parties to formulate supplementary conclusions concerning one or more points, unclear to it.

Article 20: Procedural Requirements

- All mailed items between parties shall be sent by registered mail, unless otherwise permitted by the parties and by law.

- The documents shall be sent to the secretariat or the clerk's office by registered mail, duly numbered and in DUPLICATE (QUADRUPPLICATE in appeal).

- The clerk's office is entitled to ask the parties for missing and/or additional copies or to impose an extra administrative charge for the inconvenience thus caused.

- The parties are exempted from the obligation to send their mailed items to the secretariat or the clerk's office by registered mail provided they send them by e-mail and between the parties provided a mutual agreement after the dispute has arisen.

- The pleadings may, provided all parties agree thereto, be conducted via web- or videoconferencing.

Article 21: International arbitration

The regulation-law of the United Nations (UNCITRAL), is applicable, as far as it is supplementary, and not contrary to the legislation of the country of the clerk's office or to the present rules. If at least one of the disputing parties has its location outside of the European Union, all periods mentioned in article 18 shall be doubled.

Article 22: Bankruptcy or death of a party

The procedure shall be postponed. On request of one party the procedure shall continue after payment of the costs and giving of the new identity of the parties.

E. Appeal

Article 23 - Term

Either party has the right to appeal against an award within the time limit of 30 calendar days after the postmarked date of the registered notification of the award of first instance, except if the parties, after the dispute arises, have expressly excluded the appeal level and in this case the award in first instance is not by default.

If the appeal period begins or ends during the legal vacations of the country of the seat of arbitration, said appeal shall be extended until the 15th day of the new judicial year. Once this deadline has expired, it will no longer be possible to make an appeal.

Article 24: Request

The request for appeal in quadruplicate should be sent, by registered mail, to the clerk's office. On registered request of the clerk's office the appellant does pay within 15 workdays the registration and the asked advance. The clerk's office fixes sovereign this advance. If the registration fees and costs are not total paid within 15 workdays, these appeal proceedings shall be deemed to be not existed.

The appeals procedure and terms are the same as the proceedings in article 19, with the difference that the notification of arbitration is given by the clerk's office after the registration fees and costs have been paid and that this notification does duty for registration of the arbitration. The Arbitral Appeals Court is composed of three arbitrators.

In degree of Appeal, unless other agreements, the seat of the arbitration is the same as in first instance.

IV. Costs

The administrative cost is € 100 for each demand who's not introduced by the site www.lisdirect.net. Documents may be sent separately by post or e-mail.

a) Conciliation: maximum € 100 for money claim and fee of IV.b. for all other claims.

b) Expertise or Mediation: limited to half of IV.d. hereafter.

c) Mini-arbitration: € 50 € per party.

d) Arbitrage

Parties who submit a request pay in advance, within 15 working days upon demand from the secretary / clerk, under penalty of the inadmissibility in first instance or the non-existence in appeal level.

1) For the registration of the demand and the appointment of the Arbitral Court the costs per party for the first instance is € 100 and € 200 for the appeal level.

2) The cost for arbitration (clerk's office & fees) is at least €100 added with a maximum percentage of the amount of the claim and counterclaim, each party funds her part, or on the:

- 1st range up to 6,000 : 10 %
- 2nd range from 6,000 up to 12,000 : 8 %
- 3rd range from 12,000 up to 25,000 : 6 %
- 4th range from 25,000 up to 125,000 : 3 %
- 5th range from 125,000 up to 250,000 : 1,5 %
- 6th range from 250,000 up to 625,000 : 1 %
- 7th range from 625,000 up to 1,250,000 : 0,5 %
- 8th range from 1,250,000 and more: 0,25 %

This arbitration costs are not due for a not contested money claim in first instance but doubled in appeal or when the Arbitral Court is composed by three arbitrators.

3) Exceptional expenses

An indemnification for procedure will be allotted 'ex officio' to for the mandatory, except contrary agreement, and fixed at €400 or calculated as by the public court in the country of execution.

The expenses provided for audiences, hearing of witnesses, appearing of parties, interlocutory award, expertise, visits to the scene of the occurrence, translations, supplementary copies, research, corrections and rejection are not included and are estimated separately by the Arbitral Court, and shall be paid by one or more parties. The diligent party must consign them to the clerk's office.

If the value of the controversy cannot be determine, the clerk's office will fix the amount needed to cover the costs and the operating expenses.

Only in cases where the arbitration in first instance was stopped, before notification to the parties of the Arbitral Court, the costs shall be reduced to administrative charges.

All travelling expenses and costs resulting from a deviation from these rules are exceptional expenses. All amounts are exclusive of taxes, duties or charges.

The clerk's office may suspend the proceedings and sending of an award at any time when asked fees are not paid.

V. Standard Dispute Rules

Unless otherwise agreed between the parties, the Institute of Arbitration npo of Brussels performs all administrative tasks of the clerk's office, or shall designate the clerk's office which shall be tasked with organizing and follow-up the arbitration according to the rules.

A board member, personally, a secretary, a clerk of the Court or an arbitrator cannot be held liable for their actions or negligently within the scope of, or in connection with, the rules except for personal or willful recklessness. All disputes must be settled only by arbitration. Only the parties are responsible for their requirements and documents that they submit.

These rules are subject to modification at any time. The modifications do not apply to an arbitration which is already pending ('lis pendens') in first instance. The interpretation of the Standard Dispute Rules and of the correct application thereof falls within the competence of the Institute of Arbitration non-profit organisation, 68b Drève Ste Anne, in 1020 Brussels (Belgium-EU).

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INSTITUTE OF ARBITRATION

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Model of an arbitration clause:

Any dispute shall be settled by the Arbitral Court designated by the Institute of Arbitration (www.euro-arbitration.org) in accordance with the SDR rules of arbitration (Standard Dispute Rules). This clause replaces all authority clauses contrary to it.

(to the recto: A settlement through arbitration forms part of the general conditions mentioned on the back.)