

SINGAPORE INTERNATIONAL ARBITRATION CENTRE

PRACTICE NOTE PN - 01/07 (1 July 2007)

ADMINISTERED CASES

ON APPOINTMENT OF ARBITRATORS, ARBITRATORS' FEES & FINANCIAL MANAGEMENT

Introduction

1. This Practice Note shall govern the appointment of arbitrators and the financial management of arbitration in all cases administered by the SIAC.
2. An arbitration shall be administered by SIAC in accordance with this Practice Note where –
 - a. it is governed by the arbitration rules of the SIAC; or
 - b. it has been submitted or referred to the SIAC for arbitration.

3. In this Practice Note –

'Chairman' means the Chairman of the Singapore International Arbitration Centre ('SIAC') and includes the Deputy Chairman;

'Registrar' means the Registrar of SIAC and includes an Assistant Registrar.

4. Administration by the SIAC includes:
 - a. Confirmation and appointment of arbitrators;
 - b. Financial management of the arbitration;
 - c. Case management, which includes liaising with arbitrators, parties and their authorised representatives on proper delivery of notices, monitoring schedules and time lines for submissions, arranging hearing facilities and all other matters which facilitate the smooth conduct of the arbitration;
 - d. Where applicable, exercising such supervisory functions entrusted by the arbitration rules; and
 - e. Scrutiny and issuance of awards made by the Tribunal.

Confirmation and Appointment of Arbitrators

5. The criteria for appointment shall follow the provisions specified in legislation or the contract between the parties. In all cases, the objective is to appoint an arbitrator with the attributes of integrity and competence, who is independent and impartial, and who will be perceived as such by the parties.

6. In all cases where the Chairman is to make an appointment of arbitrator, the following appointing procedure will be observed:
 - a. The Nomination Committee comprising legal officers of the SIAC will short list and rank candidates based on the matching of expertise/experience and the nature of dispute; time availability of candidates; number of arbitration appointments made (to ensure fair distribution of cases); historical performance of cases handled ... etc;
 - b. The Confirmation Council comprising members of the SIAC Board may confirm, re-rank or otherwise reject the list of candidates by the Nomination Committee;
 - c. The Chairman will make the appointment of the candidate who ranks first on the list received from the Confirmation Council unless there are circumstances within his knowledge to warrant a departure.

7. In each case, consideration is given to the candidate's qualifications, language abilities, expertise, nationality, residence and any other factors which may be relevant to ensure that the arbitrator appointed meets the expectations of the parties for a fair, expeditious and economical resolution of their disputes.

8. In cases falling for administration under paragraph 2(b), where a contract provides for 'party-appointed' or 'party-nominated' arbitrators, or if parties agree to the sole arbitrator or presiding arbitrator, that agreement shall be treated as an agreement to nominate an arbitrator and shall be subject to confirmation by the Chairman.

Conflict of Interest Audit

9. Before a candidate is confirmed and appointed, SIAC conducts an audit for possible sources of conflict of interest so that the arbitrator appointed in any given case is not only independent and impartial in fact, but is also perceived by the parties to be so.

10. The conflict audit is done by requiring the prospective appointee to execute SIAC's Code of Ethics and to make frank and full disclosures of all past and present relationships with any of the parties and their representatives, and other matters that might give rise to justifiable doubts about his independence and impartiality.

SIAC Financial Management

11. The financial management of the arbitration includes:
 - a. fixing of Tribunal's fees and other terms of appointment;
 - b. regular rendering of accounts;
 - c. collecting deposits towards the costs of the arbitration; and
 - d. processing the Tribunal's fees and expenses.

Tribunal Not to Make Directions Concerning Fees and Deposits

12. The Tribunal shall not at any time issue directions concerning its own fees and expenses, and deposits thereof.
13. Any administrative matter concerning the costs or expenses in the arbitration shall be dealt with by the Registrar.

Tribunal's Fees

14. The Tribunal's fees shall be ascertained in accordance with the Schedule of Arbitrators' Fees in force at the time of commencement of the arbitration. These fees are payable following the final conclusion of the matter.
15. In exceptional circumstances, the Registrar may allow an additional fee to be paid to the arbitrator over that prescribed in the Schedule of Arbitrators' Fees.
16. Where the arbitration is terminated, withdrawn or settled, the Registrar shall fix the quantum of fees payable to the arbitrator. In doing so, the Registrar shall take into account the stage of proceedings at which the arbitration was terminated and the amount of work done or time spent by the arbitrator on the matter.

Tribunal's Expenses

17. The Tribunal's reasonable out-of-pocket expenses necessarily incurred shall be borne by the parties and reimbursed at cost. The expenses will be reimbursed upon submission and verification by the SIAC of the supporting invoices or receipts.
18. An arbitrator who is required to travel outside his place of residence will be reimbursed with business class airfare, supported by an invoice or receipt.
19. In addition to out-of-pocket expenses, a per diem of SGD 800 shall be allowed to an arbitrator who is required to travel outside his place of residence, whenever overnight accommodation is required.
20. Where no overnight accommodation is required, a per diem of SGD 400 shall be paid.
21. The expenses covered by the per diem in paragraphs 19 and 20 include the following items and are therefore not claimable as out-of-pocket expenses:
 - a. Hotel accommodation
 - b. Meals / beverages
 - c. Laundry / dry cleaning / ironing
 - d. Airport transfers and city transportation
 - e. Communication costs (telephone, faxes, internet usage etc)
 - f. Tips

Advances and Deposits

22. The SIAC shall collect advances and deposits from the parties towards the costs of the arbitration.
23. The first tranche of advances and deposits shall normally be required from the parties shortly after the commencement of the arbitration or request for administration.
24. The Registrar may from time to time request for further advances and deposits from the parties.
25. Unless the Registrar directs otherwise, such advances and deposits shall be payable by the parties in equal shares.
26. All advances and deposits shall be made to and held by the SIAC. Any interest which may accrue on such advances and deposits shall be retained by the SIAC.

Interim Payments to the Arbitrator

27. In exceptional circumstances and upon the request of the arbitrator, the Registrar may allow interim payments to be made.
28. In assessing interim payments, the Registrar shall take into consideration the relevant stage of the arbitration and may make payments in accordance with the following:

Stage of the Proceedings	Percentage of Fees
Completion of filing of case statements	Up to 25%
Confirmation of Memorandum of Issues (SIAC Rules only)	Up to 35%
Commencement of hearing on merits	Up to 50%

29. The percentages referred to in paragraph 28 shall be taken from the total amount of fees ascertained in accordance with the Schedule of Arbitrator's Fees.
30. The aggregate amount of interim payments shall not exceed 50% of the arbitrator's fees ascertained in accordance with the applicable Schedule of Arbitrators' Fees.
31. 'Exceptional circumstances' referred to in paragraphs 15 and 27 may include:
- a. multiple preliminary issues requiring determination by the arbitrator
 - b. multiple interlocutory applications
 - c. extreme length of oral hearings
 - d. inordinate delay by one or more of the parties
32. Interim payments to the arbitrator may be made without reference to the parties. The parties will be informed of such payments through an updated statement of account.

Legal Liability for Costs of the Arbitration

33. The parties are jointly and severally liable for the costs of the arbitration. SIAC acts as agent of the Tribunal in collecting these advances and deposits, but is not legally liable to the Tribunal or the parties except to account for the advances and deposits so collected.

Miscellaneous

34. This Practice Note applies to all cases commenced or submitted for administration on or after 1 July 2007. It supersedes the earlier Practice Note on Appointment of Arbitrators (PN - 01/07, 1 April 2007) and Practice Note on Arbitrators' Fees (PN - 02/06, 1 March 2006).

Issued by:

**Registrar, SIAC
1 July 2007**