

# **SINGAPORE INTERNATIONAL ARBITRATION CENTRE PRACTICE NOTES ON APPOINTMENT OF ARBITRATORS**

**PN - 01/07 (1 April 2007)**

## **Introduction**

1. SIAC appoints arbitrators in accordance with the provisions of its rules. It appoints arbitrators under provisions of the underlying contract between the parties. It appoints arbitrators under the default appointment provisions of the International Arbitration Act and the domestic Arbitration Act. It also appoints arbitrators at the request of international arbitration institutions.

## **Criteria for Appointment**

2. Criteria for appointment are set out in legislation or sometimes in the provisions of the contract between the parties. These will be followed. But in all cases, the object of the exercise is to appoint an arbitrator with the necessary attributes of integrity and competence, who is independent and impartial, and who will be perceived as being independent and impartial by the parties.
3. In addition to everything else, SIAC endeavours to appoint the right arbitrator for the right case at the right price. When a candidate is appointed by SIAC, he is considered to be able to meet the expectations of the parties for an expeditious and cost-effective means of resolving their disputes.

## **Conflict of Interest Audit**

4. When a candidate is being considered for appointment, 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. This adds to the confidence that the parties will have in the Tribunal.
5. 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 other matters that might give rise to justifiable doubts about his independence and impartiality.
6. Arbitrators appointed by parties under rules that permit party appointments are also subject to the independence and impartiality audit before their appointments are confirmed by SIAC.

### **Fixing of Fees - Arbitrators Appointed by SIAC**

7. As SIAC fixes the fees of all arbitrators arbitrating under its auspices, an arbitrator should refrain from entering into any discussion about his terms of appointment with the parties. Arbitrator's fees are fixed on the basis of hourly rates subject to a certain cap (see below).
8. SIAC encourages arbitrators undertaking its cases to set for themselves a band of hourly rates, rather than a single fixed rate regardless of the size and nature of the claim in a case. This will give SIAC a wider choice of arbitrators to appoint for any given case. It also gives the arbitrator a wider choice of cases to which he can be appointed.
9. When SIAC approaches a candidate for appointment, it will suggest an hourly rate considered to be appropriate for the case. SIAC fully understands that arbitrators may for valid reasons of their own not be able to accept the rate it suggests. In such cases, SIAC will ask the candidate to indicate his usual hourly rate, or a band of hourly rates that he will accept. SIAC will keep the information for use in the future when there is an opportunity to offer the candidate a case at a rate acceptable to him.
10. When fixing fees (including the cap), SIAC takes into account the need to secure, as far as possible, a degree of proportionality between the cost of arbitration and the nature and size of the disputes, and, in the case of a 3-member Tribunal, a degree of proportionality between members of the Tribunal.

### **Fixing of Fees - Party-Appointed Arbitrators**

11. In addition to fixing fees and other terms of appointment of arbitrators appointed by SIAC itself, SIAC also fixes the fees and other terms of appointment of arbitrators nominated by parties under rules that permit party nominations. When doing so, SIAC also follows the guidelines in paragraph 10 above.

### **Party-Appointed Arbitrators - Confirmation of Appointment**

12. Upon satisfactory conflict of interest audit and upon agreement of their terms of appointment, SIAC will confirm the appointments of party-appointed arbitrators.

### **Capping of Fees for All Arbitrators**

13. As a way of enhancing the cost-effectiveness of its arbitration, SIAC has introduced a system of setting limits to the fees of arbitrators for all cases. The arbitrator is paid a fee based on the agreed hourly rate and the amount of time he spends on the case, but subject to the limit agreed for the case.

14. The limit is fixed by reference to the anticipated size and complexity of the case. A provisional limit is set at the time of appointment. This limit is subject to review when more is known about the case. SIAC will conduct a review of the cap at the request of the arbitrator when the parties have completed the exchange of case statements. A request for review should be made to SIAC within a month after completion of the exchange unless it is shown to the Registrar that there were special circumstances which led to the delayed request for review.

### **SIAC Financial Management**

15. SIAC's management of the accounts of arbitrator's fees and other financial aspects of arbitration is dealt with in the Practice Notes on Arbitrators' Fees (PN - 02/06, 1 March 2006).

### **Service Fee Payable by Arbitrators**

16. Arbitrators appointed after 1 April 2007 will not be required to pay any service fee to the SIAC.
17. These Practice Notes supersede the earlier Practice Notes on Appointment of Arbitrators (PN - 03/06, 1 March 2006).

**Issued by Registrar, SIAC  
Dated 1 April 2007**