

## **FAQs - Rules for Administered International Arbitration**

### **Why has CPR introduced Rules for Administered Arbitration of International Disputes?**

CPR has responded to the needs and concerns of the global business community with a new set of Rules for Administered Arbitration of International Disputes, effective December 1, 2014 to supplement its non-administered arbitration rules. The new Rules reflect best practices, drawing among other things on the arbitration work of UNCITRAL, and address current issues in international arbitration, such as arbitrator impartiality, time, costs, and administration. With the introduction of these new Rules, CPR offers maximum choice by providing a full spectrum of arbitration options.

### **Who Drafted the CPR Rules for Administered Arbitration of International Disputes?**

The rules were drafted by a subcommittee of CPR's Arbitration Committee, comprised of expert in-house and law firm practitioners. This multinational team of experts created the Rules to offer both flexibility and party control, while reducing overall costs, for those seeking an administered approach to arbitrating cross-border disputes.

### **When Are the Rules Effective?**

The rules entered into effect on **December 1, 2014**. Unless the parties otherwise agree, the applicable version of these Rules will be the one in effect at the time arbitration is commenced. Where parties to an international dispute have provided for CPR arbitration generally, without specifying which CPR arbitration rules shall apply, these administered Rules shall apply to any arbitration agreement dated **December 1, 2014** or later where the parties reside in different countries or where the contract involves property or calls for performance in a country other than the parties' country of residence. CPR shall make the final decision as to which CPR rules shall apply.

### **What is Unique about CPR's Rules for Administered Arbitration of International Disputes?**

The rules are carefully tailored to only provide what parties need from an administered process. The new international Rules are based on CPR's Rules for Non-Administered Arbitration of International Disputes, with only those changes necessary to offer an expeditious and cost-efficient administered arbitration process.

The new Rules reflect best practices, taking into consideration the arbitration work of UNCITRAL, and addressing current issues in international arbitration, such as arbitrator impartiality, time, costs, and administration. The rules also contain provisions for the appointment of a special arbitrator for interim measures of protection, joinder and consolidation.

### **How Do the Rules for Administered Arbitration of International Disputes Address Arbitrator Impartiality?**

It is a long-standing feature of CPR arbitration that all arbitrators, regardless of method of appointment, are expressly required to be independent and impartial. Arbitrators have both an initial and ongoing disclosure obligation with respect to any circumstances that might give rise to justifiable doubt as to their independence or impartiality.

Concerns about the party-appointment process can be addressed by CPR's innovative and unique "screened" selection process, whereby, if the parties agree, the party-designated arbitrators can be appointed without knowing which party selected them.

### **How do the Administered Arbitration Rules for International Disputes Deal with Confidentiality?**

The arbitrators, parties, and CPR are all subject to an express confidentiality requirement.

### **How Do the Rules for Administered Arbitration of International Disputes Increase Efficiency and Lower Costs?**

The rules can be customized to fit the parties' needs and offer a high degree of flexibility. For instance, the parties can choose from numerous arbitrator selection options, including the innovative screened process for the appointment of party-appointed arbitrators.

The Rules empower the Tribunal to manage the proceedings firmly in order to complete the arbitration as economically and expeditiously as possible. The Tribunal interfaces directly with parties on scheduling matters and advises CPR of the case status to streamline the process. CPR's role as administrator is limited to those functions that are necessary. CPR must approve any scheduling order or extensions that would result in a final award being rendered more than 12 months after the constitution of the Tribunal.

### **What Is the Difference between CPR's Rules for Administered Arbitration of International Disputes and the Non-Administered Version?**

The administered version is designed to be used with CPR administration; otherwise, the rules are substantively the same except for modifications related to CPR's administrative role, which includes billing, selection of the arbitrator(s), ensuring the smooth interface between parties and the Tribunal, review of awards for clerical, typographical and computational errors, and oversight to ensure the process occurs in a timely manner. The Administered version also adds the option of appointing the party-appointed arbitrators through the screened selection process, as well as joinder and consolidation provisions.

### **Who Administers the Arbitration Proceedings?**

Proceedings under the Rules will be administered out of CPR's New York City offices by multilingual CPR staff attorneys with experience in international arbitration.

### **How Does the Arbitrator Selection Process Work?**

The parties are free to determine the appointment method; the model clauses developed by CPR for this purpose suggest language for the various available options. Only CPR has the final authority to appoint an arbitrator. Parties can designate arbitrators for appointment from CPR's Panel of Distinguished Neutrals or propose other candidates. CPR then makes necessary inquiries of all arbitrator candidates for conflicts, availability and rates.

### **What are the Tribunal's Jurisdictional Powers?**

The Tribunal has broad powers to hear and determine challenges to its own jurisdiction. This reduces delay caused by parties commencing a court action to determine issues relating to the existence, scope or validity of the arbitration agreement.

### **Are Interim Measures of Protection Available?**

Interim relief is available under the rules. The Tribunal is authorized to grant interim measures, and parties may seek interim measures from a court without waiving arbitration. In addition, a Special Arbitrator may be appointed quickly to issue interim measures prior to the appointment of the Tribunal. CPR was among the earliest providers to offer a Special Arbitrator for this purpose, and has developed the requisite expertise to handle such requests efficiently and expeditiously.

### **Do the New Rules allow for the Use of CPR's Panels of Highly Distinguished Neutrals?**

Yes. CPR maintains an elite roster of highly-qualified arbitrators with specific experience in global commercial matters. CPR neutrals are credentialed by CPR, both internally and by peer review committees, to ensure they possess superior qualifications.

### **Are CPR Panelists Grouped by Specialty or Geographic Location?**

**Yes.** Parties may designate whomever they wish as party-appointed arbitrators. All contacts will be handled by CPR.

- CPR's Global Panel contains neutrals located outside of the United States.
- CPR's Cross Border Panel contains North American based neutrals experienced in transnational or cross-border disputes.
- CPR's National Panel comprises CPR's most distinguished U.S. based neutrals.
- CPR's U.S. Regional Panels contain highly-regarded leaders of the bench, bar and academia from metropolitan centers throughout the U.S. who are available to resolve complex business and public disputes nationwide.
- CPR's Specialized Panels focus on more than 20 areas of expertise ranging from banking to trademark.

### **How Do I Begin an Arbitration?**

Arbitration is initiated by sending a Notice of Arbitration to the other party, with an electronic copy, and the **\$1,750 filing fee**, to CPR. CPR then notifies the Respondent of the deadline to file its Notice of Defense, which may include any counterclaim within the scope of arbitration clause. There is no separate filing fee for counterclaims but its value will be considered in setting CPR's Administrative fee.

### **Does CPR Review the Award?**

CPR performs a limited review of format, clerical, typographical or computational errors, or any errors of a similar nature, before delivering the award to the parties.

### **Who Determines the Arbitrator's Fees and Advances?**

Each arbitrator sets his or her own fee, which is disclosed to the parties during the selection process. If there is disagreement concerning the arbitrator fees, an appropriate rate will be set by CPR and confirmed to parties. Compensation for each arbitrator will be fully disclosed to the Tribunal and the parties. The Tribunal determines any necessary advances and advises CPR, which will invoice parties in equal shares (unless otherwise agreed). CPR deposits and manages the advances, with any surplus funds reverting to parties at the close of the proceedings.

### **What are CPR's fees?**

CPR's fees offer certainty. They consist of two components: (1) a nonrefundable filing fee of \$1,750 and (2) a sliding scale administrative fee (not a percentage) based on the amount in dispute, capped at USD \$34,000, absent special circumstances.