

# Kluwer Arbitration Blog

## The London Chamber of Arbitration and Mediation

Duncan Gorst (Osborne Clarke) · Tuesday, July 28th, 2020

On 26 May 2020, the [London Chamber of Commerce and Industry \(LCCI\)](#), a networking and business support organisation that caters to the London business community, launched the [London Chamber of Arbitration and Mediation \(LCAM\)](#). The LCAM is a new organisation offering arbitration, expedited arbitration and mediation services.

This post will explore selected features of the LCAM's [Arbitration Rules](#) and [Expedited Arbitration Rules](#). It will also examine the LCAM as an arbitral institution, in particular its internal decision-making procedure and its use of blockchain as a case management tool.

### The LCAM Arbitration Rules: Focus on Expedience and Institutional Case Management

The LCAM Arbitration Rules follow several established trends in institutional arbitration, such as the consolidation of multiple proceedings (Article 11) and the early dismissal of unmeritorious claims and defences (Article 23A). In light of the intense focus on virtual hearings arising out of the COVID-19 pandemic, the explicit reference to the availability of virtual hearings in Article 27(2) is a topical addition. Article 37 directs the arbitral tribunal to issue the final award no later than six weeks from the date upon which the arbitration proceedings are closed.

In terms of cost, the Arbitration Rules provide for administrative fees that vary within bands according to the amount in dispute, from £1,000 for an amount in dispute under £25,000 to £10,000 for an amount in dispute over £10,000,000. Arbitrators are paid a set hourly rate determined according to the amount in dispute, ranging from £200 for an amount in dispute below £50,000 to a maximum of £400 for an amount in dispute over £1,000,000. This contrasts with the LCIA, for example, whose Secretariat charges by the hour for any administrative activities and whose fees for arbitrators are not as rigidly fixed. Article 44 of the Arbitration Rules follows the established trend in arbitration in that the arbitral tribunal may award costs to the parties at its discretion.

### The LCAM Expedited Arbitration Rules: Package Arbitration

LCAM's Expedited Arbitration Rules are a distinct set of arbitration rules which require parties to explicitly agree to their application. The Expedited Arbitration Rules do not, however, specify an

upper limit for the amount in dispute in the same way as the [ICC Rules](#), rather stating that the parties may determine their own monetary limit for expedited claims. Claims and counterclaims above that threshold may then be referred to the ordinary Arbitration Rules.

A particularly novel feature of the Expedited Arbitration Rules is that they provide for a documents-only procedure (Article 8) for a fixed fee (Schedule of Costs) and a final award within six months of the commencement of the arbitration (Article 12). Article 9 of the Expedited Arbitration Rules goes so far as to impose word limits on the written submissions, supporting documents, witness statements and expert reports.

The administrative and arbitrator fees are all-inclusive: the precise cost of the proceedings depends on whether the claim or counterclaim falls below or above £100,000. The Expedited Rules even set an upper limit on the total legal costs that each party may recover. This is currently £4,000 if the claim and counterclaim are under £100,000 and £6,000 if the claim or counterclaim is above £100,000.

This all-inclusive arbitration package as well as the upper limit on a party's costs recovery may make the Expedited Arbitration Rules particularly appealing for contractual relationships in which any claims are likely to be smaller in value.

## **The LCAM Board**

Arbitration institutions that take a more hands-on approach to case management are generally popular with users of arbitration (see the latest [Queen Mary International Arbitration Survey](#) for statistics). The LCAM's Board, the institution's internal decision-making body, has the power under the Arbitration Rules to decide on various procedural issues in a manner similar to that of, for example, the ICC Court and the LCIA Court. This includes decisions on whether to dismiss a case, due to lack of jurisdiction on the part of the LCAM, or otherwise (Article 10), whether to consolidate multiple proceedings (Article 11), and challenges to arbitrators (Article 15(4)). The Board does not have to give reasons for any decisions other than decisions on whether the LCAM lacks jurisdiction (Article 9).

Under Article 6, the Board may request further details from either party regarding any of their written submissions to the LCAM. This is reminiscent of an English court's power under [Part 18 of the Civil Procedure Rules](#) to order a party to clarify any matter which is in dispute in the proceedings or give additional information in relation to any such matter. If a party does not provide these details, the Board may dismiss the case. This is a strong power for an arbitration institution that does not exist, at least explicitly, in other arbitration rules: fact finding is an activity ordinarily left to the arbitral tribunal. It will be interesting to see how widely the Board will interpret this provision and how readily it will exercise this power.

A track record of strong institutional governance is arguably one of the most important aspects in effectively marketing any arbitration institution to users of arbitration. It is an important aspect for the LCAM in light of the sweeping case management powers granted to the Board. As procedural challenges to institutional decisions are not unheard of the LCAM should focus on upholding robust internal governance procedures, including the appointment and decision-making processes of the Board, in order to maintain its transparency and accountability, and thereby mitigating the risk of any possible challenges.

## Blockchain and Cybersecurity

Cybersecurity is an issue of increasing importance in international arbitration, in light of the frequently high stakes as well as the sensitivity and commercial value of the documents involved. Arbitration institutions, just like any organisation, are vulnerable to cybersecurity breaches. In July 2015, [hackers targeted the Permanent Court of Arbitration](#). Law firms also regularly fall victim to cyber-attacks, with several highly-publicised examples in recent memory.

The LCAM advertises the use of a blockchain application called MARCO as a case management platform. Blockchain has long been touted as a robust cybersecurity solution, although its application outside the realm of cryptocurrency has so far been limited. LCAM is the first example of an arbitral institution to advertise the use of blockchain technology as a case management tool. Other arbitral institutions, such as the [SCC](#) and [JAMS](#), have introduced [electronic case management platforms](#) that are not based on blockchain technology.

According to the developer Finboot's [website](#), MARCO uses blockchain technology to “*optimise case management, ensuring documents are uploaded and stored securely, accurately timestamped and made immutable*”. Digitally-signed and timestamped documents make it more difficult for hackers to access and tamper with them. Encrypting documents in this way does not necessarily require a blockchain, but the use of blockchain to ensure immutability and detect attempts to tamper with the data could potentially make the platform more secure than a traditional electronic case management tool.

The lack of publicly available information on the exact function of MARCO makes a deeper analysis unfortunately impossible. It will nevertheless be interesting to see whether the MARCO blockchain platform will serve as a significant selling point for LCAM arbitration proceedings.

## Conclusion

Both the LCAM Arbitration Rules and Expedited Arbitration Rules place emphasis on strong institutional case management powers and procedural expedience. They may therefore be of interest to smaller businesses that are convinced of the benefits of arbitration but seek strong institutional support alongside transparent and predictable costs. The fees make the LCAM a further attractive option for contracts that are likely to involve smaller claims, especially in light of the flat costs package that the LCAM offers for its expedited procedure.

The merits of the LCAM's blockchain case management system remain to be seen. More publicly available information on its features may turn it into more of a selling point for businesses interested in how the technology might help them with their disputes.

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The graphic features a black background with white text and a circular icon. The icon depicts a group of stylized human figures, with one figure in the center being magnified by a magnifying glass. The background is accented with horizontal lines in blue and green.

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