

Kluwer Arbitration Blog

The London Chamber of Arbitration and Mediation: A Two-year Retrospective

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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 \(LCAM\)](#) in May 2020. I wrote at the time [a post](#) exploring the LCAM's inaugural Arbitration Rules and examining some aspects of the LCAM as an institution.

The last two years have proven successful for the LCAM — between 2020 and 2022, the institution handled cases with dispute values ranging from GBP 20,000 to GBP 100 million with parties from Europe, North America, South America, Asia, and Africa.

On 1 September 2022, LCAM's [new Arbitration Rules](#) came into effect. The Arbitration Rules had already been updated once since their introduction, with the former Arbitration Rules coming into force on 1 June 2021. The 2021 Arbitration Rules made only minor changes to the original Arbitration Rules, the most noteworthy addition being the possibility for a party to make multiple claims in respect of more than one contract in a single Request for Arbitration.

This post will explore key changes in the new Arbitration Rules and reflect on how LCAM has developed as an arbitration institution in the last two years.

New Arbitration Rules

The new Arbitration Rules are for the most part only a subtle departure from the 2021 Arbitration Rules. The amendments focus on streamlining and clarifying what was already there. For example, there is now a fixed time limit of 28 days from the date of the commencement of the arbitration for the submission of the Answer (Article 4.1). Under the 2021 Arbitration Rules, the LCAM set a time limit for the Answer after receipt of the Request for Arbitration.

Another change is that the new Article 42 has removed the ability of a party to request an interpretation of “a specific point or a part” of the award. The ability to request a correction remains untouched. Absent an agreement to the contrary, a party may still request an interpretation of the award depending on the relevant national arbitration law. [Section 57 of the English Arbitration Act 1996](#), for instance, allows parties to request a correction, but not an interpretation, whereas [section 1058 of the German Code of Civil Procedure](#) allows parties to request both corrections and interpretations.

In terms of cost, the fee bands for both administrative and arbitrator fees had already been changed in 2021 and the fees remain the same in the new Arbitration Rules. The new Arbitration Rules once again provide for administrative fees that vary within bands according to the amount in dispute and have been slightly increased since the 2020 Arbitration Rules. Arbitrators are still paid an hourly rate, also determined according to the amount in dispute. The lowest band for arbitrator fees has now been widened to include cases under GBP 100,000. The widening of this band may thereby provide better value for smaller claims and may offset the slightly increased cost of the administration fees.

LCAM's [Expedited Arbitration Rules](#) remain completely unchanged from 2020 both in substance and in terms of costs. The administrative and arbitrator fees remain all-inclusive.

Encouraging Mediation

The most noteworthy new addition to the Arbitration Rules is a provision encouraging parties to attempt, in good faith, to resolve their dispute through mediation at any stage before or after the commencement of arbitration proceedings (Article 6). Any settlement the parties reach in the mediation may be referred to the Arbitral Tribunal to be made a consent award on agreed terms. The LCAM provides a [model Arb-Med-Arb clause](#) to complement this provision. Both the Arbitration Rules and the model clause refer to LCAM's [Model Mediation Procedure](#). The LCAM maintains a panel of mediators and under its Model Mediation Procedure will only appoint a mediator from this panel. The arbitral tribunal will therefore not both arbitrate and mediate the same dispute.

The increased focus on mediation within the framework of contentious proceedings is timely. In June 2021, the Civil Justice Council published a detailed [report examining the lawfulness and desirability of compulsory alternative dispute resolution](#) in civil litigation in England and Wales. Its conclusion endorsed compulsory ADR in principle both in terms of lawfulness and desirability. The Arbitration Rules have not made it compulsory for parties to attempt mediation before proceeding to arbitration, but the explicit reference to the availability of mediation via the same organisation and making clear the possibility of converting a mediated settlement into an internationally enforceable arbitration award is a clear nod to the desirability of mediation and may encourage parties to consider mediation as an option, especially within the context of arbitration proceedings where an arbitral tribunal may swiftly continue with the proceedings should the mediation fail.

Institutional Governance

What used to be known as LCAM's board of directors is now known as the Advisory Board. The maximum amount of time that a member of the Advisory Board can be appointed has been extended by one year to seven years, split into two terms of three years and one term of one year (Appendix I, Article 4.1). The Advisory Board retains all the powers that the board of directors had under the former Arbitration Rules, including 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 Advisory Board does still not have to give reasons for any decisions other than decisions on whether the LCAM lacks jurisdiction (Article 9(2)). In the [latest Queen Mary International Arbitration Survey](#), practitioners cited transparency of administrative processes and decisions, such as selection of and challenges to arbitrators as a key adaptation that can make an arbitration institutions more attractive — the LCAM should therefore continue to focus on upholding strong governance procedures, including the appointment and decision-making processes of the Advisory Board.

Arbitration and Mediation Schemes

The [Commercial Rent \(Coronavirus\) Act 2022](#) came into force on 24 March 2022. The Act created a legally binding statutory arbitration process for landlords and tenants in England and Wales to resolve disputes in relation to commercial rent arrears accrued during the COVID-19 pandemic when businesses were forced to close. Arbitration bodies must be approved by the Government to administer arbitrations under the scheme and the LCAM was [approved](#) as an arbitration body. LCAM and the other organisations approved by the British Government provide administrative services to the parties and have appointed panels of arbitrators to adjudicate disputes under the Act.

There are several statutory arbitration schemes in the UK for certain types of disputes. The legislation underlying the [Pubs Code Adjudicator \(The Pubs Code etc. Regulations 2016\)](#) and the [Groceries Code Adjudicator \(Groceries Code Adjudicator Act 2013\)](#) both provide for mandatory arbitration schemes using the [CIArb Arbitration Rules](#) for disputes arising under the legislation. Organisations also administer mediation schemes such as the ACCA Mediation Scheme, administered by the Chartered Institute of Arbitrators, and the NHS Claims Mediation Scheme, for which organisations including the [Centre for Effective Dispute Resolution \(CEDR\)](#) and [Trust Mediation](#) provide independent mediation services.

Conclusion

LCAM and its new Arbitration Rules continue to focus on strong institutional case management powers and procedural expedience. The new Arbitration Rules are a subtle evolution of existing provisions in most respects, but the explicit reference to the availability of mediation is a welcome addition.

LCAM's fee structure still makes the institution an attractive option for contracts that are likely to involve smaller claims, particularly in light of the flat costs package that the LCAM continues to offer for its expedited procedure and the results of the [latest Queen Mary International Arbitration Survey](#), in which practitioners reported that they would be willing to consider less well-known institutions offering competitive fees depending on the value of a potential dispute.

Schemes like the one introduced under the Commercial Rent (Coronavirus) Act 2022 give providers of arbitration and mediation services good opportunities to showcase their administrative and case management capabilities beyond businesses to a wider pool of customers in both the private the public sectors. Now that the LCAM is becoming a well-established contender in the United Kingdom's arbitration and mediation market, it will certainly be able to compete for inclusion on more of these schemes.

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