Kluwer Arbitration Blog

LIDW 2024: Arbitral Institutions Congress

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Day 3 of the London International Disputes Week ("LIDW") featured an extensive discussion (the "Arbitral Institutions' Congress") by representatives of various arbitral institutions at the historic Parliament Chamber at Middle Temple co-hosted by McNair, Clyde & Co, and Osborne Clarke. The present post summarises the discussions held during the event.

Statistics and Views From CIS, GCC, Europe, and South America

The first session of the event included representatives from key arbitral institutions across the Commonwealth of Independent States ("CIS"), the Gulf Cooperation Council ("GCC"), Europe, and South America sharing their insights on the latest developments and trends in arbitration within their regions.

The panel consisted of Yuliya Mullina, Chief Executive of the Russian Arbitration Centre ("RAC"), Jacob Knud, Board Member of the Stockholm Chamber of Commerce ("SCC"), Simon Demaurex, Legal Counsel at the Swiss Arbitration Centre, and Ricardo Aprigliano, Vice President of the Centre for Arbitration and Mediation of the Chamber of Commerce Brazil-Canada ("CAM-CCBC"). While the Dubai International Arbitration Centre's ("DIAC") representative could not attend the event, a message on the developments made by the DIAC was shared by its Registrar. The session was moderated by Khawar Qureshi.

By way of introduction, the DIAC reported a 4.4% increase in registered cases in 2023, with real estate and construction disputes comprising 60% of its caseload. The institution has implemented new rules to expedite proceedings and ensure diversity in arbitrator appointments, with women making up 31% of appointed arbitrators in 2023. The DIAC has a strong focus on international parties, serving clients from 49 countries, including the UK, India, and the US.

Turning to Moscow, the RAC administered 362 disputes in 2023, with a significant increase in international cases, rising from 6 in 2020 to 81 in 2023. The institution is non-governmental and non-sanctioned, ensuring smooth operations despite geopolitical challenges. The RAC emphasizes user-friendliness and aims to continue expanding its international footprint, having recently opened an office in India.

The SCC was founded in 1917, and became a key neutral venue for East-West disputes following a

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1977 agreement between the US and the USSR (the Optional Clause Agreement), enhancing its global standing. In 2023, the institution handled 175 cases, up from a dip to 143 cases in 2022, maintaining its average annual caseload of 170-215 cases over the past 20 years. It was highlighted that all expedited arbitrations administered by the SCC concluded within six months and 77% of cases were resolved within 18 months.

Following its restructuring in 2021, the Swiss Arbitration Centre registered 100 new cases in 2023, predominantly in commodities trading, construction, and pharmaceuticals. The Centre boasts a high efficiency rate, with 45% of cases following expedited procedures and an average dispute amount of 22 million CHF. The Centre also focuses on diversity, with 50% of its arbitrator appointments being female.

Celebrating its 45th anniversary, CAM-CCBC handled 138 new cases in 2023, with an average dispute amount of 17 million GBP. The institution has updated its rules to better address corporate disputes and emphasizes transparency and diversity, with 40% of its arbitrators being female. CAM-CCBC is noted for its efficiency, with an average case duration of 21 months.

Across the board, the panelists highlighted the increasing use of virtual hearings, driven by the COVID-19 pandemic. This shift offers cost efficiency, broader accessibility, and environmental benefits. However, it was agreed that complex cases often still require in-person hearings for effective witness examination.

The importance of maintaining pro-arbitration stances within the jurisdictions where they are based was emphasized by all institutions, as well as, relatedly, ensuring the swift enforcement and minimal successful challenges to arbitral awards. The session further underscored the dynamic nature of international arbitration and the commitment of arbitral institutions to adapt and innovate in order to ensure fair, efficient, and diverse dispute resolution processes.

The Evolving Role of Arbitral Institutions: The Views of Larger Institutions

The second session was moderated by Professor Loukas Mistelis and featured Luis Martinez, Vice President of the International Centre for Dispute Resolution of the American Arbitration Association ("AAA-ICDR"), Ismail Selim, "double-hatting" as a representative of the Cairo Regional Centre for International Commercial Arbitration ("CRCICA") and the International Federation of Commercial Arbitration Institutions ("IFCAI"), Jamie Harrison, on behalf of the London Court of International Arbitration ("LCIA"), Colleen Parker Bacquet, on behalf of the International Chamber of Commerce ("ICC"), and Kevin Nash from the Singapore International Arbitration Centre ("SIAC") as speakers.

The moderator kicked off the discussion, challenging each panelist to a four-minute "elevator pitch" about their respective institutions. The sharply performed pitches set the ground for the entire discussion. The event was held under the Chatham House Rule; hence, this blog post offers only a general overview of the issues discussed without revealing the identity or affiliation of any of the speakers.

Technology

What appeared to be common ground among the "elevator pitches" was the importance of dealing carefully and efficiently with the issue of technology. Panelists stated that institutions are already prepared to use artificial intelligence as a mechanism to enhance the celerity of proceedings and make them more cost-efficient. The use of innovative tools in mediation was also an interesting aspect raised by the panelists.

Diversity

The session also dived into the relevant and important topic of diversity in international arbitration. Institutions expend considerable effort to increase female representation in arbitral tribunals and incentivize first-time appointments, in an attempt to foment a more pluralistic and diversified market. Interestingly, it was stated that when it comes to diversity, appointments made by institutions tend to promote more gender plurality than when made by parties. On this subject, the panelists also unanimously emphasized that efforts to enhance diversity must encompass not only gender diversity but also foster opportunities for other minorities.

Interaction with Local Courts and Local Presence

Another relevant issue touched upon in the session was the importance of efficient and smooth interaction between arbitral institutions and local courts. The panelists emphasized the importance of institutions conversing amongst themselves, in an effort to exchange positive experiences and improve arbitration services at a global scale. On this issue, certain panelists also stressed the importance of a global institution being physically located in several different countries, having on the ground local practitioners, experienced and trained in different cultures.

Nature of the Claims Being Handled by the Institutions

With respect to the types of claims administered by the institutions, the panelists reported an increase in matters relating to ESG, energy transition disputes, as well as mass or class arbitrations. It was also noted that some institutions offer an appellate mechanism for these claims, despite the associated controversy.

Pluralism of Arbitral Institutions in Today's World: An Arbitral Institution for Any Dispute

The third session was moderated by Artem Doudko and Greg Fullelove (Osborne Clarke), and consisted of representatives from five prominent arbitral institutions: Stefano Azzali, General Director of the Milan Chamber of Arbitration ("CAM"), Christopher Champhell-Holt, Registrar and Chief Executive of the Astana International Financial Centre ("AIFC"), Camilla Perera, Secretary General of the Netherlands Arbitration Institute ("NAI"), Mark Forte, Director of the British Virgin Islands International Arbitration Centre ("BVIAC") and Bryce Williams, Legal Counsel at the Permanent Court of Arbitration ("PCA").

The session kicked off with a keynote address by the Rt. Hon. Lord Burnett of Maldon (Chief Justice, AIFC Court). Lord Burnett highlighted the nature of the role played by courts in arbitration, particularly in the efficient enforcement of awards. He drew upon examples from the

success of the AIFC Arbitration Centre due to the special AIFC Court, which deals with the enforcement of awards issued by the Centre. However, Lord Burnett also acknowledged the need for caution by courts when dealing with foreign enforcement due to awards obtained by fraud. Particular attention was drawn to the recent cases of P & ID and *Contax Partners*.

Following the keynote, the panelists first discussed the role played by institutions in promoting arbitration. There was unanimous agreement on the need for arbitral institutions to maintain high standards of service, that the panel humorously compared to the standard of services to that of a fine Italian restaurant. There was further particular emphasis on the need to ensure independence and impartiality to instill trust in the system. The panel agreed on the need for flexible, efficient, and cost-effective services from arbitral institutions, and to be proactive and courageous to ensure efficiency.

The panel also explored the generalist versus specialist nature of arbitral institutions. While generalist institutions are more prevalent and successful, the panel recognized the merit of specialization in some instances. For instance, the NAI carries out effective specializations in sectors such as aviation, finance, and art, based on user demand. Having both special and general processes in arbitral institutions allows users to choose a process that better caters to their dispute resolution needs.

The panelists discussed the synergy between courts and arbitral institutions, following Lord Burnett's remarks. The panelists highlighted the need for a cooperative relationship with courts particularly when obtaining interim relief and in cross-border enforcement.

Concluding the session, the panelists shared a common understanding: arbitral institutions, while appearing competitive, strive for cooperation to promote arbitration globally. According to the speakers, there is no "boxing ring" today. This cooperative spirit is seen as crucial for upholding the reputation and effectiveness of arbitration as a dispute resolution mechanism.

Concluding Remarks

The event highlighted the need for arbitral institutions to be adaptive, proactive, and collaborative, ensuring high standards of service and trust in the arbitration process. A forward-thinking approach to arbitration coupled with a commitment to address the evolving needs of global dispute resolution and cooperation with the courts and between themselves is essential.

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