Publication and Newsletter Editor
Julie Bédard
Skadden, Arps, Slate, Meagher & Flom
Four Times Square, New York, NY 10036-6522
United States
Tel: +1 (212) 735 3236
Fax: +1 (212) 777 3236
IBA.Arbitration.News@skadden.com

Special thanks to Amanda Raymond (associate) and Andrew Kavesh (legal assistant).

This newsletter is intended to provide general information regarding recent developments in international arbitration. The views expressed are not necessarily those of the International Bar Association.

Terms and Conditions for submission of articles
1. Articles for inclusion in the newsletter should be sent to the Newsletter Editor.
2. The article must be the original work of the author, must not have been previously published, and must not currently be under consideration by another journal. If it contains material which is someone else’s copyright, the unrestricted permission of the copyright owner must be obtained and evidence of this submitted with the article and the material should be clearly identified and acknowledged within the text. The article shall not, to the best of the author’s knowledge, contain anything which is libellous, illegal, or infringes anyone’s copyright or other rights.
3. Copyright shall be assigned to the IBA and the IBA will have the exclusive right to first publication, both to reproduce and/or distribute an article (including the abstract) ourselves throughout the world in printed, electronic or any other medium, and to authorise others (including Reproduction Rights Organisations such as the Copyright Licensing Agency and the Copyright Clearance Center) to do the same. Following first publication, such publishing rights shall be non-exclusive, except that publication in another journal will require permission from and acknowledgment of the IBA. Such permission may be obtained from the Director of Content at editor@int-bar.org.
4. The rights of the author will be respected, the name of the author will always be clearly associated with the article and, except for necessary editorial changes, no substantial alteration to the article will be made without consulting the author.

Advertising
Should you wish to advertise in the next issue of the Arbitration Committee newsletter please contact the IBA Advertising Department.
advertising@int-bar.org

Printed in the United Kingdom by Hobbs the Printers Ltd Totton, Hampshire SO40 3WX www.hobbs.uk.com

International Bar Association
4th floor, 10 St Bride Street
London EC4A 4AD
Tel: +44 (0)20 7842 0090
Fax: +44 (0)20 7842 0091
www.ibanet.org
© International Bar Association 2011. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without the prior permission of the copyright holder. Application for permission should be made to the Director of Content at the IBA address.

Editorial Board
ARBTRAL INSTITUTIONS
Jennifer Kirby
Kirby Arbitration, Paris
jennifer.kirby@kirbyarbitration.com

INVESTMENT ARBITRATION
Robert Deane
Borden Ladner Gervais, Vancouver
rdeane@blgcanada.com

ASIA: EAST AND PACIFIC
Kyo-Hwa (Liz) Chung
Kim & Chang, Seoul
khchung@kimchang.com
Shivani Retnam
Drew & Napier, Singapore
shivani.retnam@drewnapier.com

ASIA: SOUTH AND CENTRAL
Shreyas Jayasimha
AZB & Partners, Bangalore
shreyas.jayasimha@azbpartners.com

EUROPE
Philippe Bärtsch
Schellenberg Wittmer, Geneva
philippe.baertsch@swlegal.ch
Jacob Grierson
Jones Day, Paris
jgrierson@jonesday.com

LATIN AMERICA
Ignacio Minorini Lima
Marval, O’Farrell & Mairal, Buenos Aires
iml@marval.com.ar
Phoebe Wilkinson
Chadbourne & Parke, New York
pwilkinson@chadbourne.com

MIDDLE EAST
Samaa Haridi
Crowell & Moring, New York
sharidi@crowell.com
Roland Ziade
Cleary Gottlieb Steen & Hamilton, Paris
rziade@cgsh.com

NORTH AMERICA
Mara V J Senn
Arnold & Porter, Washington, DC
Mara.Senn@aporter.com
Sandra Mastrogiuseppe
Davies Ward Phillips & Vineberg, Montreal
smastrogiuseppe@dwpv.com
From the Co-Chairs 5
Editor’s note 6
Committee Officers 8
IBA Annual Conference – Dubai, 30 October – 4 November 2011: Our Committee’s sessions 9
Conference reports – IBA Arbitration Day
Managing the arbitration proceedings 12
Transnational regulation of ethics in international arbitration: is there a need and how might it be met? A debate 13
Ex officio powers and jura novit curia 15
An interview with three leading arbitrators 18
Investment Arbitration
Case summary: Joseph Charles Lemire v Ukraine 20
Markian Malskyy and Volodymyr Yaremko
Current developments in ICSID annulment proceedings: annulment of the award under Articles 52 (1)(b), (d), (e) of the ICSID Convention 22
Hector Anaya and Alfred Escher
Country developments
Africa
Some procedural challenges in running an ICC arbitration in Africa 27
John Miles
Ugandan arbitration and statutory support for the arbitration process 29
Jimmy Muyanja
Ugandan High Court enforces AAA clause 31
Jimmy Muyanja
Is Sudan’s Arbitration Act receptive to international commercial arbitration? 34
Ahmed Bannaga
Asia: East & Pacific
The rise of arbitration in financial transactions: key issues for users and practitioners 36
Sylvia Ko and Andrew Pullen
The risks of Arbitration-Mediation: Hong Kong Courts decline to enforce PRC arbitral award 40
Su Yin Anand
How bad does an arbitration clause need to get before a Singapore court refuses to enforce it? 43
Lawrence Teh
One step forward, one step back: Part I 46
I-Ching Tseng and Khory McCormick
The Tokyo District Court’s recent ADR decisions that reinforce its pro-arbitration stance 49
Yukukazu Hanamizu
Asia: South & Central
Arbitration in India: the challenges of the 21st century 51
Christopher Gardner QC
The position of Indian Courts with regard to arbitration 54
H Jayesh and Amruta Kelkar
Challenges to named arbitrators in government contracts in India 57
Vikram Nankani and Alok Jain
Europe
The new French Arbitration Act: an ambitious liberalism 60
Vincent Béglé
Dallah v Government of Pakistan 65
Richard Bamforth and Geraldine Roch
Challenge of international arbitration awards in Switzerland for lack of independence and/or impartiality of an arbitrator 68
Luca Beffa
Enforcement of declarations and conflicting decisions: West Tankers still afloat 72
Andrew Tweeddale and Keren Tweeddale
Set-off claims may be raised again in proceedings for recognition and enforcement of foreign arbitral awards 75
Markus Burianski and Jan Skibelski
Russian Supreme Arbitrazh Court suggests that mistaken choice of law may result in annulment of award on public policy ground 78
Andrey Panov
The Swedish Yukos saga 80
Dan Engström and Cornel Marian
Arbitration and the right of inquiry under Dutch law in the context of international joint ventures 83
Guus Kemperink and Sander Maarschalkerweerd
Amendment of the Spanish Arbitration Act 86
Jorge Angell
Culture clash: e-disclosure v European data protection law in international arbitration 88
Mark C Hilgard, Jan Kraayvanger and Armineh Gharibian
The challenge to expert accounting/financial witnesses 92
Antoinette Pincott
Objection of lack of valid arbitration agreement permissible in enforcement proceedings in Germany even if no setting-aside proceedings are initiated in the country of origin 95
Stephan Wilske and Claudia Krapfl

Continued overleaf
### Europe (continued)

<table>
<thead>
<tr>
<th>Article</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>No judicial review of ‘award’ by arbitral tribunal finding that it lacks jurisdiction</td>
<td>97</td>
</tr>
<tr>
<td>Justyna Szpara</td>
<td></td>
</tr>
<tr>
<td>Time and cost in arbitration: a Finnish perspective</td>
<td>99</td>
</tr>
<tr>
<td>Ilona Aro, Marko Hentunen, and Karen Ramm-Schmidt</td>
<td></td>
</tr>
<tr>
<td>Romania: is arbitration still an option for public contracts related disputes?</td>
<td>102</td>
</tr>
<tr>
<td>Luminita Popa and Alina Popescu</td>
<td></td>
</tr>
<tr>
<td>Failure to challenge a foreign award abroad does not preclude a respondent from invoking the invalidity of an arbitration agreement in enforcement proceedings in Germany</td>
<td>105</td>
</tr>
<tr>
<td>Hans-Patrick Schroeder</td>
<td></td>
</tr>
<tr>
<td>The pros and cons of arbitration in Finland: a practitioner’s point of view</td>
<td>108</td>
</tr>
<tr>
<td>Tero Kovanen</td>
<td></td>
</tr>
</tbody>
</table>

### Latin America

<table>
<thead>
<tr>
<th>Article</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arbitrating disputes under FIDIC forms of contract governed by Brazilian law</td>
<td>111</td>
</tr>
<tr>
<td>Pedro Soares Maciel and Carlo de Lima Verona</td>
<td></td>
</tr>
<tr>
<td>The Brazilian Superior Court of Justice has now confirmed that the seat of arbitration determines the nationality of the arbitration award</td>
<td>114</td>
</tr>
<tr>
<td>Rafael Villar Gagliardi and Guilherme Fontes Bechara</td>
<td></td>
</tr>
<tr>
<td>Colombia: an arbitration friendly forum</td>
<td>116</td>
</tr>
<tr>
<td>Laura Sinisterra, Catalina Echeverri and Sebastian Mantilla</td>
<td></td>
</tr>
</tbody>
</table>

The following articles (p121 onwards) are available online at tinyurl.com/ibaarbnewssept2011

### North America

<table>
<thead>
<tr>
<th>Article</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has the Supreme Court of Canada changed its attitude towards arbitration?</td>
<td>134</td>
</tr>
<tr>
<td>Martin Valasek and Michael Kotryl</td>
<td></td>
</tr>
<tr>
<td>US Court of Appeals for the Second Circuit declines to stay Chevron’s arbitration against Ecuador</td>
<td>137</td>
</tr>
<tr>
<td>Jeffrey Dine and Bruce Paulsen</td>
<td></td>
</tr>
<tr>
<td>AT&amp;T Mobility LLC v Concepcion: US Supreme Court upholds the validity of class action arbitration waivers</td>
<td>140</td>
</tr>
<tr>
<td>B Ted Howes and Jason Casero</td>
<td></td>
</tr>
<tr>
<td>New York courts make it easier to seize assets to satisfy an award</td>
<td>143</td>
</tr>
<tr>
<td>Alden Atkins and Adrianne Goins</td>
<td></td>
</tr>
</tbody>
</table>

### Arbitration Institutions

<table>
<thead>
<tr>
<th>Article</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweeping changes at the Korean Commercial Arbitration Board</td>
<td>146</td>
</tr>
<tr>
<td>Tom Moxham</td>
<td></td>
</tr>
<tr>
<td>A new era for International Chamber of Commerce arbitration</td>
<td>148</td>
</tr>
<tr>
<td>José Ricardo Feris, Cheng-Yee Khong and Victoria Orlowski</td>
<td></td>
</tr>
<tr>
<td>News from the LCIA</td>
<td>151</td>
</tr>
<tr>
<td>Rémy Gerbay</td>
<td></td>
</tr>
<tr>
<td>The International Institute for Conflict Prevention &amp; Resolution</td>
<td>153</td>
</tr>
<tr>
<td>Olivier P André</td>
<td></td>
</tr>
<tr>
<td>The Stockholm Chamber of Commerce in brief</td>
<td>156</td>
</tr>
<tr>
<td>Johan Lundstedt</td>
<td></td>
</tr>
<tr>
<td>Still a need for change: next steps in the promotion of settlement in international arbitration</td>
<td>157</td>
</tr>
<tr>
<td>Karl Mackie and Kate Jackson</td>
<td></td>
</tr>
<tr>
<td>The practice of the Danish Institute of Arbitration on impartiality and independence of arbitrators</td>
<td>158</td>
</tr>
<tr>
<td>Steffen Pihlblad</td>
<td></td>
</tr>
<tr>
<td>Salient features of the new CRCICA Arbitration Rules</td>
<td>162</td>
</tr>
<tr>
<td>Mohamed Abdel Raouf</td>
<td></td>
</tr>
</tbody>
</table>

### Middle East

<table>
<thead>
<tr>
<th>Article</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Israeli Supreme Court signals a new standard for respecting arbitration agreements</td>
<td>121</td>
</tr>
<tr>
<td>Joseph Benkei, Ofer Larisch and Maya Kaplan</td>
<td></td>
</tr>
<tr>
<td>Developments in enforcement of awards</td>
<td>123</td>
</tr>
<tr>
<td>Alec Emmerson, Sapna Jhangiani and Keith Hutchison</td>
<td></td>
</tr>
<tr>
<td>The arbitrability of disputes arising out of commercial agency agreements governed by Lebanese law: Decree No 34 of 1967</td>
<td>127</td>
</tr>
<tr>
<td>Jihad Rizkallah, Samia El Meouchi and Hala Okeili</td>
<td></td>
</tr>
<tr>
<td>Egypt post-revolution: to invest or to arbitrate?</td>
<td>130</td>
</tr>
<tr>
<td>Mohamed Madkour</td>
<td></td>
</tr>
<tr>
<td>Book review: Habib Al Mulla, Gordon Blanke &amp; Karim Nassif, Comparison of Gulf International Arbitration Rules, Juris November 2010</td>
<td>133</td>
</tr>
<tr>
<td>Samaa A Haridi</td>
<td></td>
</tr>
</tbody>
</table>
Salient features of the new CRCICA Arbitration Rules

The Cairo Regional Centre for International Commercial Arbitration (CRCICA) has amended its Arbitration Rules. The new CRCICA Arbitration Rules (‘New Rules’), including the revised tables on costs, have entered into force as from 1 March 2011 and shall apply to arbitral proceedings commencing after this date.

Since its establishment, the CRCICA adopted, with minor modifications, the Arbitration Rules of 1976 of the United Nations Commission on International Trade Law (UNCITRAL).

The CRCICA has already amended its Arbitration Rules in 1998, 2000, 2002 and 2007 to ensure that they continue to meet the needs of their users, reflecting best practice in the field of international institutional arbitration.

The New Rules are based upon the new UNCITRAL Arbitration Rules, as revised in 2010, with minor modifications emanating mainly from the CRCICA’s role as an arbitral institution and an appointing authority.

The revision of the Rules builds on the amendments introduced in 2007 and serves four basic purposes. First, it guarantees collegial decision-making with respect to several vital procedural matters, including the rejection of appointment, as well as the removal and the challenge of arbitrators. Secondly, it seeks to modernise the Rules and to promote greater efficiency in arbitral proceedings. Thirdly, it fills in a few holes that have become apparent over the years. Finally, it adjusts the original tables of costs to ensure more transparency in the determination of the arbitrators’ fees.

The New Rules give expression to the CRCICA’s long-standing commitment to offer users an arbitral procedure substantially modelled on the UNCITRAL Arbitration Rules and aim at confirming the CRCICA’s position as a leading regional arbitral institution.

Background

The original UNCITRAL Rules of 1976 were the subject of extensive consideration and discussion from July 2006 until July 2010 when the new UNCITRAL Rules were adopted to come into effect on 15 August 2010.

The CRCICA formed a Working Group to revise their Arbitration Rules in light of the new UNCITRAL Rules. The Working Group held eight sessions between 26 August 2010 and 28 October 2010, after which a second reading of the draft amendments was concluded. The draft amendments were then discussed among the members of CRCICA’s Advisory Committee, which approved the final draft in its session of 19 January 2011.

Key changes

Communications (Article 2)

The former versions of the Rules required notices to be physically delivered, while under the New Rules notices and other communications can be sent by any means, including electronic ones ‘that provides or allows for a record of its transmission’.

Delivery by electronic means, such as facsimile or e-mail, may only be made to an address designated by a party specifically for such purposes. A notice transmitted by electronic means is deemed to have been received on the day it reaches the recipient’s electronic address.

Notice of arbitration (Article 3)

The notice of arbitration must include certain requirements such as:

- the identification of the arbitration agreement that is invoked;
- the identification of any contract or other legal instrument out of which the dispute arises;
- a brief description of the claim and an indication of the amount involved;
- the relief or remedy sought;
- a proposal as to the number of arbitrators, language and place of arbitration;
- a copy of the arbitration agreement; and
- a copy of any contract or other legal instrument out of which the dispute arises.

These requirements seek to make the notice of arbitration as complete as possible instead of...
of waiting until the filing of the statement of claim after the full composition of the tribunal. It is to be noted that the term ‘legal instrument’ employed in this provision is intended to cover disputes arising out of legal instruments other than contracts, such as bilateral investment treaties.

Response to the notice of arbitration (Article 4)

According to this amendment, the respondent must file a response to the notice of arbitration within 30 days of receiving the same. The response must answer the items in the notice of arbitration regarding inter alia the arbitration agreement, the claimant’s description of its claims and the sought remedy. The response may also include a notice of arbitration against any other party that is a party to the arbitration agreement.

Decision not to proceed with the arbitral proceedings (Article 6)

Another significant change makes it possible for the CRCICA to decide – upon the approval of the Advisory Committee – not to proceed with an arbitration if it manifestly lacks jurisdiction over the dispute. Such decision will be taken prima facie following the response to the notice of arbitration.

The number of arbitrators (Article 7)

This provision retains the default position of having three arbitrators if the parties fail to agree on the use of a sole arbitrator. However, Article 7.2 now provides more flexibility. Specifically, the CRCICA may now appoint a sole arbitrator if one of the parties requests appointment of a sole arbitrator and any party fails to appoint a co-arbitrator, provided appointment of a sole arbitrator is ‘more appropriate’ in view of the circumstances of the case.

Rejection of appointment of arbitrators (Article 8/5)

The CRCICA may – upon the approval of the Advisory Committee – reject the appointment of any arbitrator due to the lack of any legal or contractual requirement or past failure to comply with his duties. The arbitrator in question and the parties should be given the opportunity to express their views before this decision is taken.

Multiparty arbitrations (Article 10)

Where multiple parties are unable to agree upon the constitution of the tribunal, any party may ask the CRCICA to constitute the tribunal. In such circumstances, the CRCICA may revoke any appointment already made and appoint or reappoint each of the arbitrators and designate one of them as the presiding arbitrator.

Removal of arbitrators (Article 12)

Pursuant to this provision, an arbitrator may – at the request of a party and by virtue of a decision from an impartial and independent tripartite ad hoc committee to be composed by the CRCICA from amongst the members of the Advisory Committee – be removed in the event that he fails to act or in the event of de jure or de facto impossibility of performing his functions, or in the event that he deliberately delays the commencement or the continuation of the arbitral proceedings.

Challenge of arbitrators (Article 13)

The New Rules include an innovation according to which a schedule is added for resolving any challenges (the former versions of the Rules had a deadline for raising a challenge but no timetable for resolution). Under the New Rules, if within 15 days the appointing party does not agree to the challenge or the challenged arbitrator does not withdraw, then the challenging party may elect to pursue its challenge. In that case, the challenge shall be finally decided by an impartial and independent tripartite ad hoc committee to be composed by the CRCICA from amongst the members of the Advisory Committee.

Truncated tribunals (Article 14/2)

A particularly noteworthy change is found in Article 14/2 of the New Rules. Under that Article, in exceptional circumstances the CRCICA can deprive a party of its right to appoint a substitute arbitrator and may either appoint the substitute arbitrator itself or, after the closure of the hearings, authorise the other arbitrators to proceed with the arbitration and make any decision or award.

This new provision was direly needed to deal with ‘strategic’ resignations. It is the first time the Rules have permitted truncated tribunals – the source of much debate in the
Working Group.

 THIRD PARTY JOINER (ARTICLE 17/6)

Paving the way for the administration of complex arbitrations, the New Rules permit the joinder of third parties to arbitrations if they are parties to the arbitration agreement. The discussions over this provision gave rise to an extremely interesting debate regarding the possibility of the tribunal making sua sponte decisions about joinder, but that option was rejected by the Working Group.

 INTERIM MEASURES (ARTICLE 26)

Under the New Rules, the tribunal’s powers relating to interim measures are amplified so as to include injunctive relief/preservation of evidence, set out the test for the grant of interim measures, and highlight costs/damages consequences in the event that interim measures are subsequently found to have been unjustified.

 APPLICABLE LAW (ARTICLE 35)

Article 35 regarding the law applicable to the merits now refers to ‘the rules of law’ and not just ‘the law’ – which potentially enables the parties to specify, for example, the UNIDROIT Principles of International Commercial Contracts. The tribunal shall apply the law having the closest connection to the dispute in case the parties fail to designate the applicable law.

 COSTS OF THE ARBITRATION (SECTION V – ARTICLES 42-48)

In the New Rules, the CRCICA has implemented a significant change in the way it determines arbitrators’ fees. Fees under the previous versions of the Rules were regarded as low. They have been increased to show more respect to the legitimate expectations of parties and arbitrators.

The New Rules abolish the impractical distinction between fees in international and domestic cases. They also clarify that the sum in dispute, based on which both administrative and arbitrators’ fees are determined, shall be the aggregate value of all claims, counterclaims and set-offs. They also fix ascending flat rate fees for disputes under US$3m in value, and allow the CRCICA more discretion to determine fees for disputes of greater value, within certain boundaries.

The CRCICA hopes the new Section on costs will help to attract more cases of all sizes, while not depriving the parties of their right to select the best international arbitrators.

NOTES
1 These amendments became effective as from 1 January 1998, 1 October 2000, 1 November 2002 and 1 June 2007, respectively.
3 The Working Group was composed of the following arbitration experts: Dr Mohamed Salah Abdel Wahab, Yasser Mansour, Dr Karim Hafez and Dr Mohamed Gomaa, in addition to Dr Mohamed Abdel Raouf, Laila El Shentenawi, Heba Ahmed, Inji Fathalla and Nassimah Francis from CRCICA.
4 In their study comparing the costs of various arbitral institutions published in GAR in 2010 (www.globalarbitrationreview.com/news/article/28915/arbitration-costs-compared), Louis Flannery and Benjamin Garel found CRCICA to be by far the most affordable of six worldwide institutions for cases of various values. In that study, CRCICA was compared with the DIAC, HKIAC, ICC, MKAS, SCC and the arbitration courts of the Swiss Chambers of Commerce.
5 An arbitration costs calculator is now available on the CRCICA’s website, available at: www.crcica.org.eg/feescalc.html.
6 It is worth noting that one of the two authors of the abovementioned study calls the adoption by the CRCICA of the new costs schedules a ‘smart move’ that will not deter current users of the CRCICA and ‘will certainly persuade more arbitrators to accept appointments, which, in the mid- and long-term, will help the Centre’s image and reputation.’ After updating his costs comparisons tables to factor in the changes to CRCICA’s costs regime, he concludes that the CRCICA remains the least expensive institution for smaller disputes (from US$100,000 to US$1m in value) and that it is also the least expensive institution for cases in the US$500m to US$1bn range, although significantly more expensive than it used to be. He also considers the costs in mid-size cases to be ‘in the same range as its most affordable competitors.’ Available at: www.globalarbitrationreview.com/news/article/29328/all-change-cairo.
Although there are many books about mediation, most of them concentrate on a single topic or have a bias towards the theoretical or philosophical. This book aims to take a different approach. The Mediation Techniques Subcommittee of the International Bar Association felt that there was a need for a practical collection of tips from and for practising mediators of different styles, facing different sorts of issues and still be usable by mediators at an early stage in their career but also to contain sufficient variety to still be interesting to more experienced mediators.

The format of this e-book is a series of short essays by practitioners covering the topic from pre-mediation planning through to post mediation follow through, interspersed with pages of short hints and tips to which we hope users will add their own points as their practice develops. The final section of the book deals with the use of mediation in different fields and is intended to provoke debate as to how mediation could be advanced into new areas as well as providing information about topics with which many readers will be unfamiliar. You will find some duplication and much contradiction of advice throughout the book as what works for one person in one situation will be inappropriate for another. It is this flexibility that makes mediation such an attractive form of dispute resolution and this book a valuable resource.

This book is available as a PDF download (to mobile devices, to PCs or to print off) and a more interactive version of the book is available on the website. A discussion area for people who buy/subscribe to the e-book is also available.