

RULES OF THE ARBITRATION INSTITUTE OF THE CENTRAL CHAMBER OF COMMERCE OF FINLAND

I DUTIES AND COMPOSITION OF THE ARBITRATION INSTITUTE

§ 1 Duties of the Institute

The Arbitration Institute of the Central Chamber of Commerce of Finland is an impartial body the purpose of which is:

- 1) to provide for the settlement by arbitration of business disputes of an international or domestic character in accordance with these Rules in cases where their application is provided for in an arbitration clause or agreement, articles of association or otherwise;
- 2) to provide for the settlement by arbitration of business disputes of an international or domestic character in cases where duties related to the arbitration, such as the appointment of arbitrators, are provided for in an arbitration clause or agreement, articles of association or otherwise; [Pursuant to this subparagraph, the Institute can act as the appointing authority pursuant to, among others, the UNCITRAL Arbitration Rules.]
- 3) to act as the Arbitration Institute of a Chamber of Commerce in Finland when the rules of the Chamber of Commerce in question thus provide; and
- 4) to provide information concerning arbitration matters.

The provisions of Chapter III of these Rules must be complied with, where applicable, when arbitrators are to be appointed pursuant to subparagraph 2) hereto.

§ 2 Composition of the Board of the Institute

The Board shall be composed of no less than 7 and no more than 9 members. The Central Chamber of Commerce shall elect the members for a period of three years and shall appoint one member to be the Chairman of the Board and another member to be the Vice-Chairman of the Board.

The members shall be persons of good repute who are familiar with the business community. The Chairman, the Vice-Chairman and at least two other members shall be lawyers two of whom shall be qualified to serve as a judge.

In arbitral proceedings governed by these Rules, a member of the Board may not act as an arbitrator or be appointed as arbitrator by the Board. However, a member of the Board may act and be appointed as a sole arbitrator or chairman of an arbitral tribunal where so requested by the parties or by the arbitrators appointed by the parties. (Amended 29.11.2000)

§ 3 Working Committee of the Board

The Board may appoint a Working Committee and a Chairman of such committee.

§ 4 Secretariat of the Institute

The Central Chamber of Commerce shall appoint the Secretary of the Institute in charge of the Secretariat of the Institute. The Secretary shall be a lawyer who is sufficiently experienced and versed in languages.

§ 5 Quorum and Voting Procedure

Three members in addition to either the Chairman or the Vice-Chairman shall form a quorum of the Board. In the event both the Chairman and the Vice-Chairman of the Board are unable to attend or to act in a case, the Board will have a quorum when at least four members of the Board are present. These members shall appoint a member who is a lawyer to be the Chairman of the meeting. The Board will make its decisions on a simple majority. In the case of a tie-vote, the Chairman shall cast the deciding vote.

II COMPOSITION OF AN ARBITRAL TRIBUNAL

§ 6 Number of Arbitrators and the Appointment Procedure

If the parties have not agreed on the number of arbitrators, there shall be three arbitrators, unless the Institute considers it to be appropriate to appoint a sole arbitrator taking into account the nature of the dispute, the amount in dispute or other circumstances. If a sole arbitrator is to be appointed, the appointment shall be made by the Institute. In other cases, each party shall appoint an equal number of arbitrators and the Institute shall appoint the Chairman of the arbitral tribunal unless the parties have agreed otherwise.

If a party does not comply with his duty of appointment, the Institute may require him to do so within a fixed period of time of no less than 30 days. If a party fails to notify the Institute of the appointment of the arbitrator within such time limit, then the Institute shall make the appointment.

If there are more than two parties involved in the arbitration, the Institute, notwithstanding the provisions of subsection 1, may appoint all arbitrators. (New subsection 29.11.2000)

§ 7 Replacement of an Arbitrator

In the event of death of a party-appointed arbitrator or an arbitrator appointed by the Institute, a substitute arbitrator shall be appointed by such party or by the Institute, respectively.

In the event of the resignation or discharge of an arbitrator, the Institute shall appoint a substitute arbitrator to replace him. A party is, however, once entitled to appoint a substitute arbitrator to replace a resigned or discharged arbitrator who was appointed by such party.

§ 8 Qualifications of an Arbitrator

An arbitrator appointed by the Institute must be independent and impartial and possess full legal capacity and sufficient knowledge in the field at issue in the arbitration.

Only a lawyer is qualified to be appointed as the Chairman of the arbitral tribunal or as the sole arbitrator, unless the Institute decides otherwise due to special reasons.

§ 9 Challenge of an Arbitrator

A prospective arbitrator shall immediately disclose to the party approaching him in connection with his possible appointment, unless he refuses to accept the appointment, any circumstances likely to give rise to justifiable doubts as to his impartiality or independence.

An arbitrator is obliged to disclose to the parties, until the end of the arbitral proceedings all such circumstances referred to above unless they have already been informed of these circumstances.

If a party wishes to challenge an arbitrator, the challenge shall be made to the Institute in writing. The challenge shall state the grounds therefor and must be made within 30 days from the date these grounds became known to the party making the challenge, failing which such party shall be deemed to have waived his right to make such a challenge.

§ 10 Discharge of an Arbitrator

At the request of a party, the Institute shall discharge an arbitrator found to be unqualified to his position by the Institute. The Institute shall also discharge an arbitrator who fails to fulfill his duties or, without valid reasons, delays the proceedings.

Before a decision on the discharge of an arbitrator is made, the Institute shall whenever possible provide an opportunity for the parties and the arbitrators to be heard on this issue.

III COMMENCEMENT OF THE ARBITRATION

§ 11 Request for Arbitration

The claimant initiating the arbitration proceedings shall file with the Institute a request for arbitration in duplicate, including enclosures. The request shall, inter alia, include the following:

- 1) the names, profession, postal address, telephone number, facsimile number and e-mail address of the parties and the counsel; (Amended 29.11.2000)
- 2) an account of the dispute;
- 3) a preliminary statement of the claimant's claim;
- 4) the arbitrator appointed by the claimant;
- 5) a copy of any documents on which the claim is based and, unless incorporated in the former, a copy of the arbitration agreement; and
- 6) an appropriate power of attorney.

§ 12 Dismissal of a Claim

If it is obvious that the Institute lacks jurisdiction over the dispute, the request for arbitration shall be dismissed by the Institute.

§ 13 Commencement of the Arbitral Proceedings

The arbitral proceedings shall be deemed to be commenced when the request mentioned in § 11 or a copy thereof has been served on the respondent in the matter.

§ 14 Hearing of the Respondent

In response to the request for arbitration, the Institute shall hear the respondent and request the respondent to submit a written reply.

Where necessary, the claimant may be required to ensure the communication to the respondent by verifiable means of the documents necessary for such hearing.

§ 15 Respondent's Answer

The respondent's answer with regard to the request for arbitration shall include:

- 1) a response to the statements included in the request for arbitration as well as on the number of arbitrators;
- 2) the arbitrator appointed by the respondent; and
- 3) an appropriate power of attorney.

If the respondent desires to raise any objection concerning the validity of the arbitration agreement or its applicability to the dispute specified in the request, such objection and the grounds therefor shall be included in the answer.

§ 16 Respondent's Claims

If the respondent wishes to make a counterclaim or demand a set-off, he shall present the grounds therefor and a preliminary notice of his claims in the answer.

A counterclaim can be made and a set-off demanded only in the event that the arbitration agreement covers such counterclaim or demand for set-off.

§ 17 Supplementing the Claim or the Answer

The Institute may require the parties to supplement the request or the answer, as the case may be. In the event a party fails to comply with such a requirement, the case may be wholly or partly dismissed. The failure of a respondent to supplement his answer as required above shall not, however, prevent the arbitral tribunal from proceeding in respect of the claimant's claims.

§ 18 Security for Costs

The Institute may fix a sum which shall be paid by the parties into an account designated by the Central Chamber of Commerce, which, together with interest accrued thereon, shall constitute a security for the fees and costs of the proceedings including the fees of the arbitrators. If the arbitration is of an international character, such sum shall be fixed, unless the Institute based upon special reasons shall deem it appropriate to leave the fixing of the amount of such security to the discretion of the arbitral tribunal. Security other than a cash deposit may also be accepted.

If the Institute has not required the parties to provide a security for costs, the arbitral tribunal shall have a similar right. Each party shall pay half of the amount of the security, but the parties shall be jointly and severally liable for the entire amount. If a party fails to pay his share of the security, the other party

shall be afforded an opportunity to pay the unpaid share. If the unpaid amount shall still remain unpaid, the case shall be wholly or partly dismissed, stayed or suspended.

§ 19 Appointment of the Arbitral Tribunal

When the respondent has submitted his answer or the time limit fixed for this purpose has expired, the Institute shall:

- a) appoint, in accordance with § 6, the Chairman of the arbitral tribunal, the sole arbitrator or the arbitrators, as the case may be;
- b) determine, at the request of a party, the place of arbitration, unless the parties have agreed on the place; and
- c) where necessary, fix the amount of the security mentioned in § 18 and the time limit within which it shall be paid.

Any Board member who under the provisions of the Finnish Arbitration Act (967/92) could be disqualified to act as an arbitrator in the case, must refrain from participating in the decision and in the discussions of the Board concerning the appointment. (Amended 29.11.2000)

As soon as the arbitral tribunal has been appointed, and, where applicable, the security has been provided, the Institute shall transmit the file to the arbitral tribunal.

IV ARBITRAL PROCEEDINGS

§ 20 Procedure

Each party shall be given a sufficient opportunity of presenting his case. In other respects, the provisions in the arbitration agreement regarding the arbitration procedure shall be complied with.

To the extent the parties have not agreed on procedural matters in the arbitration agreement, the arbitral tribunal shall determine the manner in which the proceedings will be conducted in accordance with these Rules having regard to the requirements of impartiality and promptness. Where possible, the wishes of the parties shall be complied with.

The arbitral tribunal may, when necessary, employ a secretary.

The arbitral tribunal may authorize the Chairman decide questions of procedure.

§ 21 Language of Arbitration

Unless the parties have agreed on the language or languages to be used in the proceedings, such language or languages shall be determined by the arbitral tribunal.

The arbitral tribunal may request that each document presented in a case must be accompanied with a translation into a language of the arbitration.

§ 22 Place of Arbitration

If requested by a party, the Institute may, at the time it appoints the arbitrators, determine the place of arbitration if the parties have not agreed on such place. Otherwise the place of arbitration shall be determined by the arbitral tribunal.

§ 23 Claim

The arbitral tribunal shall request the claimant to submit within a specified time a statement of claim, which shall include:

- a) a description of the specified claim in the dispute;
- b) a statement of facts supporting the claim; and
- c) to the extent possible, the evidence the claimant intends to adduce in the matter.

§ 24 Defence

The respondent shall, within a time specified by the arbitral tribunal, submit a defence, which shall include:

- a) a statement as to whether and to what extent the respondent accepts or contests the claim;
- b) grounds for the contesting the claim;
- c) where applicable, a counterclaim or demand for a set-off and the grounds therefor; and
- d) to the extent possible, the evidence the respondent intends to adduce in the matter.

§ 25 Alteration and Amendment of Claim

During the course of the arbitral proceedings, a party may amend or supplement his claims or grounds therefor and also make a counterclaim or demand for a set-off, unless this would cause undue delay of the proceedings.

§ 26 Oral Hearing

As a rule, an oral hearing shall be held during the arbitral proceedings in a manner determined by the arbitral tribunal and taking into consideration the reasonable wishes of the parties.

If an arbitrator is replaced during the course of the arbitral proceedings, the newly composed arbitral tribunal shall decide whether and to what extent a prior oral hearing shall be repeated.

§ 27 Production of Evidence

At the request of the arbitral tribunal, the parties shall state the evidence on which they wish to rely, specifying what they wish to prove with each item of evidence.

The arbitral tribunal shall determine to what extent written affidavits may be submitted as evidence.

The arbitral tribunal may refuse to accept evidence that relates to a fact that is irrelevant or that has already been established or if the evidence can be produced by other means in a considerably less burdensome fashion or at a considerably lesser expense.

After having conscientiously scrutinized and evaluated all evidence produced during the proceedings, the arbitral tribunal shall determine what shall be deemed proven in the matter.

§ 28 Use of an Expert

Unless the parties have otherwise agreed, after hearing the parties, the arbitral tribunal may appoint an expert to investigate and to give an opinion on a material fact relevant to the determination of the case, if special professional knowledge is needed to evaluate such fact.

The arbitral tribunal may also require a party to give the expert any information necessary for him in the performance of his task and to give the expert an opportunity to inspect documents, goods or other property.

§ 29 Failure of a Party to Appear

If a party, without a sufficient cause, fails to appear at a hearing or to comply otherwise with an order of the arbitral tribunal, such failure will not prevent the arbitral tribunal from proceeding with and deciding the case.

§ 30 Objecting to Procedural Deviations

If a party, after attaining knowledge that the rules applicable to arbitral proceedings have not been complied with, fails to promptly state his objection with regard thereto, he shall be deemed to have waived his right to object.

§ 30 a Interim measures (29.11.2000)

At the request of either party the arbitral tribunal may during the course of the arbitral proceedings issue an injunction or order any other interim measure it deems necessary in respect of the subject matter of the dispute. The arbitral tribunal may order the requesting party to provide security for damage in such form as the arbitral tribunal considers appropriate for any costs and damages caused by the measure to the party against whom it is directed.

A court or another competent authority may, however, before or during the course of arbitral proceedings, despite the arbitration agreement grant such interim measure, which the authority has the power to grant.

§ 31 Termination of Arbitration

If the parties agree that the proceedings will be discontinued, or if the arbitral tribunal comes to a conclusion that the proceedings cannot be continued, the arbitral tribunal shall issue an order for the termination of the arbitral proceedings. A copy of this order shall be submitted to the Institute.

If the claimant withdraws his claim, the arbitral tribunal shall issue an order for the termination of the proceedings. If, however, the respondent demands that an arbitral award be issued, and the arbitral tribunal determines that the respondent has a sufficient reason to have the dispute finally settled, the

proceedings can be continued in order to settle the dispute through the issuance of an arbitral award.

V ARBITRAL AWARD

§ 32 Rules Applicable to the Substance of the Dispute

The arbitral tribunal shall decide the dispute in accordance with the rules of law applicable to the substance of the dispute.

If the parties have designated the law of a given state as applicable to the substance of the dispute, the arbitral tribunal shall apply that law. Failing such designation by the parties and if the dispute is international, the arbitral tribunal shall apply the rules of law which it deems to be appropriate. (Amended 29.11.2000)

The arbitral tribunal may, however, decide the dispute *ex aequo et bono* only if the parties have expressly authorised it to do so.

§ 33 Voting

Any decisions of the arbitral tribunal shall be made by a majority of all its members. If such a majority is not attained, the opinion of the Chairman shall prevail.

§ 34 Settlement

If during the arbitral proceeding the parties settle the dispute, the arbitral tribunal may record the settlement in the form of an arbitral award on agreed terms.

§ 35 Partial Award

The arbitral tribunal may, at the request of a party, render a partial arbitral award on an independent claim in a dispute where several claims have been made. The arbitral tribunal may also, at the request of a party, render a partial award on that part of the claim that has been admitted by the respondent.

A claim and a demand for a set-off with regard thereto shall, however, be determined jointly.

§ 36 Interim Award

The arbitral tribunal may, if the parties have so agreed, decide by an interim arbitral award a separate issue in dispute, if rendering an award on other matters in dispute is dependent on rendering such an interim award.

§ 37 Form and Place of Rendering the Award

The award shall be made in writing and shall be signed by the arbitrators. If an arbitrator's signature is missing, the award shall state the reason for the absence of the signature. A dissenting opinion of an arbitrator, if any, shall be attached to the award.

The award shall state the date on which and the place where the award was made. The award shall be deemed to be made at the place which has been agreed or determined to be the place of arbitration.

§ 38 Rendering the Award

The arbitral award shall be rendered no later than one year after the Institute has sent the file in the case to the arbitral tribunal.

The Board may, due to special reasons, grant an extension to such period set out in subsection 1 as a result of an application by the arbitral tribunal or the Chairman of the arbitral tribunal. The Secretary of the Institute may grant an extension to the period until the next Board meeting.

A duly signed copy of the award shall be given to each party at a session of the arbitral tribunal or it shall be delivered to the parties by other verifiable means. (Amended 22.11.2001)

§ 39 Correction of the Award

A party may request the arbitral tribunal to correct in the award any errors in computation or any clerical or typographical errors, or any other errors of a similar nature. A party must, after notification to the other party, request for such correction within 30 days from his receipt of a copy of the award.

If the arbitral tribunal considers the request to be justified, the arbitral tribunal shall make the requested correction without delay and, if possible, within 30 days after the receipt of the request by the Chairman of the arbitral tribunal.

The arbitral tribunal may, at their own initiative, within 30 days after the rendering of the award, correct any error of the type referred to in paragraph 1 of this section. Before such correction is made, the parties shall, when necessary, be provided an opportunity to be heard with regard to the correction to be made.

§ 40 Additional Award

Either party, with notice to the other party, may request the arbitral tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted from the award. If the arbitral tribunal considers the request for an additional award to be justified, they shall complete the award as soon as possible. Before rendering the additional award, the parties shall be heard.

VI COSTS OF ARBITRATION AND OTHER PROVISIONS

§ 41 Arbitrators' Fees and Other Costs of Arbitration

The parties are jointly and severally liable for compensating the arbitrators for their work and expenses.

The arbitral tribunal may in the award fix and order to be paid the remuneration due to the arbitrators.

When deciding on the fees of the arbitrators the time required to resolve the dispute, the complexity of the subject matter, the amount in dispute and other relevant circumstances shall be taken into account.

The losing party in the matter shall be ordered to pay the costs of the arbitration as well as the costs of the arbitration of the winning party, unless there is a justifiable reason to decide otherwise.

If the parties settle the dispute or if the dispute is dismissed for some other reason before arbitral

proceedings in respect of the dispute shall have commenced, the Institute shall decide on the fees to compensate the Central Chamber of Commerce for its costs and on the possible fees and compensation for expenses payable to the arbitrators.

If the settlement or the dismissal of a dispute takes place after the arbitral proceedings shall have commenced, the arbitral tribunal may fix and order to be paid the arbitrators' fees and compensation for expenses.

The Central Chamber of Commerce of Finland may establish a schedule for the proposed arbitrators' fees. (Amended 13.12.1994)

§ 42 Charges Due to the Central Chamber of Commerce

The claimant shall pay a registration fee when filing a request, and the respondent shall pay a fee when presenting any counterclaim. The amount of the registration fee shall be determined by the Central Chamber of Commerce.

An arbitral award shall include an order concerning any costs and charges of the arbitration payable to the Central Chamber of Commerce.

§ 43 Deposition of Documents and Secrecy

The documents presented to the Institute and any award or final order issued in order to terminate the proceedings shall, after issuance, be filed in the archives of the Institute.

No information concerning the documents or the award referred to above may be disclosed to anyone other than the parties, the arbitrators involved in the proceedings and the members of the Board, unless all parties concerned explicitly consent to such a disclosure.

§ 43 a Exclusion of Liability (29.11.2000)

The Central Chamber of Commerce or any member of the Board of the Institute or the Secretary of the Institute shall not be liable for any loss incurred by the parties in any arbitration under the Rules of the Institute, save for loss resulting from their wilful misconduct or gross negligence. An arbitrator shall not be liable for any loss incurred by the parties in such arbitral proceedings, save for loss resulting from wilful misconduct or gross negligence.

VII ENTRY INTO FORCE AND TRANSITION

These rules shall enter into force on January 1, 1993 and will replace the Rules of the Institute confirmed on May 16, 1979.

These rules are to be applied to any arbitral proceedings which are commenced after the effective date of these rules.

(Some linguistic corrections have been made on January 12, 2004.)