



ARBITRATION INSTITUTE
Finland

**Rules for Expedited Arbitration
of the Arbitration Institute
of the Finland Chamber of Commerce**

**RULES FOR EXPEDITED ARBITRATION
OF THE ARBITRATION INSTITUTE OF FINLAND CHAMBER
OF COMMERCE**

(Adopted by the Finland Chamber of Commerce on 28 April 2004
and in force as of 1 June 2004.)

RECOMMENDED ARBITRATION CLAUSE: Any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Rules for Expedited Arbitration of the Arbitration Institute of the Finland Chamber of Commerce.

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RULES FOR EXPEDITED ARBITRATION

The Arbitration Institute of the Finland Chamber of Commerce

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I COMMENCEMENT OF THE ARBITRATION

§ 1 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;
- 2) an account of the dispute;
- 3) a preliminary statement of the claimant's claim;
- 4) a copy of any documents on which the claim is based and, unless incorporated in the former, a copy of the arbitration agreement; and
- 5) an appropriate power of attorney.

§ 2 Registration fee

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 Finland Chamber of Commerce.

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

§ 3 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.

§ 4 Commencement of the Arbitral Proceedings

The arbitral proceedings shall be deemed to be commenced when the request mentioned in § 1 or a copy thereof has been served on the respondent in the matter.

§ 5 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.

§ 6 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; and
- 2) 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.

§ 7 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 may be made or a set-off demanded only in the event that the arbitration agreement covers such counterclaim or demand for set-off.

§ 8 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 that 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 arbitrator from proceeding in respect of the claimant's claims.

§ 9 Security for Costs

The Institute may fix a sum which shall be paid by the parties into an account designated by the Finland Chamber of Commerce, which, together with interest accrued thereon, shall constitute a security for the fees and costs of the proceedings including the fee of the arbitrator. 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 arbitrator. 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 arbitrator 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 the 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.

§ 10 Appointment of the Arbitrator and Related Provisions

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

- a) appoint the arbitrator;
- 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 referred to in § 9 and the time limit within which it shall be paid.

Any Board member who under the provisions of the Finnish Arbitration Act (967/1992) 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.

A member of the Institute may be appointed as the arbitrator under these rules only if the parties so request.

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

II ARBITRATOR

§ 11 Arbitrator

If the parties have agreed on arbitration under these rules, the dispute shall be resolved by one arbitrator appointed by the Arbitration Institute of the Finland Chamber of Commerce.

§ 12 Replacement of the Arbitrator

In the event of the resignation, discharge or death of the arbitrator, the Institute shall appoint a substitute arbitrator to replace him.

§ 13 Qualifications of the 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 arbitrator, unless the Institute decides otherwise due to special reasons.

§ 14 Challenge of the Arbitrator

When a person is approached in connection with his possible appointment as an arbitrator, he shall immediately disclose any circumstances likely to give rise to justifiable doubts as to his impartiality or independence, unless he refuses to accept the appointment.

The 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 the 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.

§ 15 Discharge of the Arbitrator

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

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

III ARBITRAL PROCEEDINGS

§ 16 Procedure

Each party shall be given a sufficient opportunity to present his case.

The arbitrator shall prepare a provisional schedule for the arbitral proceedings and send it to the parties.

Unless the arbitrator for a special reason decides otherwise, the following rules apply to the proceedings:

- a) besides the claim and a counterclaim, each party is entitled to submit at most one statement in the case;
- b) the statements shall be brief; and
- c) the time limit for the submission of a statement is at most fourteen days from the date when a party has been exhorted to submit a statement.

Also a party's statement of evidence and specification of what is to be proven with the evidence shall be considered a statement as referred to in paragraph 3, subparagraph (a) above.

The arbitrator may require a party to make a final statement of his claim and of the facts and evidence on which the party wishes to rely. Once the time limit for the submission of such a statement has expired, the party cannot alter the claim nor invoke a new fact or new evidence, unless the arbitrator for a special reasons allows the same.

The arbitrator may, where necessary, employ a secretary.

§ 17 Claim

The arbitrator 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) the evidence the claimant intends to adduce in the matter.

§ 18 Defence

The respondent shall, within a time specified by the arbitrator, 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 contesting the claim;
- c) where applicable, a counterclaim or demand for a set-off and the grounds therefor; and
- d) the evidence the respondent intends to adduce in the matter.

§ 19 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 arbitrator.

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

§ 20 Place of Arbitration

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

§ 21 Oral Hearing

An oral hearing shall be held only if a party so requests and the arbitrator deems this necessary. The arbitrator shall take note of the wishes of the parties when setting the time, duration and form of the oral hearing, the manner of its arrangement and the procedure for accepting evidence.

§ 22 Production of Evidence

At the request of the arbitrator, the parties shall state the evidence, and produce the written evidence, on which they wish to rely, specifying what they wish to prove with each item of evidence.

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

The arbitrator 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 arbitrator shall determine what shall be deemed proven in the matter.

§ 23 Use of an Expert

Unless the parties have otherwise agreed, after hearing the parties, the arbitrator 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 arbitrator 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.

§ 24 Failure of a Party to Appear

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

§ 25 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.

§ 26 Interim Measures

At the request of either party the arbitrator 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 arbitrator may order the requesting party to provide security for damage in such form as the arbitrator considers appropriate for any costs and damages caused by the measure to the party against whom it is directed.

A court or other 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.

§ 27 Termination of Arbitration

If the parties agree that the proceedings will be discontinued, or if the arbitrator comes to a conclusion that the proceedings cannot be continued, the arbitrator 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 arbitrator shall issue an order for the termination of the proceedings. If, however, the respondent demands that an arbitral award be issued, and the arbitrator 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.

IV ARBITRAL AWARD

§ 28 Rules Applicable to the Substance of the Dispute

The arbitrator 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 arbitrator shall apply that law. Failing such designation by the parties and if the dispute is international, the arbitrator shall apply the rules of law which he deems to be appropriate.

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

§ 29 Settlement

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

§ 30 Partial Award

The arbitrator 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 arbitrator 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.

§ 31 Interim Award

The arbitrator 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.

§ 32 Form and Place of Rendering the Award

The award shall be made in writing and shall be signed by the arbitrator.

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.

The arbitral award shall not contain reasons, unless a party has no later than in his closing statement requested a statement of reasons.

§ 33 Rendering the Award

The arbitral award shall be rendered no later than three months after the Institute has sent the file in the case to the arbitrator.

The Board, or in urgent cases the secretary of the Institute, may grant an extension of at most three months to the period referred to in paragraph 1.

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.

§ 34 Correction of the Award

A party may request the arbitrator 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 arbitrator considers the request to be justified, the arbitrator shall make the requested correction without delay and, if possible, within 30 days after the receipt of the request by the arbitrator.

The arbitrator may, at his 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, where necessary, be provided an opportunity to be heard with regard to the correction to be made.

§ 35 Additional Award

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

V COSTS OF ARBITRATION AND OTHER PROVISIONS

§ 36 Arbitrator's Fee and Other Costs of Arbitration

The parties are jointly and severally liable for compensating the arbitrator for his work and expenses.

The arbitrator may in the award fix and order to be paid the remuneration due to the arbitrator.

When deciding on the fee of the arbitrator 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 before the arbitral tribunal has taken any measures in the proceedings or if the dispute is dismissed for some other reason before the arbitral tribunal has taken any measures in the proceedings, the Institute shall decide on the fees to compensate the Finland Chamber of Commerce for its costs and on the possible fee and compensation for expenses payable to the arbitrator.

If the settlement or the dismissal of the dispute takes place after the arbitral tribunal has taken any measures in the proceedings, the arbitrator may fix and order to be paid the arbitrator's fee and compensation for expenses.

Finland Chamber of Commerce may establish a schedule for the proposed arbitrator's fees.

§ 37 Charges Due to the Finland Chamber of Commerce

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

§ 38 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 arbitrator involved in the proceedings and the members of the Board, unless all parties concerned explicitly consent to such a disclosure.

§ 39 Exclusion of Liability

Finland 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 these rules, save for loss resulting from their wilful misconduct or gross negligence. The arbitrator shall not be liable for any loss incurred by the parties in the arbitral proceedings, save for loss resulting from wilful misconduct or gross negligence.

VI ENTRY INTO FORCE

These rules shall enter into force on June 1, 2004. These rules are applied to any arbitral proceedings in respect of which the request for arbitration has been received by the Institute after the effective date of these rules.