

Newsletter #17 / Jan-Mar 2015

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CONSTRUCTION INDUSTRY PAYMENT & ADJUDICATION ACT EVENTS 2015



11 APRIL
ADJUDICATORS'
WORKSHOP
CIPAA 2012
IN PRACTICE

TIME 10.00am — 4.00pm VENUE Auditorium, KLRCA

ADJUDICATION TRAINING

TIME 8.30am — 6.00pm

VENUE Auditorium, KLRCA

CIPAA 2012 CONFERENCE

VENUE Auditorium, KLRCA

For more information please contact Yip Xiaoheng at 03 2271 1000 or email cipatraining@klrca.org

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The Centre invites readers to contribute articles and materials of interest for publication in future issues. Articles and materials that are published contain views of the writers concerned and do not necessarily reflect the views of the Centre.

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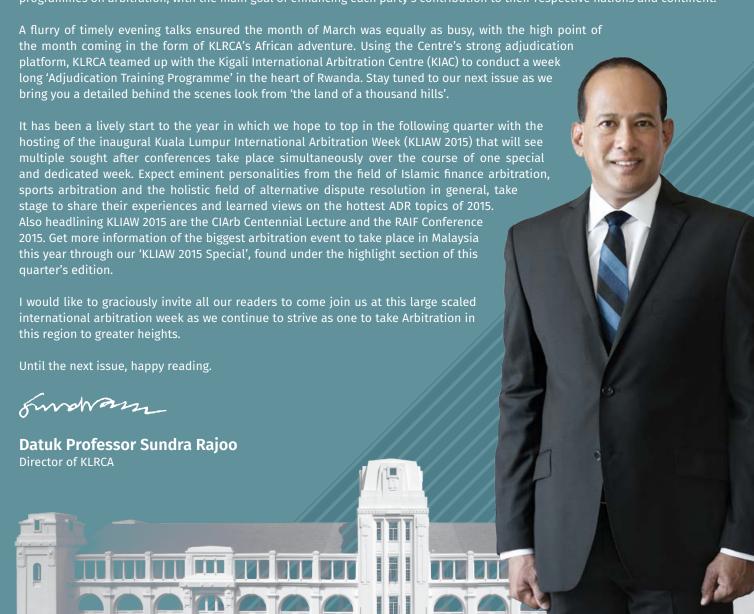
Director's message

Dear distinguished friends,

Since this is the first newsletter for 2015, I would like to take this opportunity to wish you a Happy New Year. It feels like we have just welcomed the New Year, and yet here we are, already transiting into the second quarter. Having completed another significant barrier pushing year, KLRCA is looking to take the next step up in 2015. The year 2014 was about expanding horizons, raising the Centre's standards, stature and global presence whilst firmly exclaiming its resolution and intent to become the region's preferred arbitration centre. 2015's focus is to strengthen the Centre's presence within South East Asia and to carry the KLRCA brand name into emerging arbitral markets such as India, Russia and Africa.

Inroads to achieving these goals have already been undertaken through numerous activities held throughout the first quarter of this year. We started the month of January by holding four talks that had multiple experts from across the Middle East, Asia and Europe; share their experience and insightful views to eager attendees. These free talks continued to attract capacity crowds.

The following month, KLRCA co hosted a seminar with our counterparts from across the Straits of Malacca, The Indonesia National Board of Arbitration (BANI). Also held in conjunction with this seminar was the signing of a co-operation agreement between both arbitral institutions that will see both parties jointly organising seminars, conferences, educational training and internship programmes on arbitration, with the main goal of enhancing each party's contribution to their respective nations and continent.



KLRCA welcomes visits from various local and international organisations as it provides a well-fortified platform to exchange knowledge and forge stronger ties.



Visit by Asian Law Students **Association** (Legal Training Workshop)

10th March 2015



∠ Visit by JKR (Training Workshop)

11th March 2015

Visitor's gallery



 \rightarrow Visit by **BANI** of Palembang Representatives 23rd March 2015





← Visit by students from the East **China University** of Science & Technology

27th March 2015



_EVENTS

Signing Ceremony between Indonesia Board of Arbitration (BANI) & The Kuala Lumpur Regional Centre for Arbitration (KLRCA)

5th February 2015

The month of February began in ceremonious fashion as the KLRCA hosted a signing ceremony between the Centre and its slightly older regional counterpart, the Indonesia Board of Arbitration (BANI). A jointly organised seminar between both Centres was also held in conjunction with this special occasion.

A mixture of international law observers and local legal practitioners began filling up the KLRCA auditorium as early as eight in the morning. An hour later, a packed hall greeted the arrival of the representatives from BANI and the panel of distinguished speakers who were set to take stage later on.

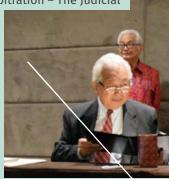
Proceedings for the morning kicked off with KLRCA's Director, Datuk Professor Sundra Rajoo taking stage to deliver his welcome remarks. BANI's Vice Chairman, Dr Harianto Senidja soon took over the rostrum to present his opening address. Formalities for the morning continued with the official signing of the 'Collaboration Agreement' between the Kuala Lumpur Regional Centre for Arbitration (KLRCA) and the Indonesia Board of Arbitration (BANI). This significant agreement will see both parties jointly organising seminars, conferences and educational training events on arbitration from time to time with the aim of enhancing each party's contribution to their respective nations.



With the conclusion of the customary photography session and exchanging of mementos, it was time for the 'KLRCA - BANI Joint Seminar' to kick into gear. The objective of this seminar was to highlight key issues on the developments and role of the Centres in International Arbitration. Three separate sessions were to follow, with the audience being taken through the Malaysian perspective and the Indonesian perspective for each topic.

Back on stage to present the Malaysian perspective of the first session, 'The Development of Arbitration and the Role of BANI/KLRCA', was Datuk Professor Sundra. He began by presenting KLRCA's origins and current range of products and services, before going on to illustrate in detail of KLRCA's commitment to the ASEAN movement and collective efforts. Datuk Sundra concluded his presentation by revealing KLRCA's current focus on developing new areas of the alternative dispute resolution industry that included; Medico-Legal, Sports Arbitration and Maritime Arbitration. Up next to present on the Indonesian perspective, was Husseyn Umar, Vice Chairman of BANI. The speaker officially introduced BANI to the audience before expounding on its history, services and current segregation of caseloads according to the many different business sectors. Husseyn concluded by touching on the significant arbitration articles available in the Indonesian legal framework and the Centre's future development plans.

A quick networking break soon followed before proceedings continued with the second session of the seminar titled, 'International Arbitration – The Judicial



Perspective'. First to take stage to present on the Malaysian perspective was Former Judge of the Court of Appeal of Malaysia, Dato' Mah Weng Kwai. The attendees were taken through the initial Arbitration Act that was introduced in Malaysia and the subsequent amendments that followed. Dato' Mah then presented a brief summary of instances of court interventions permitted under the relevant articles before providing in-depth illustrations of numerous cases linked to the instances. Professor Mieke Komar, Former Justice of the Supreme Court of Indonesia then took over the podium as she presented on the Indonesian perspective. Professor Mieke touched on the functions and jurisdictions of the Indonesian Supreme Court and The District Court of Central Jakarta before providing and elaborating on several cases pertaining to the courts' involvement with arbitration dealings.

The third and final session of the day titled, 'ASEAN Economic Community' was similarly broken down into two parts; the Malaysian perspective and the Indonesian perspective. First to take stage was Sabarina Samadi of Zaid Ibrahim & Co. She started by briefing the audience on the definition, objectives and dynamics of the ASEAN Economic





Community (AEC) before comparing the legal frameworks being used in the ASEAN member states. Other areas touched upon were the advantages and drawbacks of international arbitration in the region and the current trends that are being absorbed by the ASEAN community. Wrapping up the third session was the morning's final speaker, Gusmardi Bustami, Former Indonesian Ambassador to the World Trade Organisation, Geneva. Gusmardi echoed on the areas that were touched by the previous speaker before taking the audience through the four pillars of the ASEAN Economic Community (AEC) in detail; 'Single Market and Production Base', 'Competitive Economic Region', 'Equitable Economic Development', and 'Integration Into the Global Economy'.

He then projected trade figures up on the screen to illustrate the importance of the AEC. Gusmardi also brought up the importance of upholding Free Trade Agreements (FTA) with nations beyond the ASEAN set up before throwing a concluding poser to the audience – 'The Benefits and Challenges for Law Practitioners Embracing AEC'.

The jointly hosted KLRCA-BANI seminar was then brought to a highly satisfactory closure as KLRCA's Director Datuk Professor Sundra Rajoo presented tokens of appreciation to the speakers.



_EVENTS

Seminar: Arbitrating in The Middle East

22nd January 2015



The rise of international trade and investment over the past quarter of a century has led to active parties embracing globalisation. As millions of business transactions take place daily, corporations and nations more often than not end up with opposing opinions in relation to their counterparts, leading to the emergence of disputes. Due to its flexibility and efficiency, affected parties are turning to arbitration as a form of dispute resolution. Having covered talks on the arbitration landscapes of Asia Pacific, Europe and the developing Latin American market over the past few months, it was time to put the booming region of the Middle East under the microscope.

KLRCA teamed up with Stewart
Consulting and international law firm
Trowers and Hamlins to organise an
informative seminar titled, 'Arbitrating
In The Middle East'. The objective
of the seminar was to enlighten the
attendees with essential practical issues
associated with arbitrating in the Middle
East that are not found in institutional
arbitration rules or text books.

A packed auditorium greeted the evening session as Trowers and Hamlins' Regional Manager; Nick White took stage to introduce the firm's credentials and Middle East experience.

With pleasantries out of the way, it was time for Cheryl Cairns from Trowers and Hamlins Dubai to kick start proceedings for the evening by presenting on, 'The Practicalities of Arbitrating In The Middle East'. Miss Cairns who specialises in both contentious and noncontentious construction law, began her session by advising the audience to show awareness towards the practical issues throughout the three stages of an arbitration; pre-arbitral proceedings, during the hearing and issuance of the award. She further went on to add that the consequences of failing to adhere to the practical requirements could lead to 'refusal to ratify and enforce an arbitral award' and the 'nullification of an award'. Miss Cairns touched on the nuances of the UAE law and how they impacted an arbitration proceeding. The audience were then taken through several more technical points before Miss Cairns concluded by providing illustrations of what could happen if the smaller details are not looked into. These examples included awards being annulled from the failure to adhere to the strict UAE requirements regarding swearing of oaths during the taking of testimonies; and tribunals failing to sign or initial all pages of an Award including reasoning and attachments.

Next to take stage was Scotsman, Alan Stewart who presented the topic, 'An Arbitrator's and Expert's Perspective on Arbitrating in the Middle East'. Amongst the points covered by Alan were; 'Why is Arbitration so Prevalent', 'The Arbitration Options', 'The DIAC [Dubai International Arbitration Centre] Rules', 'Time & Cost Certainty', 'Difficulties In Practice', and 'Enforceability'. The audience were taken through a brief geography lesson of the UAE before Alan dissected and elaborated on several UAE Civil Procedure Laws that covered the area of arbitration. The speaker also provided glimpses of the Middle Eastern adjudication industry by sharing his first hand experience and knowledge with the room before wrapping up his presentation by summarizing the pros and cons of arbitrating in the Middle East.



A networking break soon greeted the speakers and attendees, signifying the half way mark of the seminar. Upon resuming, Trowers and Hamlins' Head of International Dispute Resolution and Litigation Dubai; Lucas Pitts took centre stage to present on, 'Commercial Arbitration in the Middle East's Various Arbitral Institution'. The attendees were taken through the various arbitral institutions available across Bahrain, UAE, Oman, Qatar, Saudi Arabia and Kuwait. Lucas also touched on the significant conventions and treaties linked to the Middle Eastern arbitration landscape. Examples given included the '1958 GCC Constitution', '1981 GCC Constitution' and the '1983 Pan-Arab Riyadh Convention'. The speaker then directed the attendees' attention towards issues of enforceability before concluding with exemplifications of old and new local legislations affecting Middle Eastern arbitration proceedings.

Taking charge of the evening's final topic was KLRCA's very own Faris Shehabi, presenting on, 'Arbitrating Islamic Finance'. With the previous presenters already touching briefly on Shariah compliances being included in a majority of Middle Eastern model clauses and contracts; the stage was set for Faris to sift into the topic on a grander scale and elaborate its functions and implications in detail. Using KLRCA's international award winning platform – the KLRCA i-Arbitration Rules' as the primary example, Faris shared with the attendees the benefits of having a comprehensive and complex free tool that is readily accessible to all parties regardless of their existing comprehension of the Shariah world; as it will allow added involvement and participation from multiple stakeholders resulting in higher market growth for the industry.

The informative and insightful seminar soon drew to a close as all four speakers gathered on stage for a concluding interactive question and answer session that was moderated by Nick White.





The inaugural Kuala Lumpur International Arbitration Week 2015 will take place this coming May 2015, initiated and hosted by the KLRCA in conjunction with the CIArb Centennial Lecture to celebrate its centenary year. The arbitration week will see four exciting streams on offer namely the Islamic Arbitration (i-Arbitration) conference, Sports Arbitration conference, a conference to discuss the effects of sanctions and dispute resolution, and the RAIF Conference 2015.

Here's everything you need to know about the biggest alternative dispute resolution event to take place in Malaysia this year.

As the dynamics of international arbitration continue to evolve, there has been an emerging distinctive interest directed eastward to Asia. This paradigm shift backed by the recent domination of Asian markets on the top half of the world's GDP listing, has led to substantial increases in commercial transactions within the region, catalysing the significance of arbitration clauses and proceedings.

In concomitance with this impetus and with the Chartered Institute of Arbitration (CIArb) UK, Centenary Year Lecture – the KLRCA has established the Kuala Lumpur International Arbitration week (KLIAW 2015) to provide an area of accord for patrons and practitioners alike to network, share experiences and best practices, review fresh ideas, spark solution-driven debates, and explore innovative initiatives to enhance the dispute resolution scene in Asia and internationally.

Through conferences, luncheons, and evening receptions – the Kuala Lumpur International Arbitration Week 2015 seeks to encourage and induce active participation and interaction amongst the brightest legal minds, aspiring young practitioners and arbitration enthusiasts from around the globe. The highlights for this year include:

- → CIArb Centenary Lecture
- → Exclusive launch of the KLRCA Book: Acknowledging The Past, Building The Future
- → Conference Islamic Commercial Arbitration: Innovative Resolutions
- → Conference Sports Arbitration: Beyond Sports
- → Conference Sanctions: Impact of sanctions on commercial transactions and consequences for dispute resolution.
- → RAIF Conference 2015 Arbitration In A Changing World



CIArb CENTENNIAL LECTURE

"Looking Back to Move Forward" By Professor Doug Jones

The lecture examines two parts –
"looking back to move forward" and
"moving forward"

Part 1 of the lecture entitled "looking back to look forward" embarks on a journey, first returning of the origins of the Chartered Institute, exploring its early adolescent struggles, then navigating through the many challenges it faced and its triumphs, and finally, after the revision of the Institute's Charter in 2005, witnessing the Institute's rise to eminence as the leading international accreditation body in arbitration. The lecture explores the development of the Institute internationally, particularly in Asia, and the expansion of both the Institute's functions and its geographical presence.

Part 2 of the lecture entitled "moving forward" sets the scene for dispute resolution as it currently stands in 2015, before considering the need for reform, and avenues for progress and developmen. The lecture looks at the process of mediation amidst the ADR landscape and considers its prospects of development in the future, in light of the success it has enjoyed in recent decades. The lecture examines the birth of specialized commercial courts and their potential rivalry with commercial arbitration in the 21st century. The lecture also considers whether the existing model for investor-state arbitration will survive. In this context, the role of the CIArb in promoting private dispute resolution and maintaining standards in the future is discussed.



KLRCA Book Launch

KLRCA: Acknowledging the Past, Building the Future

A collection of treasure troves consisting of official letters, pictures, brochures, newspaper clippings and old postcards dating back to 1978, pieced together with personal interviews of over forty five arbitrators from the past and present, to tell an enthralling story of KLRCA's origins and its progression over the span of three decades.

The book will also provide readers with a detailed behind-the-scenes look at KLRCA's resurgence, the painstaking challenges that industry stakeholders, including the KLRCA had to endure in order to ensure that the Construction Industry Payment and Adjudication Act (CIPAA) 2012 was enforced and the sequence of events that led to the Centre's big move to the historical Bangunan Sulaiman.







KLRCA i-Arbitration Rules: Innovative Resolutions

Thayananthan Baskaran & Suhanthi Sivanesan

I-ARBITRATION CONFERENCE

"Islamic Commercial Arbitration: Innovative Resolutions"

This conference grew out of the publication of the i-Arbitration Rules by the Kuala Lumpur Regional Centre for Arbitration. The i-Arbitration Rules were drafted by the KLRCA to fill the need for a bespoke set of arbitration rules that specifically deal with commercial transactions that give rise to Shariah issues.

Conference Chairperson
Thayananthan Baskaran teams up
with Suhanthi Sivanesan to provide
us with a comprehensive overview
of the topics that will be discussed
during the conference.



ABOUT THE AUTHOR

Thaya is an adjudicator, arbitrator and mediator based in Kuala Lumpur. Thaya has experience in domestic and international matters, as well as, ad hoc and institutional proceedings. Thaya is also the author of publications on alternative dispute resolution. Thaya is a Partner at Zul Rafique & Partners.



Suhanthi is an associate at Zul Rafique & Partners. Suhanthi's primary area of practice is construction law. She has experience in domestic and international arbitration proceedings, as well as, ad hoc and institutional proceedings.

INTRODUCTION

Malaysia is currently one of the leading global hubs for Islamic finance and continues to grow rapidly with a highly conducive international business environment, efficient regulatory and supervisory legal framework and active secondary *Sukuk* market. More jurisdictions are expected to penetrate into the Islamic financial industry. This in turn has created a diverse and growing community of local and international financial institutions with an increasing number of commercial transactions based on Shariah principles.

The i-Arbitration Rules were drafted by the Kuala Lumpur Regional Centre for Arbitration (KLRCA) to fill the need for a bespoke set of arbitration rules that specifically deal with commercial transactions that give rise to Shariah issues. The KLRCA i-Arbitration Rules, which adopt UNCITRAL Arbitration Rules 2010 in its second part, provide, among other things, a model arbitration clause for contracts, procedures for the appointment and challenge of arbitrators, procedures for the conduct of arbitration proceedings and requirements about the form and effect of an arbitration award.

The KLRCA i-Arbitration Rules are therefore expected to respond to the rapid and increasing number of parties relying on arbitration to resolve their disputes in cross-border Shariah based commercial transactions.

Some of the notable provision of the KLRCA i-Arbitration Rules will be discussed below preceded by a brief analysis of Shariah governance in Malaysia.

SHARIAH IN MALAYSIA

Shariah is the body of Islamic law and the legal framework in Muslim legal systems which deals with aspects of both business law and contract law. Shariah has four main sources, which are the Quran, the Sunna (the acts and

sayings of Mohamed), the Idjma (the consensus of opinion, which is similar to the concept of common law) and the Qiyas (which is reasoning by analogy). Shariah does not have a strictly codified uniform set of laws. It is in this sense similar to common law rather than civil law, as it is a system of devising laws, based on the Quran, the Hadith and centuries of debate, interpretation and precedent¹.

Article 3(1) of the Federal Constitution provides that Islam is the religion of the Federation. However, Malaysia's laws are secular in nature. Shariah in Malaysia is in fact governed by state enactments which are introduced by state legislature with the approval of the Sultan where every state has its own jurisdiction on the matter. Application of Shariah in the various states in Malaysia which may not be uniform is limited to Islamic personal law relating to marriage, divorce, guardianship, maintenance, adoption, family law, succession, testate and intestate. Legal redress of Islamic personal law matters takes place in the Shariah courts.

Islamic finance on the other hand is governed by both Shariah and also national laws. Due to Government regulation of the banking sector in respect of Islamic financial instruments and capital requirements, certain Shariah aspects thus come under the national laws. These national laws are the Islamic Financial Services Act 2013 which provides for the regulation of Islamic financial institutions and takaful (Islamic Insurance) operators in Malaysia to promote financial stability and compliance with Shariah, the Central Bank of Malaysia Act 2009 (the CBMA) and the Capital Markets and Services Act 2007 (the CMSA) both of which have provisions on the establishment, appointment and authority of the Shariah Advisory Council which will be further elaborated below.

¹ See Dr Cyril Chern, Chern on Dispute Boards (2nd edn, Wiley-Blackwell 2011), pp 48 and 51

THE DISPUTE RESOLUTION CLAUSE

Dispute resolution clauses, such as arbitration, which are necessary in allowing fair and efficient solution to complex commercial matters, so long as freely made and which do not contravene Shariah, are now considered valid and enforceable although the older view was that such dispute provisions are not truly binding and are revocable options. Islamic scholars now have taken the position that the binding nature of dispute resolution agreements flows from the Quran, where it states "..and fulfil every agreement, for every engagement..". As the Quran does not mention rules and procedures, how dispute resolvers are to be selected and other related matters, the parties themselves are free to make these determinations².

The KLRCA Islamic Model Arbitration Clause provides that "Any dispute, controversy or claim arising out of or relating to this contract or the breach, termination or invalidity thereof shall be settled by arbitration in accordance with the KLRCA i-Arbitration Rules".

REFERENCE TO A SHARIAH ADVISORY COUNCIL OR SHARIAH EXPERT

As Shariah does not have a codified set of laws as stated above, the law applicable to any particular issue can at times be uncertain. The KLRCA i-Arbitration Rules provides for this uncertainty by allowing the arbitral tribunal to refer any Shariah issue to a council or expert. The novel provision in rule 11 provides that whenever the arbitral tribunal has to "form an opinion on a point related to Shariah principles; and decide on a dispute arising from the Shariah aspect of the contract, the arbitral tribunal may refer the matter to the relevant Council or Shariah expert for its rulina". The relevant council or Shariah expert shall be the Shariah council under whose purview the Shariah aspect to be decided falls, where there is one.

It is to be noted that there are two Shariah Advisory Councils in Malaysia. One council is established by the CBMA and is the authority for ascertainment of Islamic law for the purposes of Islamic financial business³. The other council is established by the Securities Commission under the CMSA and is the authority of the ascertainment of the application of Shariah principles for the purposes of Islamic capital market business or transactions⁴.

What if the dispute is not regulated by a specific Shariah council? According to the Guide in Part IV of the KLRCA i-Arbitration Rules (the KLRCA Guide), as not all countries will have legal regimes regulating the Islamic banking industry, it is therefore of paramount importance for parties to be clear as to law that will apply to any Shariah issues, given the many interpretations and schools of thought available. Selecting the right council or expert is an effective way of specifying the Shariah law governing a party's agreement.

Rule 11 of the KLRCA i-Arbitration
Rules also provides that if the Shariah
issue referred by the arbitral tribunal
is beyond the purview of the Shariah
council, then a Shariah council or
expert is to be agreed by the parties.
In the event parties fail to agree to
such a Shariah council or expert, then
the provisions relating to experts
appointed by the arbitral tribunal
under Article 29 of the UNCITRAL
Arbitration Rules will apply.

It is further provided under rule 11 that the arbitral tribunal shall adjourn the arbitration proceedings if a reference to the relevant council or Shariah expert has been made until the ruling is made, or shall proceed in the meantime to deliberate on other areas of the dispute (if any) which are independent of the Shariah issues in the reference. The relevant council or Shariah expert, shall then deliberate and make its ruling on the issue or question so submitted within 60 days from the date the reference

is made, failing which the arbitral tribunal may proceed to determine the dispute and give its award based on the submissions it has before it. The validity of an award given pursuant to rule 11 shall not be affected in any way by the unavailability of the relevant council or Shariah expert's ruling.

To protect the jurisdiction of the arbitrator in other areas of the disputes, it is expressly stated in rule 11 that "For the avoidance of doubt, the ruling of the relevant Council or the Shariah expert may only relate to the issue or question so submitted by the arbitral tribunal and the relevant Council or the Shariah expert shall not have any jurisdiction in making discovery of facts or in applying the ruling or formulating any decision relating to any facts of the matter which is solely for the arbitral tribunal to determine."

It is not clear whether the arbitral tribunal is obliged to refer a matter to the relevant council or a Shariah expert whenever dispute concerning Shariah aspects of a contract arise as the word 'may' appearing in rule 11.1 suggests that such reference to the relevant council or a Shariah expert is optional as opposed to mandatory. At this juncture, it is important to note the provisions in the CBMA governing the Shariah Advisory Council. Section 56 of the CBMA provides that "where in any proceedings relating to Islamic financial business before any court or arbitrator any questions arises concerning a Shariah matter, the court or the arbitrator, as the case may be, shall take into consideration any published rulings of the Shariah Advisory Council or refer such questions to the Shariah Advisory Council for its ruling." Section 57 of the CBMA further states that the effect of such rulings made by the Shariah Advisory Council shall be binding on the court or arbitrator. The CMSA has sections 316E and 316F, which are provisions similar to sections 56 and 57 of the CBMA.

² See Dr Cyril Chern, Chern on Dispute Boards (2nd edn, Wiley-Blackwell 2011), p 50

³ See section 51 of the CBMA

⁴ See section 316A of the CMSA



LATE PAYMENT CHARGES

Given the prohibition on interest under Shariah law, the KLRCA i-Arbitration Rules provides an optional mechanism to compensate a successful party for late payment under an award. Rule 12.8 allows the arbitral tribunal to award a late payment charge determined by applying the principles of ta'widh (compensation on actual loss) and gharamah (penalty for late payment) on any sum of money ordered to be paid by the award on the whole or any part of the period between the date on which the cause of action arose and to the date of realization of the award. This naturally will discourage unsuccessful parties from deliberately delaying payment and ensures all parties under the Rules can be adequately compensated. According to the KLRCA Guide, the basis of the late payment charge is premised upon the circular published by the Shariah Advisory Councils of both the Central Bank of Malaysia and the Securities Commission as stated in their Guidelines titled 'Shariah Resolutions in Islamic Finance' which provides the formula for how the late payment charge is calculated. However, it is to be remembered that the late payment charge is optional. It is merely a tool allowed by the Shariah Advisory Council which is available to the tribunal if it is considered necessary.

ARBITRATION COST

Another notable modification, compared with the conventional KLRCA Rules, refers to the cost of reference. Rule 13 now provides that the arbitration costs shall include expenses reasonably incurred by the arbitral tribunal in connection with the reference to a Shariah Advisory Council or Shariah expert under Rule 11.

MUSLIM/NON-MUSLIM TRIBUNAL

According to the KLRCA Guide, parties are free to refer disputes under their Shariah based agreements to a non-Muslim tribunal as there are no requirements for an arbitrator to be a Muslim or a Shariah scholar under the KLRCA i-Arbitration Rules. This is

certainly seen as a positive implication of the KLRCA i-Arbitration Rules on the arbitral community at large.

INTERNATIONAL ENFORCEABILITY

As far as enforcement is concerned, as Malaysia is a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958), awards rendered under the KLRCA i-Arbitration Rules will be enforceable in 154 countries that are signatories to the New York Convention⁵. Most Muslim counties, such as Saudi Arabia, United Arab Emirates, Uzbekistan, Qatar, Kazakhstan, Kuwait, Egypt, Bahrain, Afghanistan, are signatories to the New York Convention. As such, the KLRCA i-Arbitration Rules is suitable for international commercial transactions premised on Islamic principles, which will be recognised and enforced internationally.

CONCLUSION

The KLRCA i-Arbitration Rules accordingly provide an innovative means of resolving Shariah issues within commercial transactions through UNCITRAL arbitration. This has been recognized by the Global Arbitration Review, which gave the Innovation Award of 2012 to the KLRCA i-Arbitration Rules.

The i-Arbitration conference which will be held during the Kuala Lumpur International Arbitration Week 2015 on 8 May 2015 seeks to explain both the theory and practice of the KLRCA i-Arbitration Rules. There will be seminars on the theory behind the rules and a workshop to show the practical application of these rules. This conference will also emphasize the wide application of the KLRCA i-Arbitration Rules, which is not limited to Islamic finance but extends to all commercial transactions that have a Shariah aspect.

⁵ See http://www.uncitral.org/uncitral/en/ uncitral_texts/arbitration/NYConvention_ status.html



SPORTS ARBITRATION CONFERENCE

"Beyond Sports"

This conference will explore the issues surrounding the billion-dollar sports industry, the multitude of disputes that can arise and examine the manner of resolving these disputes through arbitration. Experts will discuss the mechanics of sports arbitration and how it can contribute to the continued professionalization of the regional sporting landscape, and explore the future of alternative dispute resolution and how this unique and exciting jurisdiction might evolve in the years ahead.

Conference Chairperson, Richard Wee talks up the importance of this symposium as he touches on the fundamentals of sports law, procedures and jurisdictions of CAS, and enforcement of awards.



ABOUT THE AUTHOR

Richard Wee is an elected member of the Bar Council where he is currently the chairperson of the Professional Standards and Development Committee, Co-Chairman of the anti-crime committee called "Safer Malaysia" and Deputy Chairman of the ad-hoc committee to amend the Legal Profession Act 1976.

He was called to the Bar in 1999. Richard is comfortable in advocacy and is often seen in court conducting hearings and trials. He has a great interest in Sports Law and over the years, together with a few other members of the Bar, has tried to develop this area of law on their own accord.

On the matter of sports, Richard is a big fan of Everton Football Club in the English Premier League. He is a member of the Disciplinary Committee of the Football Association of Malaysia (FAM). Over and above, Richard is also a member of the Australian and New Zealand Sports Law Association (ANZSLA).

"THE A-B-C OF CAS"

Richard Wee | Assisted by Lesley Lim & Marlysa Razak

WHAT IS SPORTS LAW?

Sports has evolved from a hobby into a huge industry as people today not only embody its ideals but view sports as a thriving business. Like any other industry, rules and regulations are essential. People in the industry need to know and understand what they can or cannot do.

In sports, the need for clear and precise ruling is as pronounced as the need for clear and precise judgment from a court of law. We often read of complaints of unfairness in sports and more often than not, the search for the accurate decision in sports is as important as the sport itself.

Over the last few decades, dispute resolution in sports has developed, evolved and expanded to not only disputes during the game but outside the game as well. Over and above disciplinary board or committee of respective sports associations, many sports disputes spill into the court rooms and is also heard at arbitrations. An independent and new regime of sports law has also evolved at the same time.

Sports Law is largely an amalgamation of inter-related legal disciplines which blends normal rules procedures with sports activity involving areas such as general Contract and Tort Law, Employment Law, Competition (Anti-

Trust) Law and so on and so forth.
According to James A.R. Nafziger and
Stephen F. Ross in their book Handbook
on International Sports Law, Sports
Law involves multiple regimes of law
which is influenced by culture, history
and practical. With this unique feature
of an area of law, Sports Law has been
recognised in public international law.
Generally, international Sports Law
refers to a process which comprises a
more or less distinctive body of rules,
principles, and procedures to govern
the conduct and consequences of
transnational sports activity.

ESTABLISHMENT OF THE COURT OF ARBITRATION FOR SPORT (CAS)

The Court of Arbitration for Sport or commonly known by its acronym "CAS", is an arbitration body created by the International Olympic Committee (IOC) in 1983. In the early years, questions have been raised with regard to the independence and impartiality of CAS which led to a concern for the parties to the proceedings heard by CAS. This stems from the fact that IOC not only played a major role in the governance of CAS where it financed CAS entirely, it also has a proxy to modify CAS' statutes and the President of the IOC has the power to appoint the members of CAS. This issue, in fact, was brought to the attention of the Swiss Federal Tribunal in the case of G. v. Fédération Equestre Internationale and Court of Arbitration for Sport (CAS) (1993), Swiss Federal Tribunal 1st Civil Division, 15 March 1993, as an appeal against a decision made by CAS, which ruled in favour of the International Equestrian Federation (FEI) in relation to a horse-doping case.

In that case, the Swiss Federal Tribunal made comments that strong links between CAS and IOC will give rise to the questionable independence of CAS. Eventually, CAS was restructured into the formation of the International Court of Arbitration for Sports (ICAS) through the 1994 Paris Agreement.



Pursuant to the said Paris Agreement, the IOC created the ICAS with the aim to oversee CAS and to separate entirely the IOC from CAS. Nonetheless, the procedural rules for both ICAS and CAS remain the same. The major change in CAS after the creation of ICAS is that it is now separated into two divisions: the Ordinary Appeals Division (OAD) and the Appeals Arbitration Division (AAD). The OAD has the jurisdiction over private disputes arising from the practice and development of sport such as contractual or commercial disputes which span from image rights to appearance fees, whereas AAD only has the power to arbitrate over appeals against decisions made by sporting organisations provided the statutes or regulations of those sporting organisations permit such an appeal. It is a well-known fact that CAS is recognised to be the final court of appeal for sporting disputes and is called the "Supreme Court for Sports". However, this position has been challenged in recent cases which will be discussed in the later part of this article.

PROCEDURES AND JURISDICTIONS OF CAS

CAS is governed by the Code of Sports-related Arbitration (the Code) which provides for the rules in the organisation and arbitration procedures of CAS. It is also important to note that the Code is divided into two parts: the Statutes of the bodies working for the settlement of sports-related disputes (Articles S1 to S26), and the Procedural Rules (R27 to R69).

As mentioned above, there are two sorts of disputes which may arise between parties. Before we delve into that, it is pertinent to note that disputes can only be heard by CAS if and only if both parties to the dispute agree to do so, as per S12 of the Code. Firstly; for disputes arising from legal relations between parties such as pursuant to an arbitration agreement vide an arbitration clause which gives jurisdiction to CAS to hear the matter. Parties are then bound by the said arbitration clause and similarly bound by the arbitral award

decided by CAS. Secondly; for disputes arising from decisions made by sports federations, it must be in accordance with the statutes and regulations of the sports federations which contains an arbitration clause that provides for the jurisdiction of the CAS. For the arbitration clause in this instance to be enforceable, the athlete must show his adherence, in writing, for the dispute to be brought to arbitration.

As the nature of CAS is arbitration, it possesses similar features of an ordinary arbitration in that CAS is not bound by the common law principle of stare decisis (binding legal principle). On another note, CAS also offers nonbinding 'Advisory Opinion' on potential disputes or on any legal issues with respect to the practice of development of sport or any activity related to sports (R60-62 of the Code). Bodies such as the International Olympic Committee (IOC), the International Federation (IF), the National Olympic Committee (NOC) or any other organisations recognised by IOC which has the intention to request for an Advisory Opinion from CAS may do so simply by an application to CAS. When the application is accepted, the relevant party may put forward their questions to the President of CAS for him to formulate the questions and submit them to a designated Panel of three arbitrators for examination. An advisory opinion is not to be constituted as an arbitral award and is not binding on the parties.

It is established that the seat of arbitration for CAS is in Lausanne (Switzerland). It was submitted by Adam Beach in his article entitled 'The Court of Arbitration for Sport – a Supreme Court for the Sports World?', that CAS needs to take a more practical approach by opening or creating more forums for arbitration proceedings besides the one in Sydney, New York and the official seat of Lausanne. He suggested London, Rio de Janeiro and Beijing to be the additional seats. In furtherance to this, the available Guidelines to CAS states that in particular circumstances, the arbitration hearings can be held elsewhere provided both parties agree to do so.

The great news for Malaysia is that pursuant to a Memorandum of Understanding signed between CAS and the Kuala Lumpur Regional Centre for Arbitration (KLRCA) on 8th May 2012, KLRCA is able to serve as the official host of an alternative hearing centre for CAS in Kuala Lumpur, Malaysia.

APPLICABLE LAW AND ENFORCEMENT OF AWARDS

Generally, the applicable law for the Ordinary Division of CAS is Swiss law due to the fact that its original seat of arbitration is in Switzerland, as per R45 of the Code. However, parties to a dispute may agree on a particular applicable law to govern the proceedings. If it is not specified i<mark>n the a</mark>rbitration agreement, the law governing the proceedings depends on the seat of the arbitration of that particular dispute. For example; if a dispute is heard in Sydney, the applicable law ought to be Australian law. Apart from the governing law, parties may also agree that the panel decides ex aequo et bono i.e. considering equitable remedies regardless of the law.

As for the Appeals Division, R58 of the Code provides that the governing law should be the rule of law chosen by the parties. If it is not provided in the agreement i.e a contract between the National Sports Organisation and the athlete, the choice of law will be the law where the federation, sports body, or association is domiciled or the law that the CAS panel deems appropriate. It is provided under the said rule that the CAS panel must give reasons for its decision.

Once CAS has made its decision, the award is final and binding on the parties and it is enforceable internationally through the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. This shows that the sports federations are recognising CAS as an arbitral body thereby acknowledging the enforceability of the arbitral award rendered by CAS.

INDEPENDENCE OF CAS FROM THE NATIONAL SYSTEM

CAS is known to be an independent international body on arbitration for sports. This is because, most of the time, it comprises of non-government agents such as an individual athlete, National Sports Organisations (NSO), and the IFs. It is therefore independent from the national government of the individual athlete of which he or she is a citizen/resident of. This, however, differs with matters related to doping. In doping cases, the matter may still be heard before an arbitrator in CAS but the national rules of that athlete's country of citizenship/residence may still apply. For example; a Malaysian athlete alleged to be on drugs or sports stimulation drugs may be adjudged not only based on the World Anti-Doping Code (WADC) but also on the local law on drugs as a consequence to the adherence to the WADC.

ISSUES RELATING TO CAS'S POSITION AS THE "SUPREME COURT FOR SPORTS"

As mentioned above, CAS is regarded as the "Supreme Court for Sports" where parties to a dispute can apply for the matter to be heard by CAS, whether in Lausanne or any other forums available. We also discussed above that the CAS' arbitral award is binding on the parties and final. This is illustrated by the case of WADA & Carmona Alvarez CAS 2006/a/1149 which involved a Mexican footballer by the name of Jose Salvador Carmona Alvarez. Carmona had tested positive for a second time for usage of illegal substance of which previously he was suspended for one year. It was submitted that FIFA regulations provide that a player will be banned for a lifetime from sport if he commits a second doping violation. The Mexican Football Association (FMF) however, failed to enforce this ban. The decision was later appealed to an agency governed by the Mexican Ministry of Public Education (CAAD) and the appeal was rejected. FIFA then requested that WADA exercise its rights under Article 13.1.1 of the WADC which allows an appeal for all issues pleaded before the initial decision maker, to

appeal to CAS against FMF decision. It was then decided by CAS that Carmona is to be treated as an international athlete thus FIFA regulations are applicable on Carmona. CAS concluded by upholding the lifetime ban imposed against Carmona. This case clearly illustrates the supremacy of CAS.

However, this position has been challenged in recent times. Earlier this year, on 15 January 2015, the Munich Court of Appeals (the highest court in Germany) decided against the CAS arbitral award in a case between a German speed skater, Claudia Pechstein and the International Skating Union (ISU) on the grounds of violation of Germany's public policy. Ms. Pechstein challenged the partiality and independence of CAS, in particular the composition of its arbitrators, on the basis that sports organisations have influenced the selection and appointment of the arbitrators in CAS. Besides this point, the German Court also refused to recognise the CAS' arbitral award on grounds that the athletes were forced to sign an arbitration agreement with the ISU, a dominant company and the sole organiser of the speed skating World Championship, which is in favour of a dependent and partial tribunal. It was held that this is a violation of Germany's anti-trust law.

Similarly, in the case of SV Wilhelmshaven, the Court of Appeal in Bremen, on 30th December 2014, decided that the decision made by CAS which ordered the German Club to pay 'training compensation' is in violation of the German ordre policy due to the fact that it was a non-compliance with the mandatory European Union law. The German court further held that sports associations have a duty to review the awards granted by CAS with regards to its compatibility with Germany's public policy.

What then is the future for CAS? Will CAS still be recognised as the "Supreme Court for Sports" when local courts are starting to overturn the decisions made by it?

In absence of any improvements to CAS, this trend of an appeal to local courts can be damaging to the status of CAS. CAS may soon become irrelevant if this trend continues mainly because athletes will not want to submit their case to CAS and they will lose trust in CAS based on similar grounds, as seen in the above cases.

However, it is important to note that in both cases of Pechstein and SV Wilhelmshaven, the Court did not question the validity or status of CAS but merely overturned CAS' decision on grounds of policy and natural justice. It is submitted that CAS is very much still, the Supreme Court for sports.

IMPROVEMENTS

Michael Lenard, in his journal entitled 'The Future of Sport Dispute Resolution', suggested a change to the system of CAS and they are; (1) the quality of arbitrators, and (2) access to the *lex sportiva* – the precedent of CAS.

For his first suggestion, Michael Lenard opined that there is a need for the arbitrators who are appointed to have a full knowledge on sports cases, even though a dispute may not be a doping matter. Michael also proposed that arbitrators undergo a mandatory training which will harness a continuing learning and leadership development. In addition to this, there is a need for the existence and implementation of a standard code of ethics and role for arbitrators.

Adam Beach in his article believed that CAS should establish a permanent court which brings along with it, a permanent set of arbitrators. As we all know, arbitrators can be appointed by the parties in dispute to arbitrate their proceedings. This seems to have contributed to the inconsistencies in the way CAS adjudicates upon matters and the difficulty in identifying a consistent pattern in CAS' awards. There is also a suggestion to have a 'permanent sitting International Court of Justice for Sport' which would mirror the International Court of Justice.



The latter suggestion i.e the introduction of *lex sportiva* would assist in ensuring consistency and standards in CAS' decisions. Michael Lenard suggested for a more effective medium to access records of CAS' decisions, which is now being practiced by CAS through publications of its decisions on the official website.

CONCLUSION

It is established that in the world of sports, CAS plays an important role in ensuring that dispute resolution in sports are properly ventilated and adjudicated. However, the recent decisions in Court overturning CAS' awards is a cause for concern though its position as the Paramount Court for all matters in sports is very much still entrenched. Perhaps in time, like any other dispute resolution body, CAS may have to look inwards and review and revolve itself especially in matters related to appointment of arbitrators, application of legal principles and continued trainings for its arbitrators. In the meantime, at Malaysia notwithstanding these purported issues against CAS, the sports and legal fraternity look forward to have CAS' hearings here in Malaysia.



SANCTIONS CONFERENCE

"Impact Of Sanctions on Commercial Transactions and Consequences for Dispute Resolutions"

This conference is being held to examine the impact of sanctions on commercial transactions and consequences for dispute resolution. It will provide an international platform for interested parties and relevant stakeholders to receive vital and updated information on the effect of sanctions on the resolution of disputes. The Q & A session will give the speakers and audience and opportunity to share their experiences and discuss recent developments and critical challenges. This exchange of ideas and views will pave the way for a roadmap for a truly effective, independent and sustainable international arbitration regime.

Conference Chairperson, Philip Koh talks about the growing influence of sanctions and its impact on modern day commercial transactions in the write up below.



ABOUT THE AUTHOR

Philip is the Senior Partner at Mah-Kamariyah & Philip Koh and brings to the table over 30 years of expertise in three worlds: the academic, the professional and industry. His specialisation includes contract & investment laws, mergers & acquisitions, financial services & securities industries, corporate law & governance, commercial & civil litigation and public law.

Philip's writings have been widely published. Philip has served as an Adjunct Professor of Deakin University and as visiting Fulbright Scholar attached to the Harvard University Economics Department. He is a sought after speaker at conferences.

He is currently member of Financial Stability Executive Committee, Bank Negara Malaysia, the Private Sector Group Global Corporate Governance Forum, International Finance Corporation and Board member of Minority Shareholder Watchdog Group.

"Sanctions and its Impact on Commercial Transactions" Philip Koh

In recent times, the former Prime Minister of Malaysia, Tun Dr. Mahathir Mohamad had highlighted in his popular online political blog, *chedet.cc* that he construed the use of sanctions as an act of waging of war through economic means.

Debates have arisen on the use of sanctions by powerful nations against perceived weaker nations. Consequently, the use of sanctions has also attracted questions as to the morality of such recourse and their efficacy.

For legal counsels and adjudicators (be they judicial or arbitrators) the impact of sanctions on contracts is one key issue that will arise in the event a dispute arises as to the continuing validity and enforceability of agreements when a transaction is impaired by the imposition of executive and legislative actions.

Under the Anglo-American common law regimes, the issue of sanctions is usually dealt with under the rubric of frustration of contracts and/or in event of existence of a clause dealing with force majeure events.

In the Malaysian context, whether an event of frustration has occurred would be approached by examining the applicability of Section 57 of the Malaysian Contracts Act 1950 ("Contracts Act") to the said event of frustration.

The Contracts Act eschew the use of the term 'frustration' and instead uses the reference that the contract has become 'impossible' or by some reason of some event which the promisor could not prevent has (become) unlawful.

However if such impossibility or unlawfulness is arising out of say US sanctions and not by means of Malaysia's own promulgation of laws or regulations, we cannot ipso facto construe that Section 57 of the Contracts Act can be invoked. The agreement may have become onerous or financially impossible to perform (e.g banking lines or letters of credit cannot be raised); however as in one High Court decision, such arguments were dismissed. In the case of Tai Kim Yew v Sentul Raya Sdn Bhd [2004] 3 CLJ 310 the Malaysian High Court held that in order to successfully invoke the doctrine of frustration, there had to be a radical change in circumstances. It was not sufficient for the defendant to merely refer to the national economic crisis of 1997-1998 and the consequential dire financial position of its holding company. The Court further held that there has not been such a fundamental change that completion of the condominium project cannot be contemplated.

The effect of a contract becoming unlawful or impossible to perform may give rise to remedies of restitution under Section 56 (3) and/ or Section 66 of the Contracts Act . Also pertinent would be the applicability of Sections 15 and 16 of the Civil Law Act 1956 which adopted Sections 1 and 2 of the United Kingdom's Law Reform (Frustrated Contracts) Act 1943. A refund of benefits under Section 15 of the Civil Law Act can be ordered (see National Land Finance Co –operative Society Ltd v Sharidal Sdn Bhd [1988] 2 CLJ 253; United Asian Bank v Chun Chai Chai [1988] 2 CLJ 253.

The moot question of whether imposition of sanctions amounts to war would be of interest : see British Movietonews Ltd v London & District cinemas ltd [1952] AC 166: Bank Line Ltd v Arthur Capel & Co [1991] AC 433. Again, if the sanctions are issued by western allies against a so-called unacceptable regime or alleged occupation of a friendly territory (e.g. the Sudan and Russia conflicts), then such would result incontract obligations being impacted in a way that would necessarily give rise to an event of frustration. Accordingly, careful construction of force majeure clauses will have to be undertaken.

These interesting questions are magnified when it gets played out in a micro level of commercial transactions since it is always inherently set within a macro context of political contestations.

The plethora of questions and debates that sanctions and its impact on commercial transactions becomes further intensified in light of the current economic milieu and rapid globalization world over, particularly the rapid economic expansion of ASEAN countries.

Rest assured, jurists from both Western and non-western continents will continue to deliberate on these issues that should stimulate and prove analysis and thought.

This analysis and debate is indeed the need of the hour.

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RAIF CONFERENCE 2015

"Arbitration in A Changing World"

In conjunction with the inaugural Kuala Lumpur International Arbitration Week 2015, the Malaysian Institute of Arbitrators (MIArb) is honoured to host the 9th Regional Arbitral Institutes Forum (RAIF) Conference 2015.

Themed "Arbitration in a Changing World" and headlined by the Attorney General of Singapore, Mr. VK Rajah, SC, RAIF Conference 2015 offers a vibrant program with experts and eminent thinkers from various jurisdictions in the region discussing evolving arbitral trends and strategies in a rapidly changing ASEAN and Asia.

The Malaysian Institute of Arbitrators (MIArb) provides us with a detailed breakdown of the RAIF Conference 2015.

This 9th May 2015 sees Malaysia taking its turn to host the 9th Regional Arbitral Institutes Forum (RAIF) Conference 2015 at the KLRCA, Kuala Lumpur.

Proudly hosted by The Malaysian Institute of Arbitrators (MIArb) this year, RAIF Conference brings together the 7 regional partners of RAIF along with eminent speakers and panellists from around the region to debate and explore issues and developments concerning international arbitration and dispute resolution.

GENESIS OF RAIF

RAIF was formed in 2007, when the Singapore Institute of Arbitrators (SIArb) hosted the Inaugural Arbitral Institutes Conference in Singapore, leading the guest-of-honour, Justice of Appeal VK Rajah (as he then was) to suggest in his keynote address that a permanent grouping of member institutes be formed and the conference held annually.



The suggestion was well received and thus RAIF was born. Today, RAIF has 7 regional partners namely, SIArb, MIArb, Institute of Arbitrators and Mediators Australia (LEADR&IAMA), Hong Kong Institute of Arbitrators (HKIArb), Badan Arbitrase Nasional Indonesia (BANI), Arbitration Association of Brunei Darussalam (AABD) and the Philippines Institute of Arbitrators (PIArb).

DISTINGUISHED SPEAKER LECTURE BY MR VK RAJAH, SC

Since 2007, the 7 RAIF partners have taken turns to host the annual RAIF Conference. Malaysia last hosted the RAIF Conference in 2010. MIArb is proud to once again play host in 2015 and to have Mr VK Rajah, SC, now the Attorney General of Singapore, who catalysed the formation of RAIF, deliver the Distinguished Speaker Lecture at the Conference.

Mr VK Rajah, SC will be delivering a lecture titled "Whither Adversarial Dispute Resolution" which will explore the challenges faced by adversarial dispute resolution from consensual forums such as mediation and the future of transnational commercial dispute resolution in a changing world.

ASEAN ROUND TABLE DISCUSSION – CAN ASEAN PROSPER WITHOUT AN ECONOMIC UNION

The morning session will see a lively Round Table Discussion on the prospects of an ASEAN Economic Union by a diverse panel of ASEAN thinkers. Moderated by Tan Sri Dr Munir Majid, who has had an illustrious career in industry, media and academia, panellists Datuk P. Ravidran of the Ministry of International Trade & Industry Malaysia, Datuk Steven CM Wong of the Institute of Strategic and International Studies (ISIS) Malaysia and Mr Manu Bhaskaran of the Institute of Policy Studies, Singapore will discuss

whether ASEAN economic integration will indeed be a reality in 2015. Datuk P. Ravidran of MITI will focus on what has been achieved under the ASEAN Economic Community plan and the challenges in store for ASEAN in this regard for the next 10 years. Datuk Steven Wong will give his thoughts on whether ASEAN will be rendered irrelevant if it lags behind on this issue.

REGIONAL UPDATES

RAIF Conference 2015 will also see its 7 regional partners from Australia, Hong Kong, Indonesia, Singapore, Brunei, Malaysia and Philippines delivering updates on significant developments in the practice of international arbitration in their respective countries. They will be touching on topics such as emergency arbitrations, interim reliefs in aid of foreign seat arbitrations, third party funding of arbitrations and curial support in applying the UNCITRAL Model Law principles.

INVESTMENT TREATY ARBITRATIONS

Professor Chester Brown of the University of Sydney and Barrister (NSW), 7 Wentworth Selborne Chambers will be speaking on investment treaty arbitrations with a focused discussion of the content of substantive standards of protection such as "fair and equitable treatment" and expropriation with regional case studies. Panellist Ms Harpreet Kaur Dhillon of the Centre for International Law, Singapore will discuss trends in regional Bilateral Investment Treaty and Free Trade Agreement negotiations, overlapping treaty protections and provide an update on the Trans-Pacific Partnership negotiations, while panellist Mr Hussein Haeri of Withers LLP will discuss the growth of claims by investors in the Asia Pacific region and whether there is a regional or "Asian" approach to investment treaty arbitration.

ROUND TABLE DISCUSSION ON HOT TOPICS IN ARBITRATION

The RAIF Conference culminates in a session with eminent judges and arbitrators discussing hot topics in arbitration. Justice Nallini Pathmanathan of Malaysia, Justice Vinodh Coomaraswamy of Singapore, Prof Anselmo Reyes of the University of Hong Kong and former Judge of the High Court of Hong Kong SAR and Mr Khory McCormick, Vice President of the Australian Centre for International Commercial Arbitration (ACICA) will weigh in with their views on hot topics in arbitration in the region.

NETWORKING PARTY & SPECIAL DINNER ADDRESS BY TUNKU ZAIN AL-'ABIDIN OF IDEAS

To celebrate the Kuala Lumpur International Arbitration Week 2015 and RAIF Conference 2015, MIArb has the distinct pleasure of hosting a Networking Party at the KLRCA Rooftop Pavilion on the eve of the RAIF Conference, i.e., on 8th May 2015. There will be music, entertainment, refreshments, and a Special Dinner Address by YAM Tunku Zain Al-'Abidin ibni Tuanku Muhriz, Founding President of the Institute for Democracy and Economic Affairs (IDEAS).

MIArb is proud to be part of the inaugural Kuala Lumpur International Arbitration Week 2015 and welcomes all to the RAIF Conference on 9 May 2015 and to the Networking Party on 8 May 2015.







CIArb Centennial Lecture ≥

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I-Arbitration Conference ≥

Time	Programme	Speakers / Presenters
4.00pm	Event Registration	
	KLRCA International Arbitration Week	
5.00pm	Opening Remarks	Director of KLRCA, YBhg. Datuk Professor Sundra Rajoo
5.15pm	Keynote Address	KLRCA Advisory Board Chairman & AG of Malaysia, YBhg. Tan Sri Abdul Gani Patail
5.30pm	Minister's Address	Minister in the Prime Minister's Department, YB Puan Hajah Nancy Haji Shukri
5.45pm	Book Launch of "KLRCA: Acknowledging the Past, Building the Future"	
	CIArb Centennial Lecture	
6.00pm	Introductory Remarks	Director General of CIArb, Anthony Abrahams
6.15pm	CIArb Centennial Lecture: Looking Back Moving Forward	Professor Doug Jones AO
7.15pm	Closing Remarks	Chairperson of CIArb (Malaysia Branch), Catherine Chau
7.30pm	Cocktail Reception	
10.00pm	End of Programme	

Time	Programme	Speakers / Presenters
9.00am	Event Registration	
9.30am	Welcome Remarks	Director of KLRCA, Datuk Professor Sundra Rajoo
9.45am	Keynote Address	Dr. jur. Thomas R. Klötzel
10.15am	Morning Networking Break	
10.30am	Session 1: Substance and Framework of i-Arbitration	Professor Andrew White
11.00am	Session 2: Importance of Arbitration in Islamic Finance	Datuk Malik Imtiaz Sarwar
11.30pm	Session 3: Shariah Disputes Beyond Banking	
12.00pm	Q&A - Panel Discussion	
12.30pm	Lunch	
2.30pm	Session 4: Mock i-Arbitration – Narrated role-play	Arbitrator Thayananthan Baskaran
	Workshop – based on the mock scenario, tutorial questions to consider & discussion thereafter	Counsels Nahendran Navaratnam Sudharsanan Thillainathan
	Tutorial Workshop - 2 groups (chaired by counsels)	Suuriaisariari Triillairiatriari
	Round up of session/Moderator of discussion : Thayananthan Baskaran	
4.00pm	Networking Break	
4.30pm	Session 5: Practical Aspects of i-Arbitration	Professor Dato' Mohamed Ismail Bin Mohamed Shariff
	KLRCA i-Arbitration Rules	Faris Shehabi
	An Overview of the Implementation of UNCITRAL Texts in Predominantly Islamic Law Jurisdictions	João Ribeiro
6.30pm	End of Programmme	

Time	Program	Speakers / Presenters
09.00am	Event Registration	
09.30am	Welcome Remarks by Conference Chairperson	Richard Wee
09.45am	Keynote Address	HRH Tunku Tan Sri Imrah Ibni Almarhum Tuanku Jaafar
10.15am	Morning Networking Break	
10.30am	Session 1: Mechanics of Sports Arbitration	Paul Hayes Isa Aziz Ibrahim
12.30pm	Lunch	
02:30pm	Keynote Address	Chris Anderson
03.15pm	Networking Break	
03.30pm	Session 2: The Future of Alternative Dispute Resolution	Professor Datuk Sundra Rajoo Benoit Pasquier Izham Ismail
05.30pm	End of Program	

Sports Arbitration Conference



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Sanctions Conference

9.30am Event Registration 10.00am Welcome Remarks by Conference Chairperson Philip Koh 10.15am Keynote Address Anthony Kevin 11.00am Networking Break Dr. Oveis Rezvanian Benjamin Hughes Session 1:
The Nature and Effects of Sanctions on the Resolutions of Disputes 11.15pm Panel Discussion 1.00pm Dr. Yaraslau Kryvoi Dr. Patricia Shaughnessy 2.30pm Session 2: The Arbitrability of Sanctions Panel Discussion 4.15pm Networking Break 4.30pm Asia: The Preferred Seat? Datuk Professor Sundra Rajoo Alastair Henderson Panel Discussion

RAIF Conference

6.00pm

End of Programme

Time	Programme	Speakers / Presenters
8.00am	Event Registration	
9.00am	Welcome Remarks	Lam Ko Luen
	Opening by RAIF Conference 2015 Chairman	Sudharsanan Thillainathan
9.20am	Address by Guest of Honour	Director of KLRCA, Datuk Professor Sundra Rajoo
9.35am	Distinguished Speaker Lecture - Whither Adversarial Dispute Resolution	Attorney-General of Singapore, VK Rajah, SC
10.35am	Coffee Break	
10.50am	ASEAN Round Table Discussion - Can ASEAN Prosper Without an Economic Union?	Panellists Tan Sri Dr. Munir Majid Datuk Ravidran Palaniappan Dato' Steven C.M. Wong Manu Bhaskaran
12.20pm	Regional Updates (Hong Kong, Philippines, Indonesia, Australia)	Presidents of RAIF Member Institutes
1.00pm	Lunch	
2.00pm	Regional Updates (Singapore, Brunei, Malaysia)	Presidents of RAIF Member Institutes
2.30pm	Investor State Arbitration	Professor Chester Brown
		Panellists Harpreet Kaur Dhillon Hussein Haeri
3.30pm	Coffee Break	
3.45pm	Round Table Discussion on Hot Topics in Arbitration	Panellists Justice Datuk Nallini Pathmanathan (M'sia) Justice Vinodh Coomaraswamy (S'pore) Professor Anselmo Reyes (HK) Khory McCormick (Aust)
4.45pm	Closing Remarks	Sudharsanan Thillainathan

CIArb Centennial Lecture





YBhg. Datuk Professor Sundra Rajoo Director of KLRCA



Anthony Abrahams Director General, Chartered Institute of Arbitrators











Professor Doug Jones AO AO RFD FCIARD FIAMA FACICA FAMINZ



YBhg. Tan Sri Abdul Gani Patail KLRCA Advisory Board Chairman & AG of Malaysia



Benjamin Hughes Independent Arbitration and Mediator, and Associate Professor of Law at Seoul National University Law School



Associate Professi School of Law, University of West



I-Arbitration Conference

















Prof. Dato' Mohamed Ismail Bin Mohamed Shariff







Justice Vinodh Coomaraswamy (Singapore)



Reyes Professor of Legal Practice, Hong Kong University



Brown Professor of International Law and International Arbitration Faculty of Law, University of Sydney



Datuk Malik Imtiaz

Sports Arbitration Conference

Richard Wee Partner, Richard Wee & Yip Organising Chairperson





UNCITRAL - United Nations Commission or International Trade Law



Tan Sri Dr. Munir Majid Chairman of Bank Mualamat Malaysia Bhd.





Wong
Deputy Chief Executive
Institute of Strategic &
International Studies,
Malaysia





HRH Tunku Tan Sri Imran Ibni Almar-hum Tuanku Ja'afar President of Olympic Council Malaysia







Khory McCormick Vice President, Australian Centre for International Commercial Arbitration (ACICA)



Hussein Haeri Partner, Withers LLP





Isa Aziz Ibrahim Partner Ranjit Ooi & Robert Low



Benoit Pasquier Director of Legal Affair, Asian Football Confederation



Harpreet Kaur Dhillon Practice Fellow, Centre for International Law (CIL)





Chan Leng Sun, SC President, Singapore Institute of Arbitrators









Ong Chee Kwan Partner, Christopher & Lee Ong



Belden Premaraj Principal Partner & Head of Belden Advocates & Solicitors





Sudharsanan Thillainathan RAIF Conference 2015 Organising Chairperson





Datuk Professor Sundra Rajoo

IN THIS ISSUE, THE EDITORIAL TEAM OF KLRCA'S NEWSLETTER SITS DOWN WITH THE CENTRE'S DIRECTOR, DATUK PROFESSOR SUNDRA RAJOO TO REVIEW THE SUCCESSES OF 2014, AS WELL AS TO DISCUSS PLANS FOR THE UPCOMING YEAR.

How pleased are you with the overall progress the Centre has made since taking over?

KLRCA was not a main player in arbitration during the early years even though KLRCA was one of the first centres to be set up in the region, back in 1978. By the time I took over, KLRCA had fallen behind its regional peers from Singapore and Hong Kong as both had undertaken aggressive marketing strategies to promote their venue and products.

I was brought in to make KLRCA competitive again and drafted a blueprint. It included a zealous rebranding exercise to increase brand awareness of the centre. Service levels were elevated, relevant new products developed, case loads increased and confidence in the centre was instilled.

As demand for the centre's services grew, KLRCA's workforce grew in tandem. The number has jumped from three personnel when I took over, to twenty plus today. The Centre's rise also saw it outgrow its previous premises of twenty-three years at Jalan Conlay, with KLRCA having just settled in its new premises, Bangunan Sulaiman.

Judging by how the Centre has catapulted itself back into the regional and international reckoning, I would say the overall progress has been most pleasing.

2014 proved to be an eventful year that enhanced KLRCA's standing regionally, as well as raising the Centre's international presence. What would you say the highlights were?

There were numerous highlights throughout the year, each one significant in their own way. We started 2014 on the front foot by organising a large ADNDRC (Asian Domain Name Dispute Resolution Centre) Workshop and Conference consecutively, that attracted the world's leading domain name and intellectual property experts.

Following up on the impending implementation of the Construction and Industry Payment and Adjudication Act (CIPAA) 2012, which was eventually enforced on 15 April 2014 by the Government of Malaysia, KLRCA

organised its first of two mammoth CIPAA conferences for the year 2014 in February titled, 'Getting Paid: CIPAA Updates'. A capacity crowd of one thousand participants comprising of key stakeholders and keen observers of the Malaysian construction industry turned up for this event. The second conference titled, 'CIPAA In Practice' held in June was equally a success as another encouraging crowd of one thousand participants turned up to enhance their knowledge of the functions and implications of CIPAA being implemented.

With the naming of the KLRCA as the adjudication authority by virtue of Part V of CIPAA 2012, the centre has a key role to play in its capacity as the default appointing and administrative authority. Rightly so - the centre organised four courses throughout the year made up of two basic one-day courses, 'Practical Drafting & Defending of Adjudication Claims', and two comprehensive fiveday courses, 'Adjudication Training Programme'.

Taking centre stage in the month of June was KLRCA's successful inaugural Kuching International Arbitration Conference 2014 that saw over two hundred eminent and aspiring practitioners of the arbitration industry from around the globe, congregating in the exotic island of Borneo to partake in an extensive three day symposium of deliberating the foundations of arbitration, scrutinizing the current state of the practice and forming roadmaps for the future.

The primary hype of 2014, was the growing anticipation surrounding KLRCA's big move into its new state of the art premises – Bangunan Sulaiman. After thirty-two years operating out of its previous premises, 12 Jalan Conlay; the Centre made the shift in August. This was followed by a soft launch in September that was officiated by the Chief Justice of Malaysia, Tun Arifin Zakaria. Coinciding with the soft launch was the welcoming of United Kingdom's Thirty Nine Essex Street Chambers into Bangunan Sulaiman, making them the first foreign chambers to set up an office in Malaysia. To commemorate the

occasion, KLRCA teamed up Thirty Nine Essex Street Chambers to host a 'Law & Infrastructure Seminar'.

KLRCA's apotheosis for the year 2014 came in the form of the official unveiling of its newest premises, Bangunan Sulaiman by the Prime Minister of Malaysia, The Right Honourable Dato' Sri Mohd. Najib Tun Razak. It was a premier affair as the guest list included Ministers, Ambassadors, International dignitaries, eminent members of the Malaysia Judiciary and various local and international media representatives.

To cap off the year, KLRCA teamed up with Washington based 'International Centre for Settlement of Investment Disputes (ICSID)' and the French headquartered 'International Chamber of Commerce (ICC)' to organise full day seminars that attracted capacity crowds. As the month of December drew to a close, the Centre held its twenty third evening talk for the year 2014. These free evening talks marketed to the arbitral community and the public, have since become a permanent and popular fixture on KLRCA's monthly calendars.

Having had such a successful year in 2014, how do you see the Centre pushing on in 2015? What direction would KLRCA be embarking on this year? Any particular goals that have been set?

One thing is for certain; we have to keep pushing barriers. The successes from 2014 would mean nothing if the centre rests on its laurels and does not take the next step up. Last year's focus was about welcoming 'CIPAA 2012' into the framework and the big transition to Bangunan Sulaiman. 2015's focus is to strengthen the Centre's presence within South East Asia. We are also looking to carry the KLRCA brand name into emerging arbitral markets such as India, Russia and Africa.

In addition to that, we look forward to collaborating and signing memorandums of understanding with international arbitral bodies to further facilitate the sharing of best practices and resources to improve the regional

"We are also looking to carry the KLRCA brand name into emerging arbitral markets such as India, Russia and Africa."

and international ADR scene. In fact, this initiative is already in motion. KLRCA recently signed a co-operation agreement with the Kigali International Arbitration Centre (KIAC), which will see KLRCA conducting adjudication training in Rwanda. Having finalised the course's framework back in December 2014, KLRCA is set to spearhead the adjudication training in Kigali on 21st-25th March 2015.

While expanding our horizons beyond the Asian region, our true responsibility that lies with the Malaysian community will not be overlooked. More road shows and CIPAA training sessions are already being scheduled for the next coming months. Our efforts of advocating the benefits of arbitration and the appeal of ADR clauses being added to contracts will also extend to the SME (small and medium enterprises) community in Malaysia.

Numerous new initiatives were identified at the tail end of 2014, with a few of those conceptualised ideas set to materialise and take shape this year. Could you share with the readers, what they are?

Global outreach is set to continue as the Centre seeks to add four more languages to its line of translated rules. In addition to the seven current ones we have; Malay, Indonesian, Arabic, Spanish, Chinese, Korean and Russian – KLRCA will be translating its rules into German, French, Portuguese and Japanese.

Arbitration of Sporting Disputes is also high on the list. KLRCA will be ramping up its efforts to launch a platform for the resolution of sporting disputes by



- Datuk Sundra pictured here at a conference in Vienna earlier this year.
 - → Datuk Sundra delivering an opening address at a recent seminar held in Bangunan Sulaiman.

alternative dispute resolution, teaming up with the Olympic Council of Malaysia and other relevant stakeholders to draft the required legislative amendments enabling the creation of such a mechanism. The remaining framework, including procedural rules and training initiatives, has also been commenced with an eye to launching the new platform in mid 2015. This platform will allow KLRCA to leverage its collaboration with the Court of Arbitration for Sport in developing its own expertise in sporting disputes, providing a much needed service to the Malaysian sporting community and in the process building a regional hub for the arbitration for sporting disputes both commercial and otherwise.

Touching on the maritime industry, KLRCA is in the process of registering a national society to address a perceived need within Malaysia for a body and forum able to promote the maritime legal industry. This society is to be created as a platform is needed to bring together the various stakeholders within Malaysia and the region, and the society will be open to all sectors of the maritime industry including lawyers, in-house counsels, corporate representatives and arbitration practitioners.

Other efforts set to take shape include; a collaboration with the Companies Commission, Malaysia to create a dispute resolution system for Intra-Companies Dispute; development and promotion of investor-state arbitration in the region with the forthcoming ASEAN Economic Community (AEC), with Malaysia taking the ASEAN Chair in 2015; and last but not least, KLRCA's tenacious efforts towards the continued development of domain name dispute resolution regionally and globally, providing for an alternative hearing avenue to the World Intellectual Property Organisation (WIPO).

KLRCA moved into its newest premises, the state of the art Bangunan Sulaiman back in August last year. With the premises being five times larger than the centre's previous home in Jalan Conlay, the potential to host larger scaled events simultaneously is certainly on the cards. What can the public look forward to?

We are definitely looking to build on our current range of events and enhance the participant's experience when they come over to Bangunan Sulaiman. Last year we held twenty-three evening talks, attracting the best speakers from the alternative dispute resolution world. As we are more settled down now, the public can certainly expect that figure to double up. These talks will remain free to the public.

KLRCA will also continue to host seminars with established local and international institutions. An example of this would be our recent collaborations with the King's College London Alumni of Malaysia and the Humanities Cluster of University of Malaya that attracted large crowds comprising of legal experts, international academics and officials of foreign affairs from international embassies around the capital. Similar jointly hosted seminars will continue to take place throughout 2015.

International conferences will also be on the cards. Take for instance the upcoming inaugural Kuala Lumpur International Arbitration Week that is set to take place this early May. In addition to that, KLRCA will also continue to support the yearly Malaysian Moot circuit by making our state of the art facilities available for the competition.

Last but not least, KLRCA will support upcoming legal societies and ADR bodies by allowing them usage of our many function halls.

KLRCA is set to organise its inaugural Kuala Lumpur Arbitration Week (KLIAW 2015), with the biggest legal personalities from around the globe set to spearhead, as well as participate in various intriguing arbitral topics. What can potential participants expect from this ground breaking arbitration week?

As you can tell from the 'highlights' section of this newsletter, the KLIAW 2015 is set to be the biggest alternative dispute resolution event in the Malaysian calendar for this year. It is going to be a power packed week filled with quality conferences and excellent networking opportunities with the best legal minds from around the world over sumptuous luncheons and classy evening receptions.

The week is set to begin with the CIArb Centennial Lecture delivered by renowned arbitrator Professor Doug Jones, who will be breaking down his lecture into two parts; "looking back to move forward" and "moving forward". CIArb's Director General, Anthony Abrahams, will be presenting the introductory remarks for this lecture.

Also taking place on the first day, is the exclusive official launch of KLRCA's brand new book – 'Acknowledging the Past, Building the Future', which will provide readers with a historical behind the scenes look from the Centre's genesis right up to its accomplishments over the past three decades.

The second day will see two conferences held simultaneously. Participants will be given the choice to attend either the i-Arbitration Conference or the Sports Arbitration Conference. Following closely the next day are another two streams consisting of a conference on the impact of sanctions on commercial transactions and consequences for dispute resolutions, and the 9th



Regional Arbitral Institutes Forum (RAIF) Conference 2015. Eminent speakers from around the globe have already confirmed their seats and participants attending the KLIAW 2015 can certainly expect a series of discourses on timely and pressing topics of the highest quality and order.

The tail end of 2014 also brought success on a personal front as you were voted in as CIArb's President for 2016. With CIArb being known for its strong global network, will there be future collaborations to further raise the arbitral standards in Malaysia and the region?

The Chartered Institute of Arbitrators (CIArb) - anchors and inspires the global dispute resolution community and its peers to continuously be better. With a member base of 13,000 spreading across 37 active branches across the globe, its network is unsurpassed in the ADR industry. One of my main objectives upon assuming the Presidency role is to encourage the sharing of best practices, and promote synergized growth amongst arbitral institutions. Leveraging on CIArb's adept and accomplished foundations of being a premier international ADR body, Malaysia and the Asian region will not be left behind.

In fact collaborations have already begun. For starters, as briefly mentioned earlier on, this coming May 2015 in conjunction with CIArb's Centenary

Celebrations; KLRCA has teamed up with the international institution to organise a seminar of the highest quality headed by renowned senior arbitrator, Professor Doug Jones AO. Having the experts of the world speaking in Malaysia, will provide our arbitrators with excellent avenues to learn and enhance their arbitral knowledge, ultimately raising the standards in the region.

As far as existing collaborations go, KLRCA will continue its successful partnership with CIArb to organise yearly sought after programmes like the 'Diploma in International Commercial Arbitration'.

Over the past 18 months, KLRCA's Internship Programme has been increasing in portfolio and stature as more international applicants successfully complete the duration of their assignment in Malaysia, leaving with comprehensive Malaysian arbitral knowledge. To date, the Centre has had interns from Ukraine, Canada, Spain, Ethiopia, India, Japan and Holland amongst others; how do you see this trend progressing? How much do local and foreign aspiring practitioners stand to benefit from this initiative?

The number of applicants from around the globe has increased significantly over the past 18 months. A clear indication that the KLRCA brand name is growing internationally. Some applications come in through our website and the rest through referrals from our panellist of arbitrators, professors and academics from esteemed law institutions, and established law firms.

The screening process is rather thorough, and at any given time the Centre will be looking at up to three to four applications at a time to see which candidate fits our requirements at that particular time the best. For example when we identified Africa and Russia as upcoming markets that we would like to expand the KLRCA brand name into, the Centre took on an intern each from Ethiopia and Ukraine. Apart from building up their knowledge on the arbitral industry in Malaysia, the Centre benefitted from their native cultural perspective, as well as their grasp of the local language. It is only right if this relationship remains mutually beneficial.

Permanent job offers have also been given out to performing interns that have expressed their interest to stay on. As for the rest, it is always pleasing to know that a majority of them have moved onto influential government roles, international arbitration firms and teaching positions. Be it China, Canada, India, or Mauritius; the Centre still keeps in touch with these individuals and some of them still assist us on ad hoc matters from across the pond.

Internships offered by KLRCA sometimes go beyond the conventional arrangement. For instance, we recently had a student from Japan who had just completed her PhD in Islamic Arbitration and was looking to further conduct research in Malaysia. It was a flexible arrangement as she divided her weekdays between conducting research at the national library and assisting us with i-Arbitration matters at the Centre.

KLRCA's Internship Programme has yielded promising results so far and we are certainly looking towards welcoming more bright applicants to our shore.







I gave a presentation in January at KLRCA on Arbitrating in the Middle East focusing on the UAE. There was a very good turnout. It appears there is a lot of local interest in the UAE construction market either as contractor or investor.

Dispute resolution is of course a very important aspect of risk management and is something that must be considered before entering into a new market. This article focuses on how it works in the UAE (specifically Dubai) and from an Arbitrators perspective if it works well.

INTRODUCTION

I started working in UAE six years ago in the middle of the economic downturn. I had previously been, and continue to be, a dispute consultant in UK and an adjudicator since the inception of statutory adjudication in the UK in 1998.

My passion is adjudication. It works. It works well. It is used almost exclusively in the UK to resolve construction disputes. As an adjudicator I feel I add value to the resolution of disputes. It is cheaper and quicker than arbitration and Court. That is why it is liked by the industry, added to the fact that

the Courts support it. When you get a decision from an adjudicator it is enforced.

By way of contrast my dislike for UK arbitration is as strong as my passion for adjudication. Earlier in my career whilst working for a large dispute resolution consultancy we were acting for one of the parties in an arbitration. I was only there for two years. The arbitration was running a number of vears before I started and continued to run after I left. 11 years I understand the Arbitration ran for. Now correct me if I'm wrong but any dispute resolution process that can take 11 years to run its course is not serving anyone's best interests, other than perhaps the consultants picking up a very nice fee. My experience of arbitration was against everything I stood for as a dispute resolver. It completely turned me off arbitration.

When I started working in the UAE I had hoped to be able to continue my adjudication experience and help to resolve disputes using adjudication. But the parties didn't need it. Disputes are resolved by arbitration in UAE. As a dispute resolver I needed to buy into arbitration or I would not be working in UAE as a dispute resolver. I needed to get over my mental block.

For me there are five key elements to a useful dispute resolution process:

- 1. User friendly rules
- 2. An element of time certainty/control
- **3.** An element of Cost certainty/control
- 4. Enforceability
- 5. Quality of dispute resolvers

The UAE has all of these. When I say UAE, I mean Dubai. UAE comprises seven Emirates, Abu Dhabi, Dubai, Sharjah, Ajman, Fujairah, Ras al-Khaimah and Umm al-Quwain. In terms of construction activity Abu Dhabi and Dubai are the places to be. In terms of dispute resolution activity Dubai is the place to be. In 2010/2011 there were over 400 arbitrations per year in Dubai. In 2014 the figure is probably around half that. Still a healthy activity. Here's how it works.

Most contracts are FIDIC based in Dubai. Most contracts call for Arbitration to be under the Dubai International Arbitration Centre (DIAC) arbitration rules. DIAC also administer. The contract will dictate if the Tribunal is to be a sole arbitrator or three person Tribunal.

2. Time

The time rules revolve around the passing of the file to the Tribunal. Once the Parties have issued their respective Request for Arbitration (by the Claimant) and Answer to the Request (by the Respondent) and the Tribunal has been appointed (all through DIAC up to this point), then the DIAC file is passed to the Tribunal to run the arbitration. The rules provide that upon the passing of the file, the Claimant has 30 days to issue its Statement of Claim and the Respondent a further 30 days to respond. The Tribunal has 6 months to issue its award. The bits in between ie rejoinder, hearing and such like are at the Tribunals discretion.

But the essential date as far as the process is concerned is that the award is to be issued within 6 months of the passing of the file. This can be increased by request to DIAC if the Tribunal has good reason for the 6 months not to be achievable. In practice, with the exception of the simplest of cases all Tribunals will seek additional time, usually in 3 month increments. Thus we have the time period extended to 9 months or 12 months from the passing of the file.

In theory, the timescale will be something like this:

1. The Rules

DIAC's 1994 rules were redrafted and reissued in 2007. They are clear, concise, well written and easy to follow. They give the arbitrator full powers to set procedure and subject to some time restrictions the arbitrator has pretty much a free reign to ensure everything flows well.

They extend to 46 rules contained in a small booklet conveniently sized at about one third of the size of an A4 page. It fits in your jacket pocket. They are so well written there is very little leeway for interpretation challenges. They set out the usual matters, namely how to commence the Arbitration, formation of the Tribunal, conduct of the proceedings, the award and a miscellaneous section to tie up the loose ends. There is also an Appendix, a very important appendix, which sets out the fees which are to apply to the arbitration.

So the first element, user friendly rules, yes.

☐Time – theory	
 Request for Arbitration 	Day 0
Answer +30 days	+30
 Appoint/Pay Fees/File to Arbitrator(s) – undefined 	+30? 0
 Statement of claim +30 days 	+30
 Statement of defence +30 days 	+30
 Reply to defence – if ordered - undefined 	+14?
 Rejoinder – if ordered - undefined 	+14?
 Hearing – if requested/required - undefined 	+14?
 Closure 	+ 0
 Award – 6 months from file to arbitrator 	Balance
	TOTAL = 8 MONTHS

In reality, the timescale will be something like this:

☐Time - reality			
■ Request for Arbitration		Day 0	
Answer +30 days		+30	
 Appoint/Pay Fees/File to Arbitrator(s) – undefined 		+60	<u>? 0</u>
Statement of claim +30 days			+30
 Statement of defence +30 days 			+30
 Reply to defence – if ordered - undefined 			+30?
 Rejoinder – if ordered - undefined 			+30?
 Hearing – if requested/required - undefined 			+30?
 Closure 			+ 0
 Award – 6 months from file to arbitrator 			Balance
3 months extension			+90
3 months further extension			+90
	TOTAL	=	15 MONTHS

So a total period of 8 months (minimum) and up to 15 (more likely) or even 18 months from the commencing of the arbitration through to receipt of Award. Not time certainty but at least there is a level of control and guidance of the likely time for the rendering of an award. This fits the bill as far as having some element of control over time is concerned.



Costs are set out in advance. The Tribunal fees are set out in the Appendix to the rules and are based on the amount in dispute. The amount in dispute is categorised in stages. For each stage there is a minimum fee and maximum fee depending on the complexity of the matter in dispute which is of course not merely determined by value. It is for DIAC as the administering Body to determine where the actual fee sits within the range. In my experience it will be the midpoint irrespective of complexity.

The first value stage is for disputes upto the value of 200,000 Dirhams (AED). The Fee is set to a range between AED8,500 and 8% of the amount in dispute. So for a AED150,000 dispute, AED10,250 per arbitrator. (1 dirham = 0.97 Ringgit)

The second value stage is for disputes upto the value of AED500,000. The fee range is AED13,000 to AED48,500. So for a AED500,000 dispute, AED30,750 per arbitrator.

This rises in stages upto a maximum value of dispute of over AED250,000,000. The fee range is AED192,000 to AED852,500. So for a AED250,000,000 dispute, AED 522,250 per arbitrator.

These costs are fixed upfront, paid upfront (to DIAC to hold) and lets the parties know exactly how much the Tribunal is going to cost, subject of course to any apportionment between the Parties by the Tribunal, but the total cost and maximum fee liability is known from the off.

The fees are very low for small value disputes and very high for large value disputes. Something needs to be done about balancing that but in terms of providing some level of cost certainty the rules fit the bill.

The UAE courts support Arbitration. By way of UAE Civil Procedure Code, Federal Law No 11(1992) the law recognises arbitration however any award must be enforced by the Courts. Article 217 provides that "the award of the arbitrators may not be contested by any manner of appeal". So challenges on the merits of the award are not allowed.

Entitlement to challenge on procedural incompetencies however remains. For example challenges on lack of jurisdiction, unfair procedure or procedural legal irregularities. Jurisdiction and procedure is of course for the arbitrator to properly manage but it is the latter of those challenges that often causes problems for arbitrators that are not knowledgeable with the local laws and the principles of Shari'a Law. The sort of thing that can come back to haunt you are such things as a non-compliant Power of Attorney, or an oath that has not been properly worded or perhaps the arbitration clause not being replicated in the award or perhaps each page of the award not being signed by each member of the tribunal. All these matters have tripped up arbitrators along the way.

Nevertheless in principle the Courts support arbitration albeit they will strike out an award for what might laws, to be trivial matters.

5. Quality of Arbitrators

There is a large pool of experienced arbitrators in Dubai. The number of arbitrations needs a large pool of arbitrators. We have that. Engineers, QS's, Local Lawyers, international lawyers, QC's even. The Tribunal can be single member or three person. Where three person it is good if the Tribunal can consist of a range of experience, so a good Tribunal might be a local Lawyer, an international lawyer and a QS to deal with the quantum. No need to fly anyone in. All here already. The market allows for a quality pool of practicing arbitrators.

So the process ticks all the boxes. Hence you have a workable process that is utilised by the industry. If it didn't work there would be a call for something else or the Court system would be the forum of choice. There isn't and it isn't.



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GROUNDS FOR IMPROVEMENT

There are of course some aspects of the rules that could be improved.

The rules at the front end aren't tight enough on the timescales prior to the passing of the file to the Tribunal (and the commencement of the six month award period). Matters revolving around failure to make payment of fees up front and jurisdictional challenges are not accounted for in the time frames to the effect that what should be a one or two month process can become something considerably longer. This could be accommodated within the rules with a time frame set for dealing with such issues.

As a practitioner, the matter of fees recovery is also an issue. The fee levels for small value disputes is too small and does not provide the arbitrator with a reasonable level of recovery for the time inputs required despite the small value of the dispute. There is a certain amount of time that is required to manage the arbitration and coordinate matters which is not related to value and that time is not properly recompensed in the smaller value disputes. A reassessment by DIAC of a minimum fee would be good.

By contrast the fee levels for the high value disputes are particularly high. If you are the arbitrator that is good but for the Parties, not so good. Perhaps a slight redistribution between the smaller fee levels and the higher fee levels would sort this out.

Also, the practice of withholding the majority of the fee until issue of the award is an issue for the arbitrator, particularly in high value disputes. 90% of the arbitrator's fee is withheld until issue of award. If timescales are to be extended to upwards of 1.5 years as is potentially likely (for which see above) then this is a considerable period of time for the arbitrator to be out of pocket. There is scope for requesting additional release of fees during the process but in my experience this is not usually consented to by DIAC. Again something for DIAC to reconsider.

With the exception of these minor complaints I would recommend the DIAC rules to anyone looking for a good set of user friendly rules.

PRACTICE ISSUES

As mentioned above gaining a knowledge of the local laws is an issue for any arbitrator from a common law background that might be thinking about heading out here to get a piece of the action. You will of course learn as you go and you will be guided by fellow Tribunal members who have been here for some while but nevertheless it is something that will challenge you in the early years. But we all like a challenge. It keeps it interesting.

SUMMARY

Arbitration in Dubai ticks all the boxes for me as a useful and workable dispute resolution process. It adds value. The industry players use it and in the main like it and that, after all, is what it is all about.



ABOUT THE AUTHOR

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Dispute resolution is of course a very important aspect of risk management and is something that must be considered before entering into a new market.



3rd March 2015

KLRCA's Talk Series was conceived back in 2012 as an initiative to step up the Centre's efforts to advocate the benefits and practice of alternative dispute resolution amongst corporations, organisations and the public. The evening talks increased in regularity and have since become a permanent fixture on KLRCA's monthly calendars. From humble beginnings of covering elementary arbitration topics, the Centre's evening talks have evolved into timely informative and globalised talks, occasionally teaming up with leading international organisations - bringing expert speakers into the fray.

The scene for KLRCA's latest evening talk was further enhanced by the Centre's collaboration with King's College London Alumni Malaysia (KCLAM) for the second time in the space of nine months. The last talk held in June 2014, at KLRCA's previous premises in Jalan Conlay, was highly successful – as overwhelming response meant registration had to be closed one week prior to the event. Fast forward several months, the response received more than doubled.

The month of March, also brought along a new time slot – with all talks now scheduled to begin two hours later at 5.30pm, instead of the conventional 3.30pm slot. This is to accommodate a majority of interested parties who are bounded by the formalities of a 'nine to five' working cycle and also to strategically overcome the abhorrence of being stuck in rush hour.

Spearheading the evening's talk titled, 'The Impact of Building Information Modelling (BIM) on Dispute Resolution', was the acclaimed Professor David Mosey, Director, Centre of Construction Law and Dispute Resolutions, King's College London. Proceedings for the evening began with opening remarks from KLRCA's Director, Datuk Professor Sundra Rajoo and KCLAM's President, Tan Sri Emeritus Professor Datuk Dr. Augustine S.H. Ong respectively.

The evening's moderator, Justice Datuk John Louis O'Hara of the High Court of Malaya, then took stage to read out the speaker's glowing credentials that includes over 30 years of experience advising on building and infrastructure projects in the UK and the Middle East and being described in the Chambers Guide to the Legal Profession as a "partnering guru" who "gives something to the industry"; before officially introducing Professor Mosey to the audience.

Professor Mosey started his presentation by engaging the audience into a show of hands: those who have heard of and worked with 'BIM' and those who have not. Having gauged the auditorium's initial level of comprehension of the topic, the speaker proceeded to elaborate on the British Standards Institute's definition of Building Information Modelling (BIM) as, "the process of generating and managing information about a building during its entire life. BIM is a suite of technologies and processes that integrate to form the "system" at the heart of which is a component-based 3D representation of each building; this supersedes traditional design tools currently in use"

The audience were then subsequently taken through three sub topics that included, 'How to get the best out of BIM through the systematic build up of shared data in respect of project designs, costs, supply chain members, deadlines and risks', 'Different approaches to BIM in the UK, from the timid and defensive to the bold and progressive', and 'Links between BIM and project programming, partnering and early contractor involvement'. Professor Mosey continuously provided supporting illustrations to further enhance the crowd's understanding as he went along.

At the conclusion of expounding on the points, Professor Mosey then treated the audience to a behind the scenes look at three varying case studies incorporating the implementation of BIM at different stages in the UK and the Middle East.

The informative and riveting talk session was then taken over at the hour mark by High Court Judge, Datuk John Louis O'Hara who moderated the Question and Answer session. A series of compelling questions were directed towards Professor Mosey. As time ticked down, a portion of the experienced audience managed to share a few institutional views of their own.

The talk session concluded with a fellowship that saw the alumni of King's College London bonding further with their fellow law practitioners, quantity surveyors, engineers and attendees of the evening.

KLRCA Talk Series kicked off a brand new year by organising numerous engaging talks by ADR experts. Below are talks that were held from January–March 2015.



_EVENTS

KLRCA TALK SERIES 2015

Topic:

Bias in Arbitration 6TH JANUARY 2015

Speaker: Mr Robert Rhodes QC (Outer Temple Chambers, London)

Moderator: Mr Ivan Loo (Skrine)

With whiffs of potassium nitrate from the thunderous display of fireworks that illuminated the capital's skyline just days before finally subsiding, KLRCA held its curtain raiser event for the year 2015 by organising a Talk Series session titled, 'Bias In Arbitration'. Spearheading the talk was Robert Rhodes QC, an arbitrator who brought to the table extensive experience of chairing disciplinary tribunals and considerable judicial experience, extending over 30 years.

Moderating this session was Ivan Loo who heads the Construction and Engineering Practice Group of a prominent Malaysian law firm. It was an encouraging crowd that turned up despite the torrential rain outside. Robert kicked off proceedings by stating how a fair-minded and informed observer should be able to differentiate 'auto presumption of bias' from 'apparent bias'. He then cited excerpts from international conventions, declarations and ordinances surrounding the importance of upholding natural justice. Examples included, 'United Nations Universal Declaration of Human Rights (Article 10)', 'European Convention of Human Rights (Article 6 [1]) and 'Hong Kong Arbitration Ordinance (s.46)'.

The attendees were then taken through a comprehensive presentation on the views of arbitral institutions on the non-tolerance of biasness in arbitration, cases of court interventions pertaining to the matter and the importance of impartiality and independence in arbitration. Next on the agenda were examples of cases within United Kingdom's jurisprudence. Robert took the attendees through at least 15 cases, each with different instances in which a challenge was made in view of a bias decision.

The presenter then switched the attendees' attention to cases beyond the United Kingdom's jurisprudence, with illustrations covering the United States of America, Sweden, Hong Kong, China and Australia. Robert went on to reiterate that impartiality should always remain as the watchword of all tribunals, including arbitrators. A question and answer session then took place with Ivan Loo taking on and moderating a flurry of question from the floor.



Topic:

Increasing the time and cost efficiency of arbitration – Is the German Approach viable in an international context

26TH JANUARY 2015

Speaker: Dr. Axel R. Reeg (Reeg Rechtsanwalte)

Moderator:

Mr Kuhendran Thanapalasingam (Zul Rafique & Partners)

KLRCA's Talk Series returned for the second time in January with a brand new session titled, 'Increasing the time and cost efficiency of arbitration – Is the German Approach viable in an international context'. There was a fresh change of backdrop as the evening talk was held at the Pavilion section of Bangunan Sulaiman instead of within the familiar auditorium walls.

Headlining this session was Dr Axel Regg, a German who has extensive experience in dispute resolution, both as an arbitrator (primarily ICC and DIS), and as counsel in international arbitration and before state courts. In addition, Dr Axel also lectures International Commercial Arbitration at the University of Heidelberg, Germany's oldest university. Moderating the talk was Kuhendran Thanapalasingam.

The objective of this talk was to provide attendees with a view on Civil Law, mainly German procedural law instruments fostering the efficiency of dispute resolution, such as early and on-going assessment of the merits, promotion of settlements and a more managerial role of arbitrators; whilst discussing whether and to which extent such features of the German approach can and should be used in an international context.

With the Seminar Room filled, Dr Axel began his presentation by providing the audience with an overview of 'The German Problem vs The German Advantage' and 'Features of German Civil Procedure and Domestic Arbitration'.



He then introduced six key elements of the German Civil Procedure before explaining in detail what each element signified. The elements included; 'Full statements of claim and defence presented at the start', 'Relevance test by Tribunal', 'Discussion of merits all through proceedings', 'Tribunal's duty to indicate relevant issues', 'Taking of evidence restricted and controlled by Tribunal' and 'Settlement Facilitation: obligation of a Tribunal'.

Having summarised the German Civil Procedure in full to the attendees, Dr Axel then proceeded to discuss how experts often had contradictory views on the subject matter – with a portion labelling it 'The German Problem' while others perceived it as 'The German Advantage'. Inclined towards the latter, he felt that the features clearly help to make dispute resolution in courts and in arbitral tribunals more time and cost efficient, as there is more focus on what is a decisive issue.

The presenter edged towards his conclusion by posing the question of the evening once more - 'Is the German Approach viable in an international context?'. A momentary pause followed before Dr Axel expressed his view; that while direct application was certainly not possible, some features may be adopted. He closed his presentation by sharing numerous recommendations that could be done to allow the adaptation of these features into international commercial arbitration.

Proceedings for the evening ended with Kuhendran taking over the stand to moderate an absorbing question and answer session. Topic:

Arbitration of Trust Disputes: A New Frontier 28TH JANUARY 2015

Speaker: Professor Tang Hang Wu (Singapore Management University)

Moderator: Mr Lim Chee Wee (Skrine)

The year 2015 kicked off with KLRCA successfully organising a flurry of international talks and seminars. A hugely eventful January was brought to a close with yet another intriguing KLRCA Talk titled, 'Arbitration of Trust Disputes: A New Frontier'.

Taking centre stage for this session was Professor Tang Hang Wu, Director of the Centre for Cross-Border Commercial Law In Asia at the School of Law, Singapore Management University. Hang Wu has published widely and his work has been relied on by all levels of the Singapore courts, the Federal Court of Malaysia, the Royal Court of Jersey, the Caribbean Court of Appeal, law reform committees in the Commonwealth, major textbooks and law journals.

Joining Professor Hang on stage to moderate this session was prominent Malaysian lawyer, Lim Chee Wee. Professor Hang who has built a reputation of being a leading expert in the area of unjust enrichment and equity; began proceedings for the evening by sharing with the audience, 'The Main Drivers to Settling A Trust'. Illustrations given included; 'Confidentiality', 'Divorce', 'Flexibility', 'Asset Protection', 'Succession Planning', 'Forced Heirship', and 'Minimisation of Tax'.



Numerous attendees with minimal prior exposure to the fixed trust scene were not left behind as Professor Hang took a few minutes off to define and explain the relationships between a settlor, trustee and beneficiary. Additional terms such as; 'discretionary trust', 'power to veto' and 'discretion to choose' were also touched upon. Professor Hang then briefly dwelled onto the topic – 'Offshore Companies and Trust', before presenting the audience with a noteworthy international case study on family dispute. Professor Hang continued to interact with the audience as he dissected the case. A Malaysian family dispute case was then projected on screen as a comparison with regards to the slightly different approaches taken across the globe.

Professor Hang's articulate and indepth understanding of the matter at hand continued to captivate the crowd's attention, as he followed through by touching on the potential issues plaguing the arbitration of trusts. The speaker then shared with the audience several potential solutions that could be taken to address the issues faced, before suggesting 'The Bahamas Solution: Trustee (Amendment Act) 2011' - as an example of a comprehensive solution mechanism that could be used.

Professor Hang concluded his final slide by sparking a discussion; whether Malaysia should consider changing its laws to allow for arbitration of trust disputes to strengthen Malaysia's standing as a major Asian wealth management centre. With numerous local trust law experts in the audience beginning to express and share their specialised views and opinions - Lim Chee Wee stepped in to moderate the remaining half and hour of the evening's session before calling it to a highly satisfactory close.



Topic:

Mediating Data Protection Breaches & Disputes 12TH FEBRUARY 2015

Speakers:

Mr Noriswadi Ismail (Global Data Protection & Privacy Specialist)

Dr. Sonny Zulhuda (International Islamic University Malaysia)

Dr. Paolo Balboni (European ICT, Privacy & Data protection lawyer)

Moderator: Dr. Sivasangaran Nadarajah (Messrs. K.C Hue)

KLRCA Talk Series returned in the month of February with a timely topic on, 'Mediating Data Protection Breaches and Disputes'. Given the recent increase of global cyber attacks infecting and fracturing safeguarded data networks of governments, institutions and multi billion dollar corporations; public interest remains high and this extended to a capacity crowd turning up for KLRCA's latest evening talk.

Sticking with the evening's digital era theme, KLRCA tapped in on its state of the art equipment and arranged for video presentations originating from Australia and Amsterdam, before dialling across Europe for a live Skype discussion session.

The objective of this talk was to provide attendees with a comprehensive overview on mediating data breaches and disputes from different jurisdictions; ASEAN (Malaysia & Singapore), Asia-Pacific and Europe. The evening's moderator Dr Sivasangaran Nadarajah, an experienced engineer and patent expert began proceedings by providing the attendees with a brief background of the recent hacking incidents plaguing the international cyber world and the initiatives currently being lined up to address the issue. He then introduced the session's first speaker; Noriswadi Ismail who has carved himself a glowing reputation of being one of Asia's brightest minds in the field of data protection and privacy consultancy.

Noriswadi who also carries the exclusive tag of being the first Malaysian and ASEAN to hold the prestigious United Kingdom (UK) Practitioner Certificate in Data Protection, started his presentation by introducing the attendees to several common and newly coined terms used in the industry. He then went on to share numerous data breach scenarios and how different data users (data controllers) and data processors resolve the conundrum faced by way of mediation, instead of litigation.

Following closely was the day's second speaker, Dr Sonny Zulhuda; an expert in the field of Internet governance and personal data protection law. Dr Sonny echoed on the points raised by Noriswadi earlier and provided additional case studies to fortify the attendees' grasp of the topic. He followed through by contextualising these scenarios, before offering practical guidance on how to mediate and resolve them.

Upon concluding, Dr Siva took over the floor momentarily to introduce the two video presentations lined up. The first video was a delayed recording of Malcolm Crompton. The presenter who heads a large privacy regulatory, management and consulting company in Australia; shared with the audience the 'Asia Pacific Experience' of mediating data protection breaches and disputes. Up next was a video presentation by Dr Paolo Balboni - an eminent European ICT, privacy and data protection lawyer. He touched on the aspects of data protection from the European perspective.

A panel discussion soon followed with Dr Paolo joining via a live Skype feed from Amsterdam. The crowd primarily made up of data protection observers from banks, large manufacturing corporations and telecommunication companies; took full advantage of the panel of experts available and ensured the remaining time located for the question and answer session turned out to be an absorbing and fruitful two way channel.



Topic:

The Reconciliation of Norms in International Relations 13™ MARCH 2015

Speakers:

Professor Peter Borschberg (National University of Singapore)

Professor Dr Lee Poh Ping (Institute of China Studies, University Malaya)

Professor Anthony Miller (Institute of Strategic & International Studies, Malaysia)

Moderator: Mr. Philip Koh (Mah-Kamariyah & Philip Koh)

KLRCA paired up with the Humanities Cluster of Malaysia's oldest and most esteemed public higher education institution, University Malaya; to host an evening talk titled, 'The Reconciliation of Norms in International Relations'.

It was a discourse of the highest intellect and mind stimulating order as famed scholars from the region; Professor Dr Lee Poh Ping, Senior Research Fellow in the Institute of China Studies, University of Malaya; and Professor Anthony Miller, the Tun Hussein Chair of International Studies at ISIS (Institute of Strategic & International Studies) Malaysia joined historian Professor Peter Borschberg, on the panel for a two hour long discussion on the relevance of the historical experience derived from the writings of the 17th century Dutch Republic jurist, Hugo Grotius - to current contests in the Asia Pacific.

Moderating the session was University Malaya alumnus, Philip Koh who began proceedings for the evening by providing a brief overview of the current norms revolving the international relations scene and how history attributed to the sculpting of its studies. Philip then turned the spotlight to the three speakers, as he officially introduced them to the audience.

Professor Borschberg was the first to address the audience as he turned over numerous pages from his book, 'Hugo Grotius, the Portuguese and Free Trade in the East Indies' – whilst enlightening the audience of its significance in setting the norms in international relations.

The writings of Hugo Grotius have been fundamental in shaping modern thinking about international relations - thinking about sovereignty, the freedom of trade, and the concept of an international society of states. Professor Borschberg mentioned, as power shifts away from Western nations, the issue of what is an appropriate rules-based international order is up for review and debate. Borschberg reiterated, that re-reading Grotius in his 17th-century context is vital as it shows how strongly his perspectives clashed with ideas and practices dominant in Southeast Asia at that time. Before handing over the torch to the next speaker, he further added that the works of Grotius takes us back to a period before Western global domination, when diplomacy had to come to terms with or confront a range and a contest of foreign-relations perspectives - just as increasingly it has to do today.

With the discourse approaching full flight, Professor Milner then took over the hot seat as he touched on ways forward. Ones that involved building regional institutions, forging new forms of engagement between major powers, defining and mediating different national interests in the South

China Sea. Professor Milner who was appointed Basham Professor of Asian History at the Australian National University in 1994, clearly had a vast comprehension of the topic at hand, as he shared with the audience apt examples to support his theories and opinions of the ever changing paradigm shift from Western practices to the Eastern ones.

A microscopic look into the emergence of dominant Eastern practices led to the effective ways of the Chinese. This provided an ideal platform for Professor Lee Poh Ping, a senior figurehead from the Institute of China Studies, University Malaya to take over the microphone and share with the audience his years of experience learning the China markets and the country's history in international relations. Professor Lee touched on past and current sanctions before exploring the future outlook of other Asian countries that are taking the step up.

An intense and thought provoking question and answer session soon followed. With the seminar room filled with senior scholars, foreign affairs officials from various embassies, banking officials and learned legal practitioners; the panel of speakers were bombarded with intricate questions ranging from trade commodities, Southeast Asia sultanate disputes from the 17th century, and diplomacy relations over war torn jurisdictions amongst the many. The evening was concluded with a networking session on the terraces of KLRCA's garden pavilion.

Topic:

Role of In-House Counsel in International Arbitration 26™ MARCH 2015

Speakers:

Dan Tan (JLC Advisors – Singapore, New York & San Francisco)

Shem Khoo (JLC Advisors – Singapore, New York & San Francisco)

Moderator: Mr Revantha Sinnetamby (Malaysian Corporate Counsel Association)

A packed seminar room greeted KLRCA's most recent talk series as two of Singapore's brightest young arbitrators Dan Tan and Shem Khoo took stage to present on, 'The Role of In-House Counsel in International Arbitration'. Moderating proceedings for the evening was Revantha Sinnetamby, Honorary Treasurer of the Malaysian Corporate Counsel Association, who brought to the table over fifteen years of international inhouse counsel experience.

The objective of the two-hour talk was to equip in-house counsels with practical knowledge needed to effectively structure and draft dispute resolution provisions, and to leverage the arbitration process to effectively and efficiently resolve and settle any disputes that may arise.

Dan Tan who is on the faculty of Harvard Law School and Stanford Law School, where he teaches international arbitration and international investment law opened the session by presenting an array of statistics derived from a recently conducted survey by inhouse counsels across the globe. The statistics covered data; on the primary role of respondents, respondents by industry sector, annual turnover of respondent corporations, number of international disputes in the past five years at respondent organisations and a geographic scope of respondents organisations.



of the market to the audience, Dan Tan proceeded to touch on the pre dispute stage of an arbitration that involves drafting effective arbitration agreements. He went on to mention that good drafting secures the benefits of international arbitration for one's client and that arbitration is a creature of the parties' consent. Dan then stressed on the importance of drafting a functional clause and the need to avoid several defects that ranged from equivocation, illusory agreements, "legal retentive" clauses and forgetting the importance of place. Dan continued to elaborate on each defect and shared several case studies with the audience before concluding his session by providing examples of arbitration friendly iurisdictions.

Next to take stage was Shem Khoo, who presented on what happens when a dispute arises. Shem touched on points surrounding settlement and pursuing claims. He explained that parties should always look for commercial leverage and pressure points. The speaker also went on to reiterate that settlement is only possible at certain points of the arbitration process. The attendees were then treated to a series of contemporary and relevant case studies before Shem concluded his presentation by sharing with the audience practical tips to manage a dispute that included; engaging a counsel early, reviewing public documents and designating one person internally with authority to manage the dispute.

Proceedings for the evening came to a close with Revantha taking over the microphone once more to conduct and moderate an absorbing question and answer session.



18 December 2014

Ann Quah, KLRCA's Head of **Business Development presenting** during the 'International Forum on ADR' at the Philippine International Convention Centre (PICC)



14 February 2015

KLRCA Director, Datuk Professor Sundra Rajoo partaking in a panel discussion during the 'Vienna Arbitration Days'



26 February 2015

Datuk Professor Sundra Rajoo pictured here with Teresa Cheng SC of the HKIAC at the GAR Awards 2015 ceremony in Washington DC



21-25 March 2015

Adjudication experts Lam Wai Loon and Chong Thaw Sing at the recently concluded KLRCA & KIAC (Kigali International Arbitration Centre) Adjudication Training Programme held in Rwanda. Completing the three men panel of KLRCA trainers sent to Kigali was Ir Harbans Singh.

*Stay tuned for our next newsletter as we bring you an in-depth behind the scenes look at KLRCA's Kigali Experience.



The Centre continued to standing through its presence at conferences, training workshops and



_LEGAL UPDATES

What's in The Name? - Domain Case Reviews

By Suganthy David (Senior Case Counsel, KLRCA) & Eden Taddese Gila (International Intern, KLRCA)

BTC INTERNATIONAL LIMITED [Complainant] Vs **NXC CORPORATION** [Respondent]

PANEL SINGLE-MEMBER PANEL

MS. SAMRITH KAUR

CASE NO. KLRCA/ DNDR-266-2014

DECISION DATE 5 DECEMBER 2014

FACTS

A dispute arose between BTC International Limited, a company incorporated in the British Virgin Islands and NXC Corporation incorporated in Korea in relation to the Domain Name britishindia.com. The disputed Domain Name was registered with Gabia, Inc. The Complainant filed its case with the Kuala Lumpur office of the Asian Domain Name Dispute Resolution Centre pursuant to the Uniform Domain Name Dispute Resolution Policy (UDRP). The Complainant contended that the disputed Domain Name is identical and/or confusing similar to a trade mark in which the Complainant has a right. The search on the WHOIS database list showed that the Respondent is the registrant of the disputed Domain Name. This could cause the general public to be confused that the Respondent is the owner of the British India (BI) Mark or associated with the Complainant or authorised by the Complainant to use the BI Marks.

Further, the Complainant stated that the Respondent had no rights or legitimate interest in the Domain Name as no permission has been granted to the Respondent to use the BI Marks or the disputed Domain Name. The Complainant stated that the Respondent is not commonly know by the disputed Domain Name and is not making legitimate noncommercial or fair use of the disputed Domain Name. The Complainant also contended that the Domain Name was registered and is being used in bad faith. The Complainant claimed that the Domain Name was registered by the Respondent primarily for the purpose of selling, renting or otherwise as the Respondent offered to licence the Domain Name to the Complainant for a 3-year period for a fee of \$3,000.00 per annum and the mere holding and not using of the disputed Domain Name is enough to show that the Domain Name was being used in bad faith.

Therefore, the Respondent's use of the Domain Name in relation to the Respondent's business is likely to cause confusion and/or deceive, and that the trade and public would erroneously suppose or mistake the business of the Respondent to be associated with that of the Complainant.

The Complainant requested the panel to transfer the Domain Name to the Complainant. The Respondent in turn contended that the Respondent is not only registering and using a number of Domain Names in connection with its current business, but also securing in advance the Domain Names that it might use for various future businesses by registering and holding them.

At the time of the registration of the subject Domain Name, the Respondent contended that it was never aware of the existence of the Complainant's BRITISHINDIA related trademarks because the trade name was not registered in Korea (where the Respondent had its business). The Respondent also submitted that "BRITISHINDIA" literally refers to "British India" and does not constitute a coined word Marks. Therefore, a coined incidence of the identicalness/ similarity to the BI Marks was not enough to be a presumptive ground for the Respondent's bad faith intent.

The Respondent, in addition, argued that it was unfair to deem that by virtue that the Respondent had proposed to the Complainant the payment of royalties for the use of the Domain Name, to which the Respondent has lawfully owned property right over for 15 years since its registration, indicated that the Respondent was using the Domain Name in bad faith.

ISSUES

The issue was whether the Domain Name is identical to or confusingly similar to a trademark or service mark in which the Complainant has rights to; whether the Respondent had no rights or legitimate interests in respect of the domain name; whether the Respondent's name had been registered or used in bad faith.

HELD.

The panel found that the Complainant had established that it is the owner of the trademarks compromising "BRITISHINDIA". The Complainant registered the trademark BI in 1994 prior to the Respondent registering the disputed Domain Name (britishindia.com). Based on the BI Mark



being the Complainant's registered trademark, and that the Complainant is only known by the disputed Domain Name, the panel found that the disputed Domain Name was identical or confusingly similar to the Complainant's registered trademark. Further, the Complainant asserted that it had not granted any permission to the Respondent to use the BI marks or disputed Domain Name. The panel noted that there was nothing to indicate or suggest that the Respondent had been commonly known by the disputed domain name. The panel stated that no evidence had been produced to show that the Respondent had been commonly referred to with the disputed Domain Name, unlike the Complainant, and there is no reason why the Respondent might reasonably be said to have any rights or legitimate interests in registering or using the disputed Domain

Name. The panel thus found that the Respondent had not satisfied the burden of proof under paragraph 4(c) of the UDRP and that the Complainant had rights or legitimate interests in respect of the Domain Name. Regarding the issue of the use of disputed Domain Name in bad faith, the panel concluded that the Respondent's holding of the disputed Domain Name satisfied the requirement of paragraph 4(a)(iii) of the UDRP in that the Domain Name was "being used in bad faith" by the Respondent by merely holding it and not using from 27 May 1999 to 16 June 2014. for the foregoing reasons, the panel was satisfied that Complainant has sufficiently proven the existence of all the three elements pursuant to paragraph 4(a)(iii) and ordered that the disputed Domain Name, britishindia.com to be transferred to the Complainant.

MANCHESTER UNITED LIMITED (previously known as Manchester United plc) [Complainant] Vs ASIA BUREAU.COM SDH BHD [Respondent]

PANEL SINGLE-MEMBER PANEL

MR. KHOO GUAN HUAT

CASE NO. KLRCA/ DNDR-268-2014

DECISION DATE 23 DECEMBER 2014

FACTS

The dispute arose between Manchester United Limited (previously known as Manchester United plc) which owns a professional football club from England, and Asia Bureau, a private limited company registered under Malaysian law regarding the registration of a Domain Name, manutd. my, under the Malaysian Network Information Centre. The Complainant brought the case before the Kuala Lumpur Regional Centre for arbitration (KLRCA) in accordance with MYNIC's (.my) Domain Name Dispute Resolution Policy (MYDRP). The Complainant contended that in the view of the large number of Domain Names under the Complainant and the easy accessibility by Malaysian visitors towards the Domain Name, the average public in Malaysia would believe that any Domain Name with the format www. manutd.... is connected to complainant. Therefore, the Respondent's registered Domain Name which is in dispute is confusingly similar and/or deceptively similar to the Complainant's registered MAN UTD marks and that the Respondent has registered and/or used the name in bad faith. The Respondent contended that it had purchased the Domain Name in good faith vide an open tender. The Respondent further responded that it was meant as a

private and personal blog for the owner's children to post write ups and pictures of their geese pets named as "Manut" and "Degil" which represents the Domain Name <u>manutd.</u>

<u>my</u>. Therefore, since the Domain Name had no reference in any way whatsoever to the Complainant's marks, the Respondent contended that there is no infringement.

ISSUES

The issue was whether the Domain Name was identical to or confusingly similar to trademark or service marks in which the Complainant has rights; whether the Respondent had no rights or legitimate interests in respect of the Domain Name; whether the Respondent's name had been registered or used in bad faith.

HELD

The panel found that the Domain Name manutd.my incorporated the Complainant's MAN UTD marks. The additional indicator .com or .my is of no significance. There is a general consensus that the relevant test is whether the Domain Name incorporated the dominant and distinguishing part of the Complainant's mark. Therefore, the panel found that Domain Name manutd.my was identical or confusingly similar to the MAN UTD marks. Further, the panel did not find the argument presented by the Respondent to be convincing. The act of registering a Domain Name does not give the registrant a right or legitimate interest in the Domain Name. Finally, the panel found that the inactive holding of the Domain Name can amount to bad faith usage. The panel followed the decision of Google Inc. v. Googles Entertainment in that bad faith use is not limited to positive action, but such use could be inferred from a Respondent's passive holding of the Domain Name. Based on the foregoing, the panel found that the Domain Name had been registered in bad faith and ordered it to be transferred to Complainant.

_LEGAL UPDATES

Arbitration Case Law: Developments in Malaysia & The International Front

By Laura Jimenez Jaimez (Acting Deputy Head of Legal Services, KLRCA)

Sebiro Holdings Sdn Bhd v Bhag Singh and Government of Malaysia

COURT COURT OF APPEAL OF

MALAYSIA HOLDEN AT KUCHING, SARAWAK

CASE CITATION CIVIL APPEAL NO.

Q-01-338-10/2013

DATE OF JUDGMENT 17 MARCH 2015

FACTS

Sebiro Holdings Sdn Bhd (hereinafter referred to as "the appellant") and the Government of Malaysia (hereinafter referred to as "the second respondent") are entangled in a disagreement over the appointment of an arbitrator by the Director of the Kuala Lumpur Regional Centre for Arbitration (hereinafter referred as to "the KLRCA") to hear and decide their dispute related to the alleged unlawful termination of the Contract by the second respondent.

The appellant entered into an agreement with the second respondent for a contract with regard to a project for replacement and upgrade of schools in Sarawak (hereinafter referred to as "the contract")

The second respondent terminated the contract on the ground of the alleged failure of the appellant to complete the project on time in accordance with contract and notified the same to the appellant.

The appellant sent a notice of intention to commence arbitration to the Ministry of Education and proposed Y.Bhg. Tan Sri Datuk Amar Steve Shim Lip Kiong (hereinafter referred to as "the proposed arbitrator") as a sole arbitrator. The second respondent did not agree on the proposed arbitrator.

The appellant requested the Director of the KLRCA to appoint a sole arbitrator indicating the proposed arbitrator as their client's choice due to his knowledge of locality of the place of performance of the said contract and his previous experience and position.

The Director of the KLRCA informed the appellant that the proposed arbitrator would not be appointed as sole arbitrator as there was no agreement between the parties to the proposed appointment. Therefore the Director of the KLRCA appointed Mr. Bhag Singh (hereinafter referred to as "the first respondent") as the sole arbitrator to hear and decide the dispute between the appellant and the second respondent.

After 21 days from the appointment of the first respondent as sole arbitrator, the appellant disputed the said appointment on the ground that the first respondent was not from Sarawak and he was deemed to be unqualified due to lack of geographical knowledge of Sarawak.

The Director of the KLRCA informed the appellant that the arbitration matter was not administered by the KLRCA under the KLRCA Arbitration Rules and as such the KLRCA was functus officio upon appointing the sole arbitrator to the arbitration matter.

Dissatisfied with the appointment, the appellant filed the originating summons to, inter alia, terminate the appointment of the first respondent as sole arbitrator containing that the KLRCA had appointed him unilaterally without considering the appellant's request to appoint the proposed arbitrator as a sole arbitrator.

The appellant alleges that parties have to be heard not only regarding the appointment but also the person to be appointed as arbitrator.

ISSUES

The issue was whether the appointment of the first respondent as the sole arbitrator was a valid appointment in regards to the dispute and whether the KLRCA had breached their duties to act fairly and to consult the appellant as to the alternative proposed arbitrator with local knowledge would be acceptable by the appellant.

HELD

On the facts, the High Court stated that the challenge must be made under subsection 15(1) of Act 646 which refers that the opposition to the appointment must be made to the arbitrator appointed within 15 days from the time they were aware of his appointment by sending him a written statement on the grounds relied on for challenging the same. The High Court found that the appellant failed to do so.



Moreover, in regards to the suitability of the first respondent as the sole arbitrator, the High Court found that the appellant did not indicate the specific requirement that the arbitrator be one with a special knowledge of the geography of Sarawak; and that the parties had agreed in the contract that "the arbitration was to be conducted at the KLRCA Kuala Lumpur."

The parties had agreed that in the event they failed to agree on the appointment of an arbitrator, an arbitrator shall be appointed by the Director of the KLRCA. In addition, there was no sign in the contract of thereafter of any preagreement between the parties on the qualification of an arbitrator in this instant appeal.

As regards to the qualification of an arbitrator to be appointed, the Court found that subsection 13(8) of Act 646 provides that the Director of the KLRCA shall have regard to any qualification required of the arbitrator by the agreement of the parties; and, other considerations that are likely to secure the appointment of an independent and impartial arbitrator.

Furthermore, it is clear that the subsection 13(8) does not stipulate that before the appointment of a sole arbitrator, the consent of the parties is required nor does it stipulate that before the arbitrator is appointed, the Director of the KLRCA is required to seek consent of the parties. Therefore, there is no doubt that the Director of the KLRCA is empowered to appoint a sole arbitrator.

The Court clarified in its decision that if a party had agreed with 'open eyes and full knowledge and comprehension' of a clause in the contract that in the event they fail to agree on the appointment of an arbitrator, an arbitrator shall be appointed by the Director of the KLRCA, such a party cannot subsequently turn around and contend that it agrees to the settlement of disputes by arbitration but only by the arbitrator of his/her own choice.

In the Court's view it cannot interpose and interdict the appointment of an arbitrator whom the parties have agreed to be appointed by the named appointing authority under the terms of the Contract, except in cases where it is proved that there are circumstances which give rise to justifiable doubt as the first respondent's impartiality or independence or that he did not possess the qualification agreed to by the parties.

The Court concluded with the finding that that the appellant failed to demonstrate that the first respondent should be disqualified on those grounds.

IMPACT

This decision is an affirmation of the principle of procedural fairness between parties to an arbitration agreement. Parties are able to craft the process as they please – so long as they are both in agreement. This decision also serves as a reminder that parties need to consider all aspects of the decision making process at the time of drafting the contract; if there are qualifications they wish any potential arbitrator to possess, those must be clearly set out so that both parties may agree. This can be done either at the contract drafting stage or subsequently at the time of the dispute, although this case is an example of the difficulties faced securing agreement once a dispute has already arisen.

_EVENT CALENDAR

save the date!

The following are events in which KLRCA is organising or participating.

APRIL 2015

Date	7 APRIL 2015
Event	KLRCA Evening Talk Series: Dispute Resolution in Capital & Commodity Markets
Organiser	KLRCA
Venue	Bangunan Sulaiman
Date	11 APRIL 2015
Event	Adjudicators Refresher Workshop: CIPAA 2012 in Practice
Organiser	KLRCA
Venue	Bangunan Sulaiman

Date	17 APRIL 2015
Event	KLRCA Evening Talk Series: Role of Expert Witnesses in Internation Arbitration
Organiser	KLRCA
Venue	Bangunan Sulaiman

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Date	20 - 24 APRIL 2015
Event	KLRCA Adjudication Training Programme
Organiser	KLRCA
Venue	Bangunan Sulaiman
Date	29 APRIL 2015
Event	Book Launch of Harban's Engineering and Construction Contracts Management Commencement & Administration (2nd Edition)
Organiser	KLRCA & Lexis Nexis
Venue	Bangunan Sulaiman
JUNE 20)15
Date	17 JUNE 2015

MAY 2015

Date	7 - 9 MAY 2015
Event	KLRCA International Arbitration Week 2015
Organiser	KLRCA
Venue	Bangunan Sulaiman
Special Hig	hlights

- CIArb Centenial Lecture by Professor Doug Jones
- Conferences on i-Arbitration, Sports Arbitration & Sanctions
- Exclusive KLRCA Book
 Launch 'Acknowledging
 The Past, Building The
 Future'
- RAIF Conference 2015

Date	17 JUNE 2015
Event	CIPAA Conference 2015
Organiser	KLRCA & Malaysian
	Society of Adjudicators
Venue	Bangunan Sulaiman



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