2016 Annual Report

The Multi-Service Global Hub for ADR

www.klrca.org
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About KLRCA

The Kuala Lumpur Regional Centre for Arbitration (KLRCA or the Centre) is a not-for-profit, non-governmental international arbitral institution that was established in 1978 under the auspices of the Asian-African Legal Consultative Organization (AALCO). It was the first centre of its kind to be established by AALCO in Asia.

The Centre provides institutional support for domestic and international arbitration and other alternative dispute resolution (ADR) proceedings. In addition, the KLRCA offers hearing facilities and ancillary administrative services to tribunals operating ad hoc or under the auspices of another institution. Established pursuant to the host country agreement between Malaysia and AALCO, the Centre has been accorded privileges and immunities for the purposes of executing its functions as an independent, international organisation.

The Centre is led by the Director, Datuk Professor Sundra Rajoo and has an advisory board chaired by the Attorney General of Malaysia and comprises renowned international arbitrators.
The Advisory Board of KLRCA was appointed by the Minister in the Prime Minister’s Department of Malaysia, Datuk Seri Mohamed Nazri Aziz, effected 15th of August 2011. Chaired by the Attorney-General of Malaysia, the Board advises KLRCA on its strategic direction in its aim to be the preferred arbitration centre in the Asia Pacific region as well as in positioning Malaysia as an arbitration-friendly destination.

Yang Berbahagia Tan Sri Dato' Sri Haji Mohamad Apandi Ali  
Attorney General of Malaysia & KLRCA Advisory Board Chairman

Tan Sri Dato’ Mohamed Apandi Ali, the ninth attorney-general of Malaysia is a former Federal Court judge. Apandi read law at the University of London, with other government scholars and graduated in 1972.

He ran a private practice from 1982 until 2003 before entering the judicial service. He became a High Court Judge in 2007, a Court of Appeal judge in 2010 and on Sept 30, 2013, he was elevated to the Federal Court.

The Board consists of renowned and respected Malaysian and international arbitrators. They are:

YBhg Tan Sri Dato' Cecil Abraham  
Founding Partner, Cecil Abraham & Partners

Mr Vinayak P Pradhan  
Consultant of Skrine, and Former President of the Chartered Institute of Arbitrators, UK

Professor Philip Yang  
Honorary Chairman of the Hong Kong International Arbitration Centre

Professor Robert Volterra  
Messrs Volterra Fietta, UK

Mr Sumeet Kachwaha  
Partner, Messrs Kachwaha & Partners, India
Minister In Charge

YB Dato’ Sri Azalina binti Othman Said
Minister in the Prime Minister’s Department

Azalina Othman Said is a Minister in the Prime Minister's Department. She has been an elected Member of Parliament for P157 Pengerang constituency in Johor since 2004. She was Malaysia's Minister for Tourism from 2008 to 2009 and the Minister for Youth and Sports from 2004 to 2008.

Before entering politics, Azalina was a practicing lawyer and host of various television talk shows, mainly discussing about political, economic and social issues.

Azalina holds a Master of Laws (LLM) from the London School of Economics and Political Science, United Kingdom.

AALCO Secretary General

H.E Professor Dr. Kennedy Gastorn
Secretary-General of the Asian-African Legal Consultative Organization (AALCO)

Prof. Kennedy Gastorn of United Republic of Tanzania, is the sixth Secretary-General of the Asian-African Legal Consultative Organization (AALCO). He took office on 15th August, 2016. He was elected for a four-year term at the Fifty-Fifth Annual Session held in New Delhi (HQ), India.

Prior to his current appointment, Prof. Gastorn was the Director of International Affairs of the University of Dar es Salaam, Tanzania and the immediate past Head of the Department of Public Law, University of Dar es Salaam School of Law. He was also a member of the National Environmental Advisory Committee in the Vice President’s Office United Republic of Tanzania. He has been involved with the Government of Tanzania as a consultant on various issues such as Drafting Regulations and Guidelines for the purposes of giving effect to the provisions of the Environmental Management Act, 2004 of Tanzania in 2012 (Permanent Secretary, Vice President’s Office United Republic of Tanzania), and other national and international institutions as a consultant on issues such as Drafting a Scalable Model on Mediating and Arranging of German-African University Partnerships (2014), Stiftung Partnerschaft mit Afrika e.V.

Director of KLRCA

Datuk Professor Sundra Rajoo
Director of the Kuala Lumpur Regional Centre for Arbitration (KLRCA)

Datuk Professor Sundra Rajoo is the Director of the Kuala Lumpur Regional Centre for Arbitration (KLRCA) and President of the Chartered Institute of Arbitrators (2016). His role of honour includes being Founding President of the Society of Construction Law, Malaysia and the Malaysian Society of Adjudicators. He is also the Past President of the Asia Pacific Regional Arbitration Grouping (APRAG), which is a federation of nearly 40 arbitral institutions in the Asia Pacific region.

Datuk Professor Sundra Rajoo is a Chartered Arbitrator and an Advocate & Solicitor of the High Court of Malaya (non-practising). He is a Professional Architect, Registered Town Planner and a Fellow of the Royal Institution of Chartered Surveyors. He has had numerous appointments as chairman, co-arbitrator of three-man panels and sole arbitrator in international and domestic arbitrations. He serves on the panel of numerous international arbitral institutions and organisations.

He is visiting professor at the Faculty of Built Environment, University of Technology Malaysia and past visiting professor at the Law Faculty, National University of Malaysia. He is a member in the Monetary Penalty Review Committee set up under the Malaysian Financial Services Act 2013.


In July 2015, Datuk Professor Sundra Rajoo was conferred an Honorary Doctorate in Laws from the Leeds Beckett University in England.
KLRCA’s relentless drive towards progress through innovative and inclusive efforts for the local and global Alternative Dispute Resolution (ADR) community; intertwined with greater commitment and focus, ground breaking ADR capacity building programmes, avant-garde products and services has moved into unchartered territories, enabling the Centre to inch closer in becoming the multi-service global hub for ADR.

Enhancing its global status and presence through the successful organising of world class talks and conferences, delivery of thought provoking and solution based lectures throughout the globe, strategic co-operation agreements with reputable local and international institutions, and registering record case loads – were hallmarks of a significant 2016.

2016 has been an exceptional year for the Centre and I would like to present this report by stating; the substantial successes that KLRCA has displayed throughout the year - are a tribute to all our stakeholders who have engaged, and with passion, embarked on a shared commitment of enhancing the alternative dispute resolution industry in this country and the entire region we call home.

Overwhelming response and positive feedback from candidates across the world that have attended our events will see us take on a more active role in education and capacity building in 2017.

Highlights for the upcoming year include the launch of KLRCA’s 2017 Rules, a new and improved website with an interactive user friendly interface, the Kuala Lumpur International ADR Week (KLIAW 2017) and a host of innovative certification programmes alongside leading ADR and academic institutions.

Together with my team, we will continue to push our boundaries and barriers to ensure KLRCA fulfills its potential in becoming a complete global ADR hub.

DATUK PROFESSOR SUNDRA RAJOO
Director of KLRCA
The KLRCA International Investment Arbitration Conference (KIIAC 2016) provided an excellent opportunity for delegates to evaluate a wealth of global information and exchange insights pertaining to various facets of the investment arbitration spectrum including policy, governance, advocacy and research.

2016 Overview

Staggering increase in ADR cases administered, including

461 adjudication cases recorded in 2016

Multi-Service
Global hub for ADR

LARGEST
dedicated Investment Arbitration Conference hosted in Asia

35 MOUs with leading global institutions

1404 panellist members from 68 countries

The KLRCA International Investment Arbitration Conference (KIIAC 2016) provided an excellent opportunity for delegates to evaluate a wealth of global information and exchange insights pertaining to various facets of the investment arbitration spectrum including policy, governance, advocacy and research.
KLRCA is known for its unique educational initiatives worldwide, and we continue to work on our annual projects as well as bringing new initiatives to Kuala Lumpur.

KLRCA has collaborated with a number of industries in advancing ADR as an effective mode of resolution.
2016 Events & Capacity Building

All events:

<table>
<thead>
<tr>
<th>CIPAA Programmes</th>
<th>KLRCA Talk Series</th>
<th>Other Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>Diploma in Arbitration</td>
<td>KLRCA Conference / Forum / Training Programmes</td>
<td>Total events: 54</td>
</tr>
</tbody>
</table>

Papers/Presentations delivered at:

Important Events:

- **Construction Industry Payment and Adjudication Act (CIPAA) 2012 Programmes**
  - 2 KLRCA Certificate in Adjudication Courses
  - 1 CIPAA Conference
  - 4 Talks
  - 750+ Participants Attended

- **KLRCA Talk Series**
  - A sequence of monthly talks held at the Centre. It is a free forum that is meant to be informative to all those who are interested in arbitration and ADR.
  - 15 Talks
  - 1400+ Participants Attended

- **KLRCA Sports Law Conference (in collaboration with Sports Law Association of Malaysia: ProTem)**
  - 150+ Participants Attended

- **KLRCA Summer Academy on International Investment Law and Dispute Settlement**
  - 50+ Participants Attended

- **KLRCA International Investment Arbitration Conference**
  - 260+ Participants Attended

- **KLRCA Mediation Forum**
  - 150+ Participants Attended

- **KLRCA Certificate in Sports Arbitration**
  - 45+ Participants Attended
KLRCA continued with its efforts to raise awareness on CIPAA as well as to train future adjudicators to be part of the KLRCA Panel of Adjudicators through the KLRCA Certificate in Adjudication Programme. CIPAA 2012 was officially enforced on 15 April 2014. Two certification training programmes were planned for 2016.

**KLRCA Certificate in Adjudication**
- Kuala Lumpur, 28 May – 1 June 2016
- Kuala Lumpur, 3 December – 7 December 2016

The first half of the year also saw the Centre successfully organise the CIPAA conference that led to a sold out auditorium

- **CIPAA Conference 2016: Gaining Strength**, 18 May 2016,
  Kuala Lumpur
KLRCA and the Chartered Institute of Arbitrators (CIArb) Malaysia Branch jointly organised the Diploma in International Commercial Arbitration 2016 course. The course held from 9 – 17 January 2016 was attended by more than 30 participants from Malaysia and many parts of the world with a faculty panel made up of distinguished and renowned international arbitrators.

2. Bid Rigging – Are You at Risk (Shanthi Kandiah & Dr. Sivasangaran Nadarajah), 20 January 2016

3. Multiplication of Arbitral Institutions in Asia and the Middle East (Mark Beer, Tun Zaki Tun Azmi, Datuk Professor Sundra Rajoo & Dato’ Mah Weng Kwai), 26 January 2016

4. Reflections on Construction Disputes in Mega-Projects (Chow Kok Fong & Datuk Professor Sundra Rajoo), 29 January 2016

5. Efficient Arbitration: Lessons to Be Learnt from The Civil Law (Dr. Christopher Boog & Lim Chee Wee), 31 March 2016


7. Conflict of Interest in Arbitration: Recent Developments (Khawar Qureshi QC & Dato’ Arief Emran Ariffin), 18 April 2016

8. The Latest Trends in International Arbitration and Selecting the Right Tribunal for Your Case (Mark Goodrich & Dato’ Anantham Kasinather), 26 May 2016

10. **Maritime Delimitation, Sovereignty Disputes and International Arbitration - A Practitioner’s Perspective** (Stephen Fietta & Dr. Ioannis Konstantinidis), 30 June 2016


12. **Securing Your Digital Assets** (Jayce Yeo, Yeo Yee Ling & Khoo Guan Huat), 4 August 2016

13. **Developments in UK Family Arbitration** (Judge Cryan, Pamela Scriven QC & Honey Tan Lay Ean), 29 August 2016

14. **An Evening with David. Rivkin: Efficiency in International Arbitration** (David Rivkin, Steven Thiru, & Tan Sri Cecil Abraham), 24 October 2016

15. **Straying from the Facts in a Hot Tub: Expert Evidence and Managing the Expert Witness** (Revantha Sinnetamby & Kevin Prakash), 8 November 2016
1. **KLRCA International Investment Arbitration Conference**, March, Kuala Lumpur

2. **KLRCA Summer Academy on International Investment Law and Dispute Settlement**, July, Kuala Lumpur

3. **2nd IPBA-KLRCA Asia-Pac Arbitration Day**, September, Kuala Lumpur


5. **ICC-KLRCA International Arbitration Conference**, October, Kuala Lumpur

6. **KLRCA Mediation Forum**, November, Kuala Lumpur

7. **KLRCA-CIARb Mediation Programme**, November, Kuala Lumpur

8. **ADNDRC (Domain Name Dispute) Conference**, December, Kuala Lumpur

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resolving Disputes with Companies from Asia: What is the Best Approach?</td>
<td>January, San Francisco</td>
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<tr>
<td>Young Arbitrators Forum – International Chamber of Commerce (ICC): Introduction to ICC Arbitration</td>
<td>February, Petaling Jaya</td>
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<tr>
<td>ASEAN Judge Training</td>
<td>February, Singapore</td>
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<tr>
<td>2016 Shanghai International Arbitration Forum – Boosting “One Belt One Road”</td>
<td>March, Shanghai</td>
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<tr>
<td>KLRCA-MIARB Joint Talk</td>
<td>April, Kuala Lumpur</td>
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<tr>
<td>The 3rd MIARB Annual Review for 2015</td>
<td>May, Kuala Lumpur</td>
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<tr>
<td>APAG Training Day – Best Practices in International Arbitration</td>
<td>June, Kuala Lumpur</td>
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<tr>
<td>Annual Summit on Commercial Dispute Resolution in China</td>
<td>June, London</td>
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<tr>
<td>The 4th FDI Moot – “Asia Pacific Regional Rounds”</td>
<td>August, Seoul</td>
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<tr>
<td>1st Regional Conference 2016: Bridging the Gaps</td>
<td>August, Kuala Lumpur</td>
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<tr>
<td>LAWASIA International Moot Competition 2016</td>
<td>August, Sri Lanka</td>
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<tr>
<td>ASEAN Economic Integration Forum</td>
<td>September, Kuala Lumpur</td>
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<tr>
<td>International Conference on Challenges in Domestic &amp; International Arbitration</td>
<td>September, Chennai</td>
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<tr>
<td>International Malaysia Law Conference</td>
<td>September, Kuala Lumpur</td>
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<tr>
<td>CIETAC China Arbitration Summit</td>
<td>September, Beijing</td>
<td></td>
</tr>
<tr>
<td>Indonesia &amp; SE Asia: 4th Annual International Arbitration Summit</td>
<td>September, Jakarta</td>
<td></td>
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<tr>
<td>Maritime Law Conference</td>
<td>October, Kuala Lumpur</td>
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<tr>
<td>SMC Adjudication Conference 2016</td>
<td>October, Singapore</td>
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<tr>
<td>International Dispute Resolution Master Class</td>
<td>October, Beijing</td>
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<tr>
<td>National Initiative on Strengthening Arbitration and Enforcement in India</td>
<td>October, New Delhi</td>
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</tr>
<tr>
<td>The Asia-Pac Regional Arbitration Group Conference 2016</td>
<td>October, Bali</td>
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</tr>
<tr>
<td>2nd International Conference on Arbitration</td>
<td>October, Doha</td>
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<tr>
<td>Penang Mediation Skills Course</td>
<td>October, Penang</td>
<td></td>
</tr>
<tr>
<td>The 2016 Dispute Resolution in Asia Workshop</td>
<td>November, Kobe - Japan</td>
<td></td>
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<tr>
<td>Iskandar Malaysia Construction Law Conference</td>
<td>November, Johor Bahru</td>
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<tr>
<td>Islamic Arbitration Conference</td>
<td>December, Sharjah</td>
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</tbody>
</table>
Case Analysis

Case Stats

- 61% of all arbitrations are disputes from the construction and other related sector
- 60% of all mediations are disputes from the construction and other related sector
- Total of USD295,470,992.84 and RM468,209,113.39 amount in dispute for arbitration
- Total of 416 appointments carried out by the KLRCA for all disputes
- 84% of appointments carried out were for adjudication matters
- 134% increase in adjudication cases compared to 2015
- 50% increase in ADNDR cases compared to 2015
- Total of RM1,537,979,679.80 amount in dispute for adjudication
- 71% of all arbitration matters where administered under the KRLCA Rules (KLRCA Arbitration Rules 2013 and KLRCA Fast Track Arbitration Rules)

1. No. of cases Registered in 2016 and Categories of Cases

- Adjudication: 443 (Domestic: 443)
- Arbitration: 62 (Domestic: 55, International: 7)
- Domain Name Dispute: 12 (Domestic: 4, International: 8)
- Mediation: 5 (Domestic: 5)
2. Nature of Claims

Nature of claims that have zero (0) claims:
- Agency/Dealerships/Distributions/Franchising
- Aviation/ Airlines
- Employment/Industrial Relations
- Information Technology/Telecommunications
- Insurances/Re-insurances
- Investment/Commodities/Treaty
- Real Estate (Land/Properties/Tenancy/Conveyancing)
- Sports
- Others

*Arb consists of ADM, APPT and Fast Track
*DND consists of DNDR and ADNDRC

3. Total No. of Panellists Appointed by Categories

*416 Panellists were appointed from 522 cases or 79.69%
Breakdown of Panellists

1. Number of Panellists by Categories and Countries

<table>
<thead>
<tr>
<th>Category</th>
<th>Domestic</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arbitrators</td>
<td>212</td>
<td>867</td>
</tr>
<tr>
<td>Mediators</td>
<td>104</td>
<td>223</td>
</tr>
<tr>
<td>DNDR</td>
<td>20</td>
<td>34</td>
</tr>
<tr>
<td>Adjudicators</td>
<td>345</td>
<td>71</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Domestic</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>681</td>
<td>1,195</td>
</tr>
<tr>
<td>36.30%</td>
<td>63.70%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maritime (Admiralty/ Shipping/ Charter Party/ Vessels/ Bill Of Lading/ Shipbuilding)</td>
</tr>
<tr>
<td>Investment/ Commodities/ Treaty</td>
</tr>
<tr>
<td>Intellectual Property/ Trademarks/ Copyright/ Patent</td>
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<tr>
<td>Insurances/ Reinsurances</td>
</tr>
<tr>
<td>Information Technology/ Telecommunications</td>
</tr>
<tr>
<td>Health &amp; Safety/ Pharmaceutical/ Biotechnology</td>
</tr>
<tr>
<td>Family/ Probate &amp; Wills/ Matrimonial</td>
</tr>
<tr>
<td>Energy/ Mining/ Oil &amp; Gas/ Power/ Natural Resources</td>
</tr>
</tbody>
</table>

2. Number of Panellists by Genders

<table>
<thead>
<tr>
<th>Category</th>
<th>Male</th>
<th>Female</th>
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</thead>
<tbody>
<tr>
<td>Arbitrators</td>
<td>1,624</td>
<td>252</td>
</tr>
<tr>
<td>Mediators</td>
<td>291</td>
<td>36</td>
</tr>
<tr>
<td>DNDR</td>
<td>39</td>
<td>15</td>
</tr>
<tr>
<td>Adjudicators</td>
<td>326</td>
<td>90</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>85.57%</td>
<td>13.43%</td>
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</table>
3. Statistics by Specializations

Specializations
Number of Panellists (Number of Domestic Panellists, Number of International Panellists)
## 4. Statistics by Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Panelists</th>
<th>Number of Adjudicators</th>
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</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>256</td>
<td>238</td>
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<tr>
<td>Singapore</td>
<td>137</td>
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<tr>
<td>Indonesia</td>
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<tr>
<td>Philippines</td>
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<tr>
<td>Thailand</td>
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<tr>
<td>Vietnam</td>
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<tr>
<td>Cambodia</td>
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<tr>
<td>Hong Kong</td>
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<td>China</td>
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<td>Japan</td>
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<tr>
<td>Korea</td>
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<tr>
<td>Taiwan</td>
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<tr>
<td>India</td>
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<td>Pakistan</td>
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<td>Nigeria</td>
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<td>Mauritius</td>
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<td>Maldives</td>
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<tr>
<td>Australia</td>
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<td>United Arab Emirates (UAE)</td>
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<td>Bahrain</td>
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<td>Egypt</td>
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<td>Lebanon</td>
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<tr>
<td>Monaco</td>
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<tr>
<td>Tunisia</td>
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<td>Syria</td>
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<tr>
<td>United Kingdom (UK)</td>
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<td>United States of America (USA)</td>
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<td>New Zealand</td>
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<td>Switzerland</td>
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<td>Ireland</td>
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<td>Austria</td>
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<td>Finland</td>
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<td>Germany</td>
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<td>Canada</td>
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<td>Sweden</td>
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<tr>
<td>France</td>
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<tr>
<td>Italy</td>
<td>14</td>
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<tr>
<td>Spain</td>
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<tr>
<td>Belgium</td>
<td>14</td>
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</tr>
<tr>
<td>Poland</td>
<td>3</td>
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<tr>
<td>Bulgaria</td>
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<td></td>
</tr>
<tr>
<td>Russia</td>
<td>11</td>
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</tr>
<tr>
<td>Ukraine</td>
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</tr>
<tr>
<td>Serbia</td>
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</tr>
</tbody>
</table>
Czech Republic | 4
Greece | 1
Romania | 1
Hungary | 1
Portugal | 3
Columbia | 1
South Africa | 1
Brazil | 2
Argentina | 1
Bolivia | 1
Cyprus | 2
Barbados | 1
Lithuania | 1
Latvia | 2
The Netherlands | 7
Nepal | 1
Chile | 1
Jamaica | 1
Belarus | 2
Botswana | 1
Sri Lanka | 1, 2
Bangladesh | 1, 2
Brunei | 1

*1404 Panellists are still active while 9 Panellists withdrawn

Panellist Stats

1079 arbitrators empaneled from various jurisdictions and expertise

63.7% international panellists

35.2% of arbitrators are specialized in the area of Company (Shares & Equities/Joint Venture/Partnership/M&A)

1404 panellists as of 2016 with specialization in 28 fields

252 female panellists

62% of Domain Name Disputes panellists are international panellists

416 adjudicators as of 2016

617 panellists specialized in construction and other related disputes

68.2% of mediators are international mediators

62% of DNDR panellists are international panellists
Cost and Duration Study

Introduction
This Cost and Duration Analysis is conducted for cases registered and concluded under the KLRCA Rules 2013 (the 2013 Rules). The Analysis takes into account all cases registered and concluded with the KLRCA and related data from 1st October 2013 up to 31st December 2016 (the Analysis period).

The KLRCA Rules

KLRCAs Schedule of Fees
One of the salient features of the KLRCA Rules is pursuant to Rule 12(2), where unless otherwise agreed by the parties and the arbitral tribunal, the fees of the arbitral tribunal shall be fixed by the Director of the KLRCA in accordance with the Schedule of Fees. KLRCA’s Schedule of Fees caters separately for international and domestic arbitrations. Accordingly, the fees for international arbitrations are stipulated in US Dollars (USD) while fees for domestic arbitrations are stipulated in Ringgit Malaysia (RM).
In ensuring timeliness, Rule 11(1) stipulates that the arbitral tribunal shall render its final award within a period limited to 3 months. The time limit stipulated begins from the date of the closing of final submissions (written or oral). To further ensure accountability, the arbitral tribunal is required to inform the Director of said date.

Methodology
Cases taken into account for the purposes of this Analysis are cases administered by the KLRCA, and concluded under the 2013 Rules (domestic and international) during the Analysis period.

Duration
Duration is recorded as from the date of Registration till the date of final conclusion.

Costs
As for costs, all arbitration proceedings considered during the Analysis period were identified and the total costs were tabulated to identify the average and median. We categorized the costs data to correspond with domestic and international arbitrations, where domestic costs are denominated in Ringgit Malaysia (RM), and international arbitrations are denominated in USD.

Analysis of Cost & Duration of KLRCA Arbitrations

Duration
In terms of time taken for conclusion of proceedings under KLRCA administration, the average duration was 10.84 months. In comparison to 3 other leading arbitral institutions, the KLRCA stands to be more time effective. In fact, the KLRCA is one of a handful of arbitral institutions, on average, to conclude an arbitration within a year.

Costs
In terms of costs, both domestic & international proceedings were considered separately where domestic arbitrations are denominated in RM while international arbitrations are denominated in USD.
i) Domestic Arbitrations:
The average total cost for domestic arbitrations during the Analysis period was **RM132,533.56**.
Broken down, the average administration fee was only **RM25,490.79**. This competitive average has been achieved despite the highest domestic arbitration claim being valued at **RM967,960,365.55**.

ii) International Arbitrations:
The average total cost for international arbitrations registered and concluded during the Analysis period (both sole arbitrator and 3 member tribunals) was **USD53,059.96**.
Broken down, Arbitrators’ fees on average (per arbitrator) was **USD42,708.94**, while the KLRCA’s average administration fees was **USD10,351.02**.

**Conclusion**

In comparison, the KLRCA emerges as one of the most effective in terms of cost and duration among all other arbitral institutions. Moving forward, the KLRCA will capitalise on its position as the most effective in terms of cost and duration to place itself as a key alternative dispute resolution hub. The geographic advantage of Malaysia along with its low cost of living is an added advantage when comparing the cost effectiveness of this jurisdiction. The KLRCA stands to be more cost effective and time effective when compared to other leading arbitral institutions which have conducted the same study based on the institutions and case load.

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1 Total costs includes tribunal fees and KLRCA’s administrative fees.
2 This includes arbitrations with sole arbitrator panels as well as 3-member panels.
3 The 2013 Rules contain a Schedule for both Administration and Arbitrators fees (by scale), dependent on the total value of the claim.
4 Administration fees are only dependent on the total claim, and not the number of arbitrators appointed.
Our Facilities

In 2016, we had over 1600 room bookings.

Bangunan Sulaiman is on the historical mile of Kuala Lumpur.

Located conveniently close to the KL Sentral Station, the transportation hub of the city.

KLRCA’s Bangunan Sulaiman “has potential to be the best outside the Peace Palace.” – GAR Hearing Centres Survey.
Full Breakdown

- Extra Large Hearing Room with Court Recording & Transcription System (CRT)
- World-Class Hearing Rooms
- 2 Extra Large Hearing Rooms (Seating capacity: 60 pax)
- 3 Large Hearing Rooms (Seating capacity: 22 pax) (1 large hearing room with CRT)
- 10 Medium Hearing Rooms (Seating capacity: 14 pax) (1 medium room with CRT)
- 6 Small Hearing Rooms (Seating capacity: 10 pax)
- 3 Extra Small Hearing Rooms (Seating capacity: 6 pax)
• 12 Breakout Rooms
• 2 Discussion Rooms
• Auditorium (Seating capacity : 186 pax) – Highest seating capacity recorded at 245 pax
• Pre-Function Room
• Seminar Room (Classroom seating : 60 pax; Theatre seating : 100 pax)
• Roof Top Garden Pavillion
• One Stop Business Pavilion
• Arbitrators’ Lounge
• Private Dining Room
• Outdoor Dining Area
• Ample Covered Car Park Spaces
• Specialised Alternative Dispute Resolution (ADR) and Construction Law Library (Open to the public)
• Ultra-modern Video Conferencing Equipment
Our Products

**KLRCA Arbitration Rules**

The KLRCA Arbitration Rules cover all aspects of the arbitral process, providing a model arbitration clause, setting out procedural rules regarding the appointment of arbitrators and the conduct of arbitral proceedings, and establishing rules in relation to the form, effect and interpretation of the award.

**KLRCA Mediation Rules**

The KLRCA Mediation Rules are a set of procedural rules covering all aspects of the Mediation process to help parties resolve their domestic or international disputes. The streamlined rules ensures that the mediation process addresses all parties’ interests which in turn will preserve the working relationship of parties and ensure those who negotiate their own settlements have more control over the outcome of their dispute.

**KLRCA Fast Track Arbitration Rules**

The KLRCA Fast Track Arbitration Rules are designed for parties who wish to obtain an award in the fastest way with minimal costs. The new Fast Track Rules have been modified to run more cohesively with international trends in arbitration proceedings and KLRCA’s functions in line with current practices in international commercial arbitration.
KLRCA i-Arbitration Rules

KLRCA i-Arbitration Rules are suitable for arbitration of disputes arising from commercial transactions premised on Islamic principles. The Rules incorporate a reference procedure to a Shariah Advisory Council or Shariah expert whenever the arbitral tribunal has to form an opinion on a point related to Shariah principles. This is in addition to covering all aspects of the arbitral process, providing a model arbitration clause, setting out procedural rules regarding the appointment of arbitrators and the conduct of arbitral proceedings, and establishing rules in relation to the form, effect and interpretation of the award.

These rules (4 rules above) are translated and available in eight (8) languages: English, Bahasa Malay, Bahasa Indonesia, Arabic, Spanish, Korean, Russian and Mandarin.

KLRCA & Construction Industry Payment and Adjudication Act (CIPAA)

KLRCA i-Arbitration Rules are suitable for arbitration of disputes arising from commercial transactions premised on Islamic principles. The Rules incorporate a reference procedure to a Shariah Advisory Council or Shariah expert whenever the arbitral tribunal has to form an opinion on a point related to Shariah principles. This is in addition to covering all aspects of the arbitral process, providing a model arbitration clause, setting out procedural rules regarding the appointment of arbitrators and the conduct of arbitral proceedings, and establishing rules in relation to the form, effect and interpretation of the award.

*The Centre will be launching its new rules, ‘The KLRCA Arbitration Rules 2017” on 15th May 2017 at the Kuala Lumpur International ADR Week (KLIAW 2017).*
Initiatives

Launch of the new KLRCA Arbitration Rules

Fast development of international arbitration market requires arbitral institutions to quickly adopt to all changes, and KLRCA is not an exception. Following the review and consultation process, KLRCA will be launching its reviewed Arbitration Rules during the Kuala Lumpur International Arbitration Week.

Launch of Regional Help Desks

Due to the increased international interest in the KLRCA and our new international collaborations, KLRCA will be launching Regional Help Desks (America, Europe, Asia, CIS etc.). Each desk will be managed by the KLRCA case counsel specializing on a particular region. The purpose of such a platform is to provide direct links to our stakeholders and partners.

Kuala Lumpur International Arbitration Week (“KLIAW”)

The KLIAW is the event of the year at KLRCA. Three days, from 15th to 17th May 2017, offer an array of interesting talks, panel discussions and keynotes delivered by top notch practitioners. The KLIAW will delve into different subjects: arbitration hot topics, One Belt One Road initiative, CIPAA, mediation discussion and a host of ADR related themes. It is a must for lawyers as it will also be a very good chance to increase the network.

Sports Arbitration

KLRCA is an official Court of Arbitration for Sport (CAS) Alternative Hearing Centre and conducts its own Certificate Programme in Sport Arbitration. Furthermore, the Olympic Council of Malaysia has for the first time introduced the KLRCA as an independent body that will adjudicate cases arising during the Kuala Lumpur SEA Games in August 2017.

Launch of KLRCA Young Practitioners Group (“YPG KLRCA”)

The official launch of the YPG KLRCA will be held during the First ICC/KLRCA Vis Pre-Moot on 17th March 2017. The group currently counts with over 200 members from 15 jurisdictions. Great expectations are being placed on this new endeavour of the KLRCA that aims to promote ADR worldwide amongst young practitioners.
The KLRCA in association with the Society of Construction Law, Malaysia (SCL) and the Chartered Institute of Arbitrators, Malaysia has commenced its Pilot Scheme for construction mediation. This is in furtherance of the Practice Direction No. 4 of 2016 issued by the Chief Justice of Malaysia with effect from 15th July 2016 which provides for institutionalised mediation.

**Pilot Project in Construction Mediation**

**Collaborative efforts with the OBOR project**

The KLRCA has liaised with other institutions around the world to prepare for the disputes that may arise from China’s OBOR initiative. KLRCA intends to create an arbitration alliance with institutions ranging from Asia to Africa and Europe to welcome and better resolve any and all disputes.

**Domain Name Dispute Resolution project**

The KLRCA aims to raise awareness about the ways to protect the domain name. An interactive and dynamic workshop will be set up by the midst of this year to address all these queries.

**First ICC/KLRCA Vis Pre-Moot**

A joint ICC/KLRCA effort will bring together 40 teams from 15 countries to Kuala Lumpur on 17th-19th March 2017. Teams from Brazil, USA, France, Japan, India, Cambodia, Malaysia and other countries will compete for traditional annual awards and special prizes in the form of internship opportunities.

**KLRCA Summer Academy on International Investment Law and Dispute Settlement**

Following success of the KLRCA International Investment Arbitration Conference and KLRCA Summer Academy on International Investment Law and Dispute Settlement last year, we hope to make this dynamic course an annual event. This initiative is of a special importance after signing a landmark Collaboration.
Strategic Partnerships (MOUs)

KLRCA Agreements

1. **USA**
   - 20/11/2014 Collaboration KLRCA & The International Centre For Settlement Of Investment Disputes (ICSID)
   - 17/09/2015 Collaboration KLRCA & The International Arbitration Institute Of The University Of Miami School Of Law

2. **Jamaica**
   - 10/03/2016 Cooperation KLRCA & Mona International Centre For Arbitration and Mediation Limited and UWI Faculty of Law at Mona

3. **Colombia**
   - 09/07/2010 Cooperation KLRCA & Bogota Chamber Of Commerce Arbitration And Conciliation Centre

4. **Rwanda**
   - 09/01/2015 MoU KLRCA & Kigali International Arbitration Centre (KIAC)

5. **United Kingdom**
   - 01/01/2012 MoU KLRCA & Islamic Finance Lawyers (ISFIN)
   - 08/09/2015 Tenancy KLRCA & Chartered Institute Of Arbitrators (CIArb)

6. **Switzerland**
   - 08/05/2012 Collaboration KLRCA & International Council Of Arbitration For Sport (ICAS)

7. **United Arab Emirates**
   - 07/12/2016 Collaboration KLRCA & The Sharjah International Commercial Arbitration Centre
8. **Russia**
   29/05/2015 Collaboration KLRCA & Russian Arbitration Association (RAA)

9. **Japan**
   14/03/2016 Collaboration KLRCA & Kobe University

10. **China**
    26/03/2012 Collaboration KLRCA & Hainan Arbitration Commission (HAC)
    11/12/2012 Collaboration KLRCA & Hong Kong International Arbitration Centre (HKIAC), Chinese International Economic and Trade Arbitration Commission (CIETAC), Korean Internet Address Dispute Resolution Committee (KIDRC), Asian Domain Name Dispute Resolution Centre Limited (ADNDRC)
    17/12/2014 Cooperation KLRCA & Shanghai International Economic and Trade Arbitration Commission (SHIAC)
    22/04/2016 Collaboration KLRCA & Beijing Arbitration Commission (BAC)

11. **Hong Kong**
    01/10/2009 MoU KLRCA & Asian Domain Name Dispute Resolution Centre (ADNDRC)
    03/07/2012 Collaboration KLRCA & Hong Kong International Arbitration Centre (HKIAC)
    20/10/2012 Collaboration KLRCA & Invest KL
    11/12/2012 Collaboration KLRCA & Hong Kong International Arbitration Centre (HKIAC), Chinese International Economic and Trade Arbitration Commission (CIETAC), Korean Internet Address Dispute Resolution Committee (KIDRC), Asian Domain Name Dispute Resolution Centre Limited (ADNDRC)

12. **Bangladesh**
    13/05/2016 Collaboration KLRCA & Bangladesh International Arbitration (BIAC)

13. **India**
    26/03/2013 Collaboration Government Of Malaysia & Asian-African Legal Consultative Organization (AALCO)

14. **Thailand**
    04/11/2011 Collaboration KLRCA & Thailand Arbitration Centre (THAC)

15. **Brunei**
    15/01/2015 Cooperation KLRCA & Brunei Darussalam Network Information Centre Sdn Bhd

16. **Indonesia**
    05/02/2015 Collaboration KLRCA & Badan Arbitrase Nasional Indonesia (BANI)

17. **Malaysia**
    27/01/2011 MoU KLRCA & The Associated Chinese Chambers Of Commerce And Industry Of Malaysia (ACCCIM)
    20/09/2012 MoU KLRCA & Universiti Kebangsaan Malaysia (UKM) - Supp.
    03/10/2013 MoU KLRCA & Labuan Financial Services Authority (Labuan FSA)
    20/10/2015 Collaboration KLRCA & The Asian Football Confederation (AFC)
    03/11/2015 MoU KLRCA & Monash University
    15/12/2015 MoU KLRCA & Securities Industry Dispute Resolution Center (SIDREC)
    01/01/2016 Tenancy KLRCA & Malaysian Institute of Arbitrators (MIarb)
    29/04/2016 Collaboration KLRCA & International Malaysian Society of Maritime Law (IMSML)
    01/05/2016 Tenancy KLRCA & Malaysian Corporate Counsel Association (MCCA)
    05/05/2016 Publisher's KLRCA & Current Law Journal (CLJ)
    01/06/2016 Tenancy KLRCA & Securities Industry Dispute Resolution Center (SIDREC)
    21/06/2016 Tenancy KLRCA & The Chartered Institute of Arbitration (CIarb) (Malaysia Branch)
    14/12/2016 MoU KLRCA & Taylor's University
Breakdown of KLRCA Agreements by Type

- Collaboration: 18
- Tenancy: 5
- MoU: 9
- Cooperation: 3
- Publisher’s: 1

Breakdown of KLRCA Agreements by Year and Region

- 2009: 1
- 2010: 1
- 2012: 7
- 2013: 2
- 2014: 3
- 2015: 9
- 2016: 12

Breakdown of KLRCA Agreements by Region

- North America: 3
- Europe: 3
- Eurasia: 1
- Asia: 27
- Africa: 1
- South America: 1
Media Reporting & Recognition

KLRCA was featured over 40 times in print and broadcast media. That is an average of 3.33 mentions per month.

CIPAA 2012: MITIGATING PAYMENT ISSUES WITHIN THE CONSTRUCTION INDUSTRY

The implementation of the Construction Industry Payment and Adjudication Act (CIPAA) 2012 in April 2014 was a timely one as it alleviates the long-suffering issue of delayed payment issues in the construction industry.

The Act introduced default payment terms for construction contracts, stipulating the value and frequency of progress payments when such terms are provided for under the contract and prohibits the practice of extending the due date when said cash is involved. It mandates timely payment and timely payments, as well as a formal dispute resolution mechanism and a penalty for non-compliance.

Since its implementation, the Act has gained strength and is now firmly backed with a robust platform to resolve payment disputes under construction contracts for projects carried out in Malaysia.

WHAT ARE KLRCA’S OBJECTIVES IN THE CONTEXT OF THE CONSTRUCTION INDUSTRY AND ITS ROLE IN IMPLEMENTING THE CIPAA 2012?

KLRCA is the sole adjudication authority of the CIPAA 2012. Since its implementation, the organization has been instrumental in resolving payment disputes under construction contracts in the country.

Payment default has been a major hurdle in the construction industry in Asia, leading to widespread issues such as delays in payment and disputes between contractors and clients. KLRCA’s role is to ensure timely payment and to provide a platform for disputes to be resolved.

Malaysia moves to address disputes along Belt and Road

Malaysia is one of the countries that has signed the Belt and Road initiatives, which aim to develop infrastructure projects in various countries, including Malaysia. However, disputes have arisen, particularly over payment issues.

The government has taken steps to ensure timely payments and to provide a platform for disputes to be resolved. The implementation of the CIPAA 2012 has helped in resolving some of these issues.

IFN Islamic Finance News

WORLD NATIONS TURN TO ISLAMIC ARBITRATION SERVICES AS SHARI’AH FINANCE GOES INTERNATIONAL

GLOBAL: Litigation through the courts may be the most popular choice for Islamic financial commercial disputes, however, an increasing number of market participants are gravitating outside the courts to settle transaction disputes as the internationalization of Shariah finance reaches an all-time high.
Tuntutan dalam sektor binaan cecah RM1.4 bilion


Berada pada tahap statistic, katanya, pihak membantu tuntutan kebajaannya memenuhi kes mereka walaupun kadang kala tidak mendapat jumlah penuh.


CIPAA awareness to change construction industry

By Ushar Daniela

KUALA LUMPUR. - KLRC directo, Datuk Sandra Rajo said the Construction Industry Payment and Arbitration Act (CIPAA) 2012 has gained strength since it came into effect, but an awareness campaign is needed to enforce it.

Sandra said the act had provided parties with a trusted platform to resolve their payment disputes under construction contracts for projects in Malaysia.

He said the aim of the 5th annual CIPAA conference organised yesterday by the Kuala Lumpur Regional Centre for Arbitration (KLRC) and the Malaysian Society of Architects were to increase awareness and enforcement of the CIPAA.

"The total value of construction work done in the first quarter of the year alone was RM3.4 billion and the construction sector, alongside services and manufacturing, continues to be the major contributor to Malaysia's economic growth", Sandra said.

Vice president of the Chartered Institute of Arbitrators (Malaysia branch), Lam Wei Leon said the CIPAA was at par with international standards, citing it was something we should be proud of.

"He said the act has been implemented in United Kingdom, New Zealand, Australia as well as Singapore and Malaysia being the fifth country to implement.

He said the act has been implemented in United Kingdom, New Zealand, Australia as well as Singapore and Malaysia being the fifth country to implement.

"The act benefits the local construction industry and the implementation of CIPAA was evidence of that," Lam told Malay Mail.

"He said CIPAA had provided a good system and had received support by all stakeholders including court judges but the lack of talented was the main concern.

"We do not have enough talent and with CIPAA in place we must have a number of good arbitrators for us to deal with cases effectively.

He said the legal system in place was a stepping stone but the lack of talent hinders the intention of CIPAA to bring change to the industry.

"The lack of awareness and the adaptation of the new system is the first challenge we face as what we intend to do is to raise more awareness so we can get more arbitrators on board," Lam said.

"Since then, the entity was reborned and Datuk Sandra aims to turn Malaysia into a regional hub for arbitration," Lam said.

He said word-of-mouth has spread on CIPAA and to date there are 263 registered arbitrators.

The act which came into effect four years ago introduced default payment terms for construction contracts, stipulating the value and frequency of progress payments where such terms are provided for under the contract.

The act also prohibits the practice of "pay when paid" clause and the act serves to facilitate regular and timely payments, a binding dispute resolution mechanism and a remedy for payment recovery.