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KUALA LUMPUR REGIONAL CENTRE FOR ARBITRATION

Newsletter #18 / Apr-Jun 2015

- p.8 CIPAA Conference : Aligning With CIPAA
- p.11 Kuala Lumpur International Arbitration Week [KLIAW 2015] Review
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Kuala Lumpur International Arbitration Week [KLIAW 2015] Review

KLRCAWADJUDICATION TRAINING PROGRAMME

14-18 NOV 2015

8.30am-6.00pm

Seminar Room 1

Kuala Lumpur Regional Centre for Arbitration Bangunan Sulaiman, Jalan Sultan Hishamuddin 50000 Kuala Lumpur

The Adjudication Training Programme is conducted by KLRCA and is open to everyone, especially those in the construction industry. Aside from training future adjudicators and providing them with the necessary skills to conduct an adjudication, the programme is also suitable for those who do not want to become adjudicators but would just like to seek more knowledge on the subject.

Enables the participants to acquire knowledge and develop a better

The Application of Statutory Adjudication to

understanding of adjudication and the effects of the Construction Industry Payment and Adjudication Act (CIPAA) 2012 on the construction industry.

The Practice & Procedure of Adjudication under the CIPAA

Gives participants a deeper knowledge of the important provisions of CIPAA and understand the necessary requirements of the adjudication process.

CIPAA Regulations

Introduces participants to the Regulations of the Act which will give full effect and the better carrying out of the provisions of CIPAA 2012.

Fundamentals of Construction Law

The training is conducted over five days by experts

the Construction Industry

from the construction industry and consists of five units.

Introduces the participants to the Malaysian Legal System and provides the basic knowledge of construction law, which includes basic concepts of the law of contract, tort and evidence.

The Construction Process

Introduces the participants to the basic knowledge of the construction process in particular procurement, processes and contractual arrangements.

Writing Adjudication Decisions

Provides participants the skills necessary to write an adjudication decision in accordance with the provisions in CIPAA.

CPD POINTS

Bar Council Malaysia Board of Engineers Malaysia (BEM)

Board of Architects Malaysia (LAM)

Construction Industry Development Board (CIDB) Land Surveyors Board

Board of Valuers, Appraisers and Estate Agents Malaysia (IPPEH)

Board of Quantity Surveyors Malaysia (BQSM)

pending approval pending approval pending approval pending approval pending approval

pending approval pending approval



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

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Director's message

Dear distinguished friends,

Welcome to the second edition of the KLRCA Newsletter for the year 2015 as we find ourselves at the midway point of yet another industrious and enterprising year. A lot has happened in the past six months with many more activities promoting the use of ADR domestically and internationally, lined up to take us through into the remaining quarters of 2015.

Awareness about the alternative dispute resolution landscape in Malaysia has picked up significantly in recent times. Since its establishment, the KLRCA has expanded its ADR functionalities much beyond traditional arbitration administration, and now it is actively involved in other forms of ADR, such as mediation, adjudication and domain name dispute resolution.

The Centre has striven to disseminate information and intelligence about the benefits of ADR to interested stakeholders and the general public. This endeavour has been carried out through the hosting and organizing of international conferences, evening talks, specially designed training courses, high powered discussion sessions, distribution of printed ADR materials and facilitating visits from higher learning institutions and various other local and international organisations who are keen to enhance their comprehension of the ADR world.

Last quarter provided the Centre with further opportunities to continue its efforts in promoting ADR and arbitration in particular to interested parties. To kick-start the quarter, KLRCA teamed up with the Olympic Council of Malaysia (OCM) to host a discussion platform entitled, 'An Introduction to the Malaysian Sports Arbitration Tribunal [MSAT]'. A large number of registered sports associations in Malaysia turned up to participate actively in this meeting that was headlined by the OCM President himself, HRH Tunku Imran Tuanku Ja'afar.

The Centre's premises, Bangunan Sulaiman burst into life in the month of May as KLRCA hosted Malaysia's biggest arbitration spectacle to date, as it hosted the inaugural Kuala Lumpur International Arbitration Week (KLIAW 2015). Close to four hundred local and international delegates filled the function halls of KLRCA throughout the week as a series of timely conferences were held simultaneously. An extensive review of KLIAW 2015 can be found under the highlight section of this quarter's newsletter.

Following closely in the month of June was the CIPAA Conference themed, 'Aligning with CIPAA'. This event which sold out three days prior to the big day, witnessed a strong panel line-up of experienced and learned moderators and speakers taking stage to discuss the latest updates and cases surrounding the Act that came into effect a year ago.

This quarter also saw the KLRCA sign a collaboration agreement with the Russian Arbitration Association (RAA). Featured in this edition's 'In The Seat' segment is RAA's Secretary General, Roman Zykov who touches on the benefits of facilitating the exchange of ideas and knowledge between arbitral organisations.

Sticking with the notion of collaborating with our counterparts from around the world, I would like to draw your attention back to my words shared in our last issue, where KLRCA teamed up with the Kigali International Arbitration Centre (KIAC) to conduct an adjudication-training programme in Rwanda. In this edition, you will find a comprehensive report of KLRCA's successful first collaboration with KIAC.

Closer back home, KLRCA's free evening talks continued to register capacity crowds as more talented local and international speakers took their places on the podium to impart valuable views and spark productive discussion sessions.

It has been an interesting first half to the year and rest assured that KLRCA will continue to work with reputable arbitral and legal institutions to bring you the best talks and certification programmes the industry can offer.

Until the next issue, happy reading.

Datuk Professor Sundra Rajoo

Director of KLRCA

Emorans



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

Visitor's gallery



Visit by YAM Tunku Zain Al'
 Abidin ibni Tuanku Muhriz
 [Founding President of the Institute for Democracy and Economic Affairs (IDEAS)]

7th April 2015





✓ Visit by Molengraaff Dispuut (Molengraaff Institute of Utrecht University)

21st April 2015





← Visit by
 Technology
 University of
 Malaysia (UTM)

21st May 2015



__EVENTS

An Introduction to the Malaysian Sports Arbitration Tribunal (MSAT) Meeting

10th April 2015

Sports in Malaysia are a mixture of traditional and Western games that have grown and progressed in size and stature over the decades into a multi million-dollar industry. Dating back to the colonial times of the mid 19th century, the genesis of sports in Malaysia began when British expatriates introduced football, cricket, track and field events, and rugby to the peninsula. What started out as an activity of leisure soon evolved into a profession for sports enthusiasts who played the game at a higher level as opposed to their peers, and a marketable industry for stakeholders who had invested their interest in the commercial aspect of the game.

The rise of sports in Malaysia has seen the emergence of multiple professional and amateur associations being formed to advocate and uphold the interests and well being of their respective fields. As of December 2014, the Olympic Council of Malaysia (OCM) has on record close to fifty-five sports association registered under the Ministry of Youth and Sports, ranging from the popular Football Association of Malaysia (FAM) to relative newcomers like the Malaysia Woodball Association.

The world of sports bridges cultures, provides entertainment and creates emotional attachments and affiliations; be it to a favourite player, team or club. Like everything in this world, there will always be two extreme sides of the game; the beautiful side and the ugly side. When a dispute arises from a sporting incident, if mishandled, the entire sanctity of the game can be brought into disrepute. However, if handled correctly through the right amount of diplomacy and impartiality, the honour and goodwill of the game can be upheld without crossing over to the ugly side.



Arbitration has been known to be an effective medium to resolve disputes amicably and that conviction remains a principal catalyst that led to the inception of the Malaysian Sports Arbitration Tribunal (MSAT). To kick of this motion, KLRCA and the Olympic Council of Malaysia (OCM) recently sent out an exclusive invitation to the relevant stakeholders and observers of the Malaysian sporting industry for a meeting to introduce the setting up and functions of the Malaysian Sports Arbitration Tribunal (MSAT). With the establishment of MSAT, the sports ministry and associations alike will be able to pass on the intricacies of dealing with sporting disputes to the newly formed body and in turn focus on the development and capacity refinement of their respective portfolio.

Headlining this discussion session was the President of the Olympic Council of Malaysia himself, Yang Amat Mulia Tunku Tan Sri Imran Tuanku Ja'afar. Joining Tunku Imran on the discussion panel were KLRCA's Director Datuk Professor Sundra Rajoo, OCM's Vice President Dato' Low Beng Choo and international sports arbitration expert Paul Hayes. In attendance were numerous prominent sports association heads, Malaysian sports enthusiasts and members of the media.

KLRCA's Head of Legal Services, Faris Shehabi kick started the discussion by introducing MSAT in brief before laying out the objectives of holding the discussion. The spotlight then shifted to YAM Tunku Tan Sri Imran as he delivered his opening remarks to a thunderous welcoming applause. Tunku Imran shared with the audience a timeline of the progression of sports in Malaysia and how the inception of the Malaysian Sports Arbitration Tribunal (MSAT) came about. Tunku Imran went on to explain how the mechanics of international sporting disputes worked and how MSAT, being the first of its kind in Asia would be a ground-breaking initiative to fortify and elevate the world of sports in Malaysia to the next level.

The torch was then passed to KLRCA's Director Datuk Professor Sundra Rajoo as he took stage to introduce the background and expertise of the Centre. Professor Sundra followed through by presenting three comprehensive topics on; 'Sporting Disputes and the Need for Dispute Resolution', 'The Administrative Structure of MSAT', and 'The Functions and Procedures of MSAT'.



allowed sports bodies to concentrate on their principal objectives in developing world class athletes while the Minister would be able to dedicate his attention having to dwell with the intricacies and

time spent on resolving disputes.

The Director of KLRCA then provided the audience with illustrations of the benefits of arbitrating sports disputes. Amongst those points being, 'the resolution of disputes by an independent body, ensuring a neutral and just outcome', 'disputes are heard by experts in the field especially suited to hear sporting dispute matters', and 'transparent procedure aiding in promoting the reputation of and harmony within Malaysian sport'.

At the hour mark, Professor Sundra swiftly moved onto the topic of MSAT's administrative structure and functions. Key points touched upon were; the governance of MSAT being under a separate structure including a Secretary General, Advisory Board and members of Sporting Community, and KLRCA's immunities and privileges pursuant to statute and host country agreement being extended to MSAT.

Professor Sundra also informed the audience that there would be a specialised set of MSAT Arbitration Rules that is currently being finalised, a specialist panel of Sports Arbitrators drawing on both arbitration and sports communities, and the drafting of a flexible cost structure. He then entered into the technical aspects of MSAT's framework and touched on MSAT's creditability of it being linked to the Court of Arbitration for Sport (CAS) through KLRCA's cooperation agreements, before concluding with a rally call of getting all stakeholders on board to see that MSAT eventually takes off in the near future.

Before transiting into a full-blown discussion session with the audience, experienced sports arbitrator, Paul Hayes took stage briefly to provide his thoughts through an international perspective. A panel consisting of YAM Tunku Imran, Datuk Professor Sundra, Dato' Low and Paul Hayes then headed an absorbing interactive brainstorm session with the audience. The introductory discussion session drew to a satisfactory close through a resounding show of eager hands, when YAM Tunku Imran concluded proceedings for the morning by requesting a show of solidarity and proactive support in elevating Malaysia's sporting industry to the next level.

He began by describing the two aspects that came under sporting disputes; sporting disputes itself and sports business disputes. Professor Sundra elaborated further by stating that the unique nature of disputes requires special legal basis for resolution – A Jus Ludorem (Law of games) or Lex Sportiva, and that sports law spans private and public, domestic and international law. Sporting Disputes in general covers 'selection disputes', 'match fixing', 'doping', and 'disciplinary matters'.

The audience were also given a brief insight into the current Sports Development Act's framework pertaining to 'Internal procedure for resolution of disputes' that involves Section 23 and Section 24.

Section 23 states that, 'Every sports body shall resolve any dispute arising amongst its members or with its committee or governing body in accordance with the internal procedures prescribed in the regulations'. Section 24 (1) goes on to stipulate that, 'Where a dispute cannot be resolved under the internal procedure referred to in Section 23, any aggrieved member or the sports body itself may refer the dispute to the Minister for resolution'. Professor Sundra took this opportunity to reiterate the importance of MSAT as it





CIPAA Conference: Aligning With CIPAA

17th June 2015

It has been an eventful fifteen months since the Construction Industry Payment and Adjudication Act 2012 was enforced on 15th April 2014. With this Act finally in place, affected parties now have a concrete platform to resolve payment disputes under construction contracts for projects carried out in Malaysia.

As of all Acts in their infancy stages, significant developments and updates are constantly forthcoming. Consolidating these developments and ensuring relevant parties are on the ball when it comes to CIPAA 2012 were the main objectives that led to the theme of this year's conference, 'Aligning with CIPAA'. It was the first time the conference was held at KLRCA's new premises, Bangunan Sulaiman. Response was highly encouraging as all available seats in the auditorium were snapped up three days prior to the event.

This conference was the fourth of its kind following the successful inaugural CIPAA Conference back in 24th October 2012 and its follow ups titled 'Getting Paid: CIPAA Updates' and 'CIPAA in Practice' held in the first half of 2014.

The CIPAA 2015 Conference was officially opened by the Minister in the Prime Minister's Department, Yang Berhormat Puan Hajah Nancy Haji Shukri, and was followed by a comprehensive CIPAA 2012 Status Report by KLRCA's Director Datuk Professor Sundra Rajoo. Four sessions covering pertinent CIPAA issues and updates made up the core of this year's conference. Each session consisted of a strong panel line-up of experienced and learned moderators and speakers.

Proceedings for the morning got under way with Datuk Professor Sundra Rajoo taking stage to deliver his welcoming remarks. In expressing his delight of CIPAA 2012's progress since the Act's implementation, the director of KLRCA also touched on the importance of continuous improvement, by stating:

"It was an aduous journey form the conception of the CIPA Act, right onto getting it gazetted and eventually implemented. However, it does not stop there. It is an on-going process. As new scenarios appear, additions and amendments eventually follow suit to ensure the Act's relevance and effectiveness in serving the industry's best interests are preserved."



Minister in the Prime Minister's
Department, Hajah Nancy Shukri then
took her place on the podium to deliver
her keynote address. In echoing her
support for the need of all parties
to stay tuned with the Act's latest
developments, she said:

"The construction industry is evolving rapidly. With significant projects taking off across the country as we step up efforts to realise 2020's vision of becoming a High Income Advanced Nation, it is important that all stakeholders within the construction industry know their rights and responsibilities. These new projects are set to improve the lives of the Raykat and ensure the sustained growth of the industry itself. Keeping abreast with the latest developments of CIPAA 2012 will go a long way in preserving the timelines and structure of the construction industry."

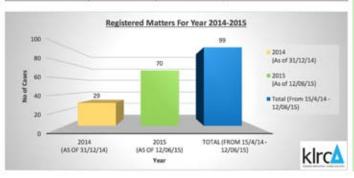
As the Minister took her leave, KLRCA's Director Datuk Professor Sundra resumed control of the podium as he presented a Status Report on 'CIPAA 2012'. Amongst the statistics shared were; total number of cases registered, registered matters by states, claimant's profile and type of adjudication disputes.

The total number of cases registered since CIPAA was implemented stood at 99 cases as of 12 June 2015. 29 cases were documented in 2014 and a further 70 cases in 2015. Of that total, Selangor

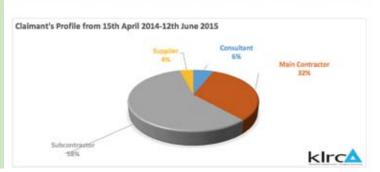
had the highest number of cases, attributing to 46%. Sabah, Johor and Terengganu shared the second spot with 8% respectively.

The claimant's profile consisted of four categories; Subcontractor (58%), Main Contractor (32%), Consultant (6%) and Supplier (4%). Rounding off that list was the type of adjudication disputes. 'Interim Payment' amounted to 43% of all cases while 'Final Account Value' accounted to 28%.

| | 2014 | 2015 | Total Matters | |
|-----------------------|------------------|------------------|----------------------------|--|
| | (As of 31/12/14) | (As of 12/06/15) | (From 15/04/14 - 12/06/15) | |
| Registered Matters 29 | | 70 | 99 | |



| Claimant's Profile | 2014 (As of 31/12/14) | 2015 (As of 12/06/15) | Total (From 15/4/14 - 12/06/15) | |
|-----------------------|--------------------------|--------------------------|------------------------------------|--|
| Employer 0 0 | | 0 | | |
| Consultant | 2 | 4 | 6 | |
| Main Contractor | ain Contractor 12 | | 32 | |
| Subcontractor | actor 15 42 | 57 | | |
| Supplier | 0 | 4 | 4 | |
| Total 29 70 | | 70 | 99 | |





With the audience well briefed of the latest statistics, the first session of the conference titled, "Section 18 CIPAA 2012, Fees, Expenses and Costs (Deterrent or Catalyst for Adjudication and Submission Suggestions)" soon commenced. The session was moderated by Dato' Mah Weng Kwai. Joining Dato' Mah on stage were speakers; Oon Chee Kheng, Lam Wai Loon, Mohanadass Kanagasabai and Sudharsanan Thillainathan. The informative session went on for an hour before culminating with an interactive question and answer session.





Next on the conference line up was session two entitled, "Strategy, Tactics & Management of Jurisdictional Challenges. The moderator for this panel was Ivan Loo. Presenting on the topic at hand were adjudication experts Rodney Martin, Choon Hon Leng and Chong Thaw Sing. Another absorbing question and answer session soon followed as the midway mark of the conference approached in the form of a networking luncheon.

The second half of the conference began with Rajendra Navaratnam moderating the day's third session titled, "Management of Proceedings". Joining him on stage were; Tan Swee Im, James Monteiro, Kuhendran Thanapalasingam and Ir. Harbans Singh. Twenty minutes of questions and answers soon followed before the fourth and final session of the day was introduced.





Titled, "Practical Lessons from the Trenches: Writing the Adjudication Decisions" – this session saw learned adjudicators Michael Heirhe, Celine Chelladurai and Foo Joon Liang join moderator, Wilfred Abraham on stage. The attendees were treated to an edifying hour of case sharing and procedural developments from around the globe.

As the conference inched closer towards its finishing mark, Conference Chairperson – Michael Heirhe presented his closing remarks. He reiterated the importance of keeping abreast with the latest updates of CIPAA 2012, as it will ensure the growth, structure and attractiveness of the construction landscape in this country are sustained and progress continues to take place.



KLRCA's marquee showcase of the year, the much anticipated inaugural Kuala Lumpur International Arbitration Week (KLIAW 2015), saw a large turn out as eminent and aspiring practitioners of the arbitration field from around the globe, filled the function halls of Bangunan Sulaiman to embrace the ethos of peer edification and passionate knowledge sharing.

Having successfully organised the Kuching International Arbitration Conference in 2014, it was time for the Centre to go a step further in its continuous bid to advocate the advantages and functions of alternative dispute resolution in this region. KLIAW 2015 strung together a selection of hotbed topics into several timely conferences that ran simultaneously over the course of one dedicated week.

The highlights of KLIAW 2015 were:

- → The CIArb Centennial Lecture
- → Exclusive Launch of the KLRCA Book entitled, "Acknowledging the Past, Building The Future"
- → Islamic Commercial Arbitration Conference
- → Sports Arbitration Conference
- → Conference on the Impact of Sanctions in Arbitration
- → 9th Regional Arbitral Institutes Forum (RAIF) Conference 2015



KLRCA's auditorium registered its hightest ever capacity to date as over 260 participants and guests attended the official opening of KLIAW 2015 that was graced by the Attorney General of Malaysia, Tan Sri Abdul Gani Patail and the Minister in the Prime Minister's Department, The Honourable Hajah Nancy Haji Shukri. Also in attendance were Director General of CIArb, Anthony Abrahams and Chairperson of CIArb Malaysia Branch, Catherine Chau.

First on the agenda, was the official launch of KLRCA's book entitled, 'Acknowledging the Past, Building the Future' by The Honourable Hajah Nancy Haji Shukri. The book is 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 the Centre's origins and its progression over the span of three decades.

Following closely after was the highlight event of day one, CIArb's Centennial Lecture. Carried out in a handful of selected countries across the globe throughout 2015 to celebrate the arbitral institution's one-hundredth year of existence; KLIAW had the honour of hosting CIArb's Centenary Chairman, Professor Doug Jones AO as he presented an intriguing hour long lecture titled, 'Looking Back to Move Forward'.



KLRCA Advisory Board Chairman and Attorney General of Malaysia, Tan Sri Abdul Gani Patail officiates the opening of KLIAW 2015, moments after presenting his keynote address.



- From left to right: Catherine Chau, Professor Doug Jones AO, Anthony Abrahams, Tan Sri Abdul Gani Patail, YB Puan Hajah Nancy Haji Shukri & Datuk Professor Sundra Rajoo.
- Professor Doug Jones delivering the CIArb Centennial Lecture.



DAY

8/5
AIFFRENCE

The action continued on the second day of KLIAW 2015 as two conferences were held concurrently.

SPORTS ARBITRATION CONFERENCE

This conference explored issues surrounding the billion-dollar sports industry and the multitude of disputes that can arise. Also touched upon were manners of resolving such disputes through arbitration.

Conference Chairperson:
Richard Wee | Partner, Richard Wee & Yip

Keynote Address:

HRH Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar | President of Olympic Council Malaysia

klrc

"Conversation
partners and role
players engaged,
and the audience
I can see were
vitally engaged
and questions
were extremely
acute and nuance"

Philip Koh | Senior Partner, Messrs Mah-Kamariyah & Philip Koh Session Two's question and answer segment being moderated by Farez Jinnah (left).



Session One's question and answer segment being moderated by Peter Douglas Ling (centre).

SESSION 1: MECHANICS OF SPORTS ARBITRATION

- Paul Hayes | Barrister & Arbitrator,
 Thirty Nine Essex Street Chambers
- Richard Wee | Partner, Richard Wee & Yip

SECOND KEYNOTE ADDRESS: FOOTBALL AND ARBITRATION – ONSIDE?

Chris Anderson

Head of Legal Services, Everton Football Club



SESSION 2: THE FUTURE OF ALTERNATIVE DISPUTE RESOLUTION

- Datuk Professor Sundra Rajoo
 | Director, KLRCA
- Benoit Pasquier | Director of Legal
 Affairs, Asian Football Confederation +
- Izham Ismail | Chief Executive Officer,
 Professional Footballers Association of Malaysia



i-ARBITRATION CONFERENCE

This conference took the participants through the theory and practice of the KLRCA i-Arbitration Rules. A workshop was held to show the practical application of these rules. The conference also emphasized 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.

Conference Chairperson: Thayananthan Baskaran Partner, Zul Rafique & Partners

Keynote Address: Dr. jur. Thomas R. Klotzel Attorney-at-Law and Partner, Thummel, Schutze & Partner, Stuttgart



SESSION 1: SUBSTANCE AND FRAMEWORK OF i-ARBITRATION

Professor Andrew White
 | Director of the International Islamic Law
 & Finance Initiative, Singapore Management
 University

SESSION 2: IMPORTANCE OF ARBITRATION IN ISLAMIC FINANCE

Datuk Malik Imtiaz Sarwar
 Messrs Malik Imtiaz Sarwar

SESSION 3: SHARIAH DISPUTES BEYOND BANKING

Madzlan Mohamad Hussain
 Partner and Head, Islamic Financial
 Services Practice, Zaid Ibrahim & Co

SESSION 4: MOCK I-ARBITRATION (Narrated role-play)

- Thayananthan Baskaran
 Partner, Zul Rafigue & Partners
- Nahendran Navaratnam
 Head of Navaratnam Chambers
- Sudharsanan Thillainathan
 Partner, Shook Lin & Bok
- Dr. Engku Rabiah Adawiah
 Binti Engku Ali | Professor at IIUM
 Institute of Islamic Banking and Finance (lliBF)

SESSION 5:

- Professor Dato' Mohamed Ismail
 Bin Mohamed Shariff

 Adjunct Professor, International Centre for
 Education in Islamic Finance
- Faris Shehabi
 Head of Legal Services, KLRCA
- Joao Ribeiro | Head of UNCITRAL's Regional Centre for Asia and the Pacific



Question and answer segment to wrap up the first three sessions (From left to right: Prof White, Dr Klotzel, Thaya, Madzlan and Datuk Malik)



Mock scenario in session (From left to right: Nahendran, Dr. Engku, Thaya, Sudharsanan)



Concluding question and answer session being moderated by Sabarina Samadi (left) (Flanked from left to right: Prof Dato' Ismail, Faris Shehabi and Joao Ribeiro)



NETWORKING RECEPTION

& Special Dinner Address by Tunku Zain Al'Abidin of IDEAS

In celebration of the Kuala Lumpur International Arbitration Week 2015 and the RAIF Conference 2015, MIArb (Malaysian Institute of Arbitrators) hosted a Networking Reception at the KLRCA Rooftop Pavillion.

The crowd being captivated by YAM Tunku Zain Al' Abidin ibni Tuanku Muhriz's Special Dinner Address.



V.K Rajah presenting his lecture entitled, 'Whither Adversarial Dispute Resolution'.

QAY3

The third day of KLIAW 2015 culminated with the RAIF Conference 2015 and the Sanctions Conference.

RAIF CONFERENCE 2015

Themed "Arbitration in a Changing World" and headlined by the Attorney General of Singapore, Mr. VK Rajah, SC, the RAIF Conference 2015 offered 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.

Conference Chairperson:
Sudharsanan Thillainathan
Partner, Shook Lin & Bok

Distinguished Speaker Lecture : V.K Rajah, SC

Attorney – General of Singapore

SESSION 1: ASEAN ROUND TABLE DISCUSSION – CAN ASEAN PROSPER WITHOUT AN ECONOMIC UNION?

- Tan Sri Dr. Munir Majid
 Chairman of Bank Muamalat Malaysia Bhd
- Datuk Ravidran Palaniappan
 Ministry of International Trade & Industry Malaysia
- Dato' Steven C.M. Wong
 Deputy Chief Executive, Institute of Strategic
 International Studies, Malaysia)
- Manu Bhaskaran
 Director & CEO of Centennial Asia Advisors

SESSION 2: REGIONAL UPDATES BY PRESIDENTS OF RAIF MEMBER INSTITUTES (HONG KONG, PHILIPPINES, INDONESIA, AUSTRALIA, SINGAPORE, BRUNEI AND MALAYSIA)

SESSION 3: INVESTOR STATE ARBITRATION

- Professor Chester Brown | Professor of International Law and International Arbitration
 Faculty of Law, University of Sydney
- Harpreet Kaur Dhillon | Practice Fellow, Centre for International Law [CIL])
- Hussein Haeri | Partner, Withers LLP)

SESSION 4: ROUND TABLE DISCUSSION ON HOT TOPICS IN ARBITRATION

- Justice Datuk Nallini Pathmanathan
 Court of Appeal, Malaysia
- Justice Vinodh Coomaraswamy
 High Court, Singapore
- Professor Anselmo Reyes | Professor of Legal Practice, Hong Kong University
- Khory McCormick | Vice President, Australian Centre for International Commercial Arbitration [ACICA]



☐ From left to right: Datuk Ravidran, Dato' Steven, Manu Bhaskaran and Tan Sri Munir.

→ Presidents of RAIF Member Institutes.



→ From left to right: Prof Chester, Harpreet Kaur and Hussein Haeri.

From left to right: Justice Vinodh, Justice Datuk Nallini, Belden Premaraj, Prof Anselmo and Khory McCormick.



SANCTIONS CONFERENCE

Themed "Impact of Sanctions on Commercial Transactions and Consequences for Dispute Resolution", this conference provided 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.

Conference Chairperson:

Philip Koh | Senior Partner, Messrs Mah-Kamariyah & Philip Koh

Keynote Address: Anthony Kevin

| Former Australian Ambassador



SESSION 1: THE NATURE AND EFFECTS OF SANCTIONS ON THE RESOLUTIONS OF DISPUTES

- Dr. Oveis Rezvanian | Director, Tehran Regional Arbitration Centre
- Benjamin Hughes | Associate Professor of Law at Seoul National University Law School

7





Session two panel discussion being moderated by Lam Wai Loon (left)



Concluding panel discussion (From left to right: Dr Yaraslau, Philip Koh, Dr Oveis, Dr Patricia, Alastair Henderson and Faris Shehabi)

SESSION 2: THE ARBITRABILITY OF SANCTIONS

- Dr. Yaraslau Kryvoi | Associate Professor, School of Law, University of West London
- Dr. Patricia Shaughnessy | Member of the Board of Directors, Arbitration Institute of the Stockholm Chamber of Commerce [SCC]

SESSION 3: ASIA – THE PREFERRED SEAT

- Faris Shehabi | Head of Legal Services,
 KLRCA
- Alastair Henderson

 Head of International Arbitration

 Practice in Southeast Asia

"With great speakers, interested audience - KLIAW 2015 has been perfectly arranged"

Dr. Patricia Shaughnessy | Member of the Board of Directors, Arbitration Institute of the Stockholm Chamber of Commerce [SCC]

"KLIAW 2015 has been a great success and a result of it we hope to write an article with colleagues from around about sanctions in international arbitration. That will be a very practical result"

Dr. Yaraslau Kryvoi Associate Professor, School of Law, University of West London



IN THIS SECOND ISSUE FOR THE YEAR 2015, THE KLRCA EDITORIAL TEAM INTERVIEWS THE SECRETARY GENERAL OF THE RUSSIAN ARBITRATION ASSOCIATION (RAA); ROMAN ZYKOV.

ROMAN SHARES WITH US THE ORIGINS OF THE RUSSIAN ARBITRATION ASSOCIATION (RAA) AND THE ROLE IT PLAYS TOWARDS THE DEVELOPMENT OF THE ALTERNATIVE DISPUTE RESOLUTION SCENE IN RUSSIA AND THE CIS (COMMONWEALTH OF INDEPENDENT STATES). HE GOES ON TO TOUCH ON THE SIGNIFICANCE OF THE RECENTLY SIGNED COLLABORATION AGREEMENT BETWEEN RAA AND THE KLRCA.

ROMAN ZYKOV

Secretary General of Russian Arbitration Association (RAA)

The Russian Arbitration Association (RAA) was founded in April 2013. How did it come into existence?

Historically, Russia has always been one of the central actors in international arbitration, starting from the Hague Peace Conference of 1899 which was convened at the initiative of the Russian monarch Nicholas II. The outcome of the Conference was the Convention on the Pacific Settlement of International Disputes, which provided for settlement of international disputes by arbitration, which later was institutionalised in form of the Permanent Court of Arbitration in the Hague (The Netherlands).

During the Soviet era, arbitration remained a preferred method for resolving international commercial disputes. This eventually led to the signing of the Optional Arbitration Clause Agreement between the Soviet Chamber of Commerce and the American Arbitration Association in 1977 and the rise of the Arbitration Institute of the Stockholm Chamber of Commerce as a central venue for trying the so-called the "East-West" disputes.

After the dissolution of the USSR, Russian companies became more free to decide on how and where to arbitrate, and as a result Russian arbitration geography expanded dramatically, and now embraces London, Paris, Genève, Vienna, Kuala Lumpur, Dubai, Singapore, Hong Kong and other.



In fact, most of the complex and high stake Russia-related disputes are resolved outside of Russia today, which raises reasonable concerns as to the future for arbitration in Russia itself. Therefore, development of the arbitration capabilities and legal market in Russia was the main objective when we created the Russian Arbitration Association. Initially, a group of about 50 international and domestic law firms took part in the founding conference in 2013. Since then, each April, the Russian Arbitration Association holds its annual conference and members' meeting.

Clearly it is still early days, but how would you say the development of arbitration in Russia and the CIS (Commonwealth of Independent States) countries has been in the past 12 months since the RAA was formed?

Indeed, just two years have passed since the creation of the RAA and I must admit that we have achieved guite a lot. The RAA has launched its UNCITRAL based Arbitration Rules and the court. the online arbitrators' database, we take an active role in the development of the new domestic arbitration law, we implemented the Code of Best Practices in arbitration and also launched the RAA online arbitration platform for the resolving of small claims via the internet.

Given the vast Russian territory, we hope to accommodate the needs of the companies across the continent. We organize meetings, conferences and trainings for in-house counsel of leading domestic and international companies, practicing lawyers and students in order to promote the concept of arbitration in Russia.

The RAA has already received international recognition, and increased its membership base to over a 100 law firms globally. It is important to say that the RAA is an NGO financed from the annual members' fees and receives no financial support from the state, making it truly independent.

In a short-term perspective, the RAA focuses on consolidating the arbitration market within the CIS and endeavours to become a preferred venue for resolution of the intra-CIS disputes. For achieving that, we are introducing IT innovations to the dispute resolution landscape for maximum efficiency and flexibility.

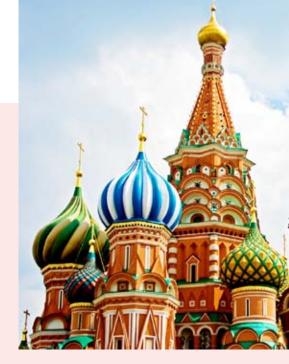
Beyond the Russian and the CIS' (Commonwealth of Independent States) markets, will the RAA be expanding its presence into foreign markets in the near future?

Yes, in the long run we will work on developing expertise for administering international disputes. However, currently the domestic market presents great opportunities with almost no competition, which makes us focus on Russia and CIS almost exclusively.

The RAA and KLRCA have just signed a collaboration agreement. What does this signify for both parties?

In the last two decades, the arbitration market has grown exponentially. As the market is largely divided between a number of traditional arbitration centres it is important for the rising centres to join efforts in developing regional cooperation in the marketing, exchange of information, education, local legal and administrative support. Cooperation will facilitate the exchange of ideas. I am certain that we can learn from each other and can eventually increase the competitiveness of our centres regionally and internationally.

One of the fields for cooperation, in my view, could be the exchange of information on potential arbitrators. In 2014 the RAA launched its online arbitrators' database which is used by the parties and other arbitration centres to assist them in their search for a suitable candidate. At the same time, we see that the KLRCA arbitrators' database has a 700 arbitrators strong database, and understand that we have a long road ahead of us.



What are your views on the Malaysian arbitration scene in general? Bilateral trade between Russia and Malaysia recently hit the USD 2 billion mark. With that figure set to rise, the importance of arbitration clauses being inserted into contracts will similarly rise in tandem. Malaysia has not imposed sanctions on Russia, thereby reducing the risk of infringing sanctions regulations. Against this backdrop, would it be fair to say that the KLRCA offers a ready-made viable alternate option for Russian entities and parties to consider arbitrating their disputes at?

Malaysian arbitration scene is somewhat unknown to the Russian legal practitioners and I believe that Malaysian lawyers' knowledge on Russia is also quite limited. Therefore, education of both communities is necessary for building trust and understanding. I hope our arbitration centres will play a pivotal role in this process.

As you correctly pointed out, the bilateral trade between our countries has reached a historically high benchmark and continues to grow with potentials touching up to US 100 billion, as the economists predict. Malaysia is one of Russia's key trade partners in the Southeast Asia. We cooperate in a number areas stretching from defence, air space, education, trade and infrastructure projects to tourism. This, in my view, opens exciting opportunities for our arbitration centres and legal practitioners from both countries.



Speaking of the anti-Russian sanctions, they may have a positive effect on the workload of the Asian arbitration centres, including KLRCA. However, the sanctions alone may not bring Russian cases to Asia, unless there is trust built over time.

By way of example, I drafted an arbitration clause recently and a legal counsel of a Russian public company suggested that it preferably be London because, as she explained, this is what they traditionally use. I fully understand her – it is not easy to deviate from something that has worked reasonably well for your company so far (even though it was not the most obvious venue and applicable law choice in that particular case). Therefore, trust is key.

At the same time, there is information that some of the pending arbitrations involving sanctioned Russian companies and persons are delayed, in some instances arbitrators simply refuse to accept appointments, international law firms avoid acting as counsel and banks do not facilitate payments of arbitration fees. In most cases these processes lack transparency and are not openly discussed by the service providers. In the absence of firm assurances coming from the governments and arbitration centres that in no circumstances Russian companies will be denied access to justice, any reasonable corporate counsel should carefully evaluate imminent risks while selecting an arbitration venue.



KLRCA's Director Datuk Professor Sundra Rajoo pictured here with RAA's Chairman, Vladimir Khvalei at the RAA-KLRCA collaboration agreement signing in St. Petersburg.



Datuk Professor Sundra Rajoo and KLRCA's Business Development Head, Ann Quah pictured here with RAA's board and members.

I also hear increasing concerns, especially from the civil law lawyers, about arbitration largely shifting towards Anglo-Saxon tradition and global market domination by a relatively small number of institutions, law firms and arbitrators. In my opinion, this is not necessarily a bad thing as such. Trust is key, as I said. At the same time, we see that some of the modern regional institutions already can offer compatible services for less price. However, because most of them remain unknown to the Russian market at large and have not yet earned reputation, it may take some time before Asian arbitration centres secure a portion of Russian cases. So, this is certainly something worth working on.

I am a strong believer that the rise of the new regional arbitration venues serves a greater global purpose, simply because no one else can convey an idea of modern style arbitration to the local users. In turn, this increases the capacity of the global arbitration market by engaging the parts of the world not yet familiar with high quality arbitration.



Adjudication Training Programme

21st - 25th March 2015

By Danaindran Rajendran | Case Counsel, KLRCA

Pursuant to a partnership with the Kigali International Arbitration Centre (KIAC), the KLRCA had the privilege of jointly hosting with KIAC the inaugural KIAC-KLRCA Adjudication Training Programme at the Lemigo Hotel, Kigali, Rwanda. This five-day adjudication training programme was initiated by the recently signed Memorandum of Understanding between KIAC and KLRCA back in October 2014.

The aim of the programme is to provide participants throughout the African region with a strong foundation and understanding of the concept and practice of statutory adjudication as a means for settling disputes in the construction industry. The programme was carried out by utilizing the Construction Industry Payment and Adjudication Act 2012 (CIPAA) model of Malaysia and that of other common law countries possessing statutory adjudication legislations such as Singapore, UK, Australia, and New Zealand.

The KIAC, in its capacity as a think tank for ADR in Rwanda together with professionals in the construction industry had expressed the intention of exploring the programme as a preparatory step should there arise a need to implement a codi-fied statutory adjudication system in Rwanda. In addition, the course aims to assist KIAC in training future adjudicators and in creating a database of accredited adjudicators.

This inaugural edition of the programme saw the participation of 60 aspiring adjudicators from various professional backgrounds including engineers, lawyers, surveyors, contractors, government officials and employees of NGO's that are engaged in the design and procurement of construction contracts. The programme structure included four days of intensive lectures focusing on substantive and technical issues, along with sets of tutorials and practical exercises. The programme concluded with a series of examinations on the final day.

The lectures were broken down into five units: Unit 1 (The Application of Statutory Adjudication to the Construction Industry), Unit 2 (The Practice and Procedure of Adjudication under CIPAA 2012), Unit 2A (CIPAA Regulations), Unit 3 (The Fundamentals of Construction Law), Unit 4 (The Construction Process) and Unit 5 (Writing an Adjudication Decision). Familiar and eminent faces from the Malaysian construction law industry; Ir Harbans Singh, Lam Wai Loon and Chong Thaw Sing were on hand to guide the aspiring adjudicators throughout the entire comprehensive course.

Ir. Harbans Singh, the course director, said the programme objectives are not limited to equipping trainees with basic adjudication and juridical skills, but also to instil the practice of dispute management amongst the participants. "We need to be able to manage disputes first without seeking legal redress," he said.











Regarding payment disputes, Harbans said adjudication gives a positive effect to the premise of "pay first, argue later" so that construction activities are not hindered.

Bernadette Uwicyeza, the KIAC Secretary General, stated whereas adjudication aids in resolving construction or engineering disputes in the country, very little is known about the practice despite the fact that adjudication clauses still appear within many contracts, especially in construction projects. "In contracts, it is said that in case of disputes, parties involved should contact the adjudicator for a decision. However, many people skip this stage which eventually worsens the situation," she said.

Uwicyeza said that it would be beneficial for all stakeholders throughout the country to understand the adjudication procedure, the rules that govern the process, as well as the aspect of training and accrediting adjudicators. She said that the developments that have taken place in common law countries such as Malaysia, New Zealand, Singapore, Australia and the UK in enacting

statutory adjudication legislations have further exemplified the need for Rwandan stakeholders to further understand and adopt adjudication as an effective ADR option.

Uwicyeza further commented that she expects participants of the programme to gain from the experiences shared by the tutors involved in the training programme, from a theoretical as well as practical point-of-view.

The programme was initially conceptualized based on input obtained from a previously organised KIAC seminar conducted in its capacity as a national ADR think tank. The general consensus reached was that there was an urgent need to review forms of contract used in construction projects throughout Rwanda. The seminar also concluded in a recommendation to the construction industry to spearhead the drafting of a policy proposal towards Rwandan lawmakers to enact an adjudication legislation in order to benefit the construction sector in the country, Uwicyeza said.

Engineer Dismas Nkubana, the Chairman of the Rwanda Engineering Council, hopes that the training programme will aid in curing the issue of poorly prepared contracts and poor valuation of cost of construction activities, which he says are among the main causes of payment disputes in Rwanda. "We hope the training will help address the causes of disputes and how they can be managed," he said.

At conclusion of the training programme, should participants pass the adjudication decision writing examination, they would then be able to apply for empanelment into the KLRCA's panel of adjudicators. Upon empanelment, they may be considered for appointment by the Director of KLRCA to adjudicate any potential cases administered by the KLRCA. The appointment process however, is a stringent one that involves the consideration of other external factors such as suitability, merit and experience levels.









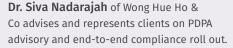
Data Protection Chat

By Noriswadi Ismail, Dr. S. Nadarajah & Dr. Sonny Zulhuda

Noris, Dr. Siva and Dr. Sonny were part of the panel of speakers who presented at KLRCA's Talk Series – Mediating Data Protection Breaches & Disputes on 12th February 2015.



Noriswadi Ismail is a Global Data Protection and Privacy Specialist, based in London.





Dr. Sonny Zulhuda of Ahmad Ibrahim Kulliyyah of Laws, International Islamic University Malaysia consults, teaches, writes and trains on data protection, ICT laws, e-commerce and data security nationally.



Noris: We are now in Phase 2 enforcement of PDPA (Personal Data Protection Act), what would be the chief limitation and challenge for marketplace to comply?

Dr. Siva : The chief limitation for compliance to PDPA will be budget, especially for smaller organisations with limited cash reserves (which in turn will greatly depend on economic cycles).



Though experiences of organisations in other countries as to how they coped with introduction of their data protection requirements could provide some insight for us in Malaysia on how to effect compliance, we need to be mindful that the legislation in other countries were effected at a time when the amount of collected personal data was far less and which allowed their businesses to gradually grow more and more state-of-the-art measures for compliance to very complex legislative framework. Whereas in Malaysia, PDPA is being effected after a great upsurge of data collection (globally) primarily by electronic means. Therefore local businesses may accordingly require a longer gestation period for them to similarly grow adequate measures for compliance.

The challenges in effecting compliance would be trying to get businesses to appreciate the mechanics of the PDPA and what it entails for their organization. This challenge, to some extent, could be overcome by regular public dissemination of simple compliance guidelines with steps as how it might be effected. And with better understanding of the PDPA, organisations are more likely to value the need to protect the personal data entrusted to them, as in any other property entrusted to another. Some might even take it upon themselves to equate this value with good corporate governance or corporate social responsibility.



Dr. Sonny: There is in the first place little to indicate how much we have progressed from the kick-off phase back in early 2014. We are largely left in the dark on what is going on after registration and notification processes. But certainly we need to move forward. Based on my engagement in many training events and workshops on PDPA to various sectors, the main challenge to address is to settle few uncertainties, queries and debates on the scope and definition of some provisions in the Act. From the data users' perspective, they should not wait and be passive. They should come forward to communicate with regulators either alone or collectively to seek for more practical guidance and/or rules relating to some details pertaining to their respective sectors or industries.

Also, we need to strengthen and streamline awareness programs to educate public. The training providers on this perhaps need to streamline their modules, scope and target of public awareness. How to do this? Again, the ball is with the regulators.



Noris: Budget. Budget. Budget. Does that matter in PDPA roll out? If yes, why?

Dr. Siva : Yes. Budget will be a major factor in a PDPA roll out.



Typically businesses, in conserving its wealth, will only spend money if it buys into an idea. One strong reason for such business expenditure will be the need to comply with laws. Another equally persuasive reason for this expenditure is satisfying customer demands. And, in so far as the PDPA is concerned, if the business is premised on collecting personal information, businesses on its own accord may have already instilled some of the PDPA principals even before the PDPA was introduced, so as to gain a customer's trust and not lose customers to a rival who has upped its game; e.g. customers who are jittery that their data is not secure will quite simply switch to a rival providing similar service but with better security.

So now with the introduction of PDPA, the average person has a yardstick as to what ought to be a minimum threshold it is entitled to in relation to its personal data from one who possesses or collects their personal data. So if enough people voice their demands, it will be a smart move for businesses to accommodate to such demands (or in response to complaints made to the commissioner) and thus avoid reputational risks. And also in some instances, the instilling of a PDPA culture may arise in a subcontractor when its employer dictates the minimum standard for adherence in any data processing. Etc.

So notwithstanding that budget will be a major factor in effecting compliance, particularly since it can be a very expensive exercise to implement all the changes necessary for PDPA compliance, it is very possible that organizations will stagger their PDPA roll out so that gradually they become more and more PDPA compliant.



Dr. Sonny : Certainly it matters.

In fact, in each phase of the compliance roadmap (awareness, governance, base-lining, audit and continuous monitoring), budget is an inherent issue. The difference is, some would require more than others depending on the priorities and also the size of their data processing ecosystem.

For those who already have limited resources on this, they need to re-look at their business objectives and re-align their budgeting to include data protection compliance. They need to refresh the way they look at the PDPA, that it is not purely a legal or technical issue, it is in fact a governance issue, involving cross-operational elements in an organisation. It is already a trust element before it became a legal requirement. And trust is what the businesses need all the time.



Noris: Do you think KLRCA, other Law Enforcement Agencies and the Jabatan Perlindungan Data Peribadi (JPDP) should collectively consider coordinated data breach resolution mechanism? Or it's too premature for now (due to minimal enforcement actions by JPDP)?

Dr. Siva : In some instances, a data breach could impact multiple Laws. Hence, it is possible that other Law agencies may also be involved in addressing the breach. The agencies could collectively consider a coordinated mechanism. Or it could instead hold the findings of another agency persuasive. But considering that PDPA is a relatively new legislation, requiring its own time frame to allow businesses to implement necessary measures, I think for the time being such data breaches should perhaps be addressed separately by the various agencies.



In so far as dispute resolution between contracting parties in relation to PDPA compliance will principally depend on the existence of a valid arbitration clause and to some extent a valid mediation clause; ad hoc mediation is also open to the parties. Maybe all of it at KLRCA!



Dr. Sonny: Coordination is always good. Especially in addressing disputes and breaches relating to personal data. Each of those agencies mentioned above would play a significant role. But on top of that, PDP Commissioner (not JPDP) would surely have to take a lead and that must not only be done, but must be seen to be done.



_FEATURE

Mediating Data Protection Breaches and Disputes: The PDPA 2010 Perspective

By Dr. Sonny Zulhuda

INTRODUCTION

The Personal Data Protection Act (PDPA) 2010 which was officially enforced in November 2013 had transformed organizations' legal and governance landscape in relation to the processing and management of personal data within their internal and external business processes. This includes the processing, use, disclosure, exploitation and retention of personal data of the employees in the organization, its customers as well as its service providers. The law applies to any one (individual and organization alike) who are engaged in processing such personal data for commercial transactions. The term used to refer to them is "data user".

One of the critical areas a data user needs to anticipate is on how to deal with incidents of data protection breach. Data protection breach – widely defined as the occurrence of non-compliance of the PDPA – is more than data *security* breach. This is because data security is one aspect of data protection and is listed as one of the seven principles of data protection under the PDPA 2010. Therefore, data protection breach may happen in relation to the collection, storage, disclosure as well as retention of personal data.

TYPES OF DATA PROTECTION BREACH

Data protection breaches under the PDPA 2010 occur in diverse situations. First and foremost, there is a class of breach relating to the non compliance of data protection.

This class of breach has a wide scope including non-compliance with any of the seven data protection principles under PDPA 2010. The PDPA makes it an offence for anyone who fails to comply with any of the requirements of data protection ranging from section 6 through section 12 of the Act. The seven data protection principles under the statute are as follows:

- 1. General principle
- 2. Notice and choice principle
- 3. Disclosure principle
- 4. Security principle
- 5. Retention principle
- 6. Data Integrity principle
- 7. Access principle



As an illustration, a data user who fails to acquire necessary consent from a data subject before processing his data commits a breach of the general principle. Likewise, an organization who does not provide sufficient information regarding their personal data processing and who does not provide a clear method of communication for data subjects to channel their inquiries or complaints is in a breach of notice and choice principle. A bank whose personal data system is accessed by a hacker may be in breach of the security principle. An airliner whose passenger travel data is disclosed to unauthorized third party is potentially in breach of the disclosure principle. A hypermarket which retains credit card details of its customers long after purchase completion may be in breach of retention principle.

Another big class of data protection breaches is the one relating to the rights of data subject as provided in the Division 4 (sections 30-44) of the PDPA. These are right to correct personal data; right to withdraw consent; right relating to sensitive personal data; right to prevent distress or damage and right to prevent direct marketing. Those are statutory rights that had become the milestone of consumer protection.

Data users are obliged to entertain and address a data correction request from any of their data users. Imagine when an individual decided not to receive any more promotional materials from his data provider, or to have his newsletter preferences changed, or even to stop some unrelated use of personal information such as for the entry in a competition – when such decisions are communicated to the data user, the latter must give effect to such request. A data subject who does not wish to receive unsolicited marketing messages or phone calls may also notify the data user who has to take action accordingly. Failure to comply such requests may potentially amount to data protection breaches under the PDPA 2010.

Apart from the above classes of data protection breach, a data user may be found in breach if he transfers personal data to other places or countries beyond Malaysia if that place or country does not have a law of compatible protection standard with that in the PDPA 2010. If such law or the alternative contractual obligation is absent, such transfer of personal data is potentially illegal and may amount to a breach of data protection (See section 129(5) PDPA). This is more likely affecting those companies which operate globally or those with international partners.

Last but not least, according to section 130 PDPA, a breach may also take place when an individual is found to collect or disclose personal data of other person which was held by a data user. This provision emphasizes on the liability of individual wrongdoer side by side the accountability of the data user. For example, if a former employee took a customers database from his former employer to be used by his new employer, not only the former employer may be in potential breach of unauthorized disclosure of personal data under the provision of data protection principle, the individual employee would also be in breach of unlawful disclosure under section 130 PDPA. In this respect, there have been complaints by home-owners about unauthorized sale of personal data held by certain property developers. If the allegation is true, there is certainly a breach of data protection as provided in this section.



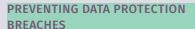




Data
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"Prevention is better than cure" – so the saying goes. When it comes to personal data protection breaches, it is always advisable to look at preventive ways. Firstly, prevention can only be done if the data user and its relevant employees and agents have a clear understanding of their own personal data ecosystem. This means the organization who processes personal data should be able to answer the following questions:

A. What personal data do you have in possession?

Answers range from employment data, financial data, travel data, health and medical data, etc. This is relating to the scope of personal data which is processed by the data user.

B. Who are the segments of data subjects?

This questions focuses on the profiles of individuals whose data are being processed. The more stakeholders are involved, the wider scope of personal data is involved. A telecommunication company certainly has a wider segment of individuals than a manufacturing company. Likewise, an airline company processed much more personal data of people than a restaurant establishment.

C. Where do the personal data come from?

This is about knowing the channels or windows from which personal data are collected by a data user. Some data users do have multiple sources of data collection. For example, a university collects its students' personal data from variety of sources. Each of its admission department, bursary, campus clinic, residential hostels, extra-curricular clubs as well as alumni department would each collect different sets of students' personal data. Taken together, all these personal data will represent a big bulk of students' personal information subjected by the PDPA 2010.

D. Where are the personal data kept, and who has the access?

This is not less important question to address. The personal data which may come from various channels may be stored and managed by different people in the organization - and are stored in different storage accessible by different people in the organization. All these information need to be taken into account to ensure a comprehensive data protection and facilitate easy monitoring for a data user. Only when this is clearly understood, organization can apply security standards which commensurate respective channels and storage.



Secondly, to prevent data protection breaches, data users need to ensure they have put in place a proper data management practice. This is easily said than done, but it is better communicated than forgotten. Data management practice is a continuous effort requiring a cross-sectoral attempt under a good leadership. Due to its wide scope, the strategies for a good data management is beyond the ambit of this simple article.

Perhaps it is sufficient to note that when a good data management practice is absent, series of breaches will follow. For example, if a data user does not have in place proper practice on data security and confidentiality, leakage may occur from time to time.

A guestion on whether a former teacher had wrongfully misused students' list from the former's employer was considered in a case in Kuala Lumpur High Court in 2013 (See: Sundai (M) Sdn Bhd v Masato Saito & Ors). This was concerning a former teacher who left a private school and took with him the students list which contained the personal data of 188 students such as their postal addresses, email, telephone numbers and other personal particulars to attract them to move to another school. Even though the court decided on various issues of breach of fiduciary duty (which is a rule under common law principles), contentious issues would arise if this was decided under the potential breaches of PDPA 2010 (a statutory rule).

In a High Court case from Labuan, Equity Trust (Labuan) Ltd v Mohammad Sofian Mohamad & Anor [2010], a data leakage took place due to exiting employees. The court in this case issued an injunction to stop a former employee marketing staff from disclosing confidential information including clients' listing and potential clients data to a new employer. This is another case which, if heard now, may as well trigger breaches under the PDPA 2010.

REMEDYING DATA PROTECTION BREACHES

Upon incident of suspected breach, data subject or any individual may forward his complaint to the authority concerned, i.e. the office of Personal Data Protection Commissioner. The PDP Commissioner will go through some processes to investigate and address the complaint. Once the breach is established, the PDP Commissioner is empowered to issue an enforcement notice under s. 108 of PDPA.

With this enforcement notice, the Commissioner will specify the provision of the PDPA which may have been breached, and will direct the relevant data user to take such steps to remedy the breach. Beside, the Commissioner may also direct the relevant data user to cease processing the personal data pending the remedy.

MEDIATING THE DISPUTES UPON BREACH

Apart from getting remedy through the Commission's enforcement notice, question may arise whether or not it is possible to remedy the breach by way of mediation or any other alternative dispute resolutions (ADR). This was raised in the PDPA Talk recently held by the Kuala Lumpur Regional Centre for Arbitration (KLRCA).

In the writer's opinion, this is an alternative thought one may consider when there is an incident of breach, either from the perspective of data user or that of data subject. This is because ADR has been an ideal solution beside the litigation processes. And in fact, some breaches and disputes are indeed best referred to a non-litigation channel.

Unlike some laws in other jurisdictions, the Malaysian PDPA does not specifically provide on mediation when remedying a breach under the Act. Singapore's Personal Data Protection Act, among others, prescribes such mediation options. The question is, is it possibly done from the perspective of the PDPA 2010?

The answer is arguably in affirmative. Even though the right to refer to ADR is generally available to individuals involved in disputes including personal data breaches, it is highly arguable that the PDPA 2010 intrinsically but indirectly provide room for mediation.

This idea may be based on the following observations:

- The spirit of PDPA 2010 is coregulatory due to the Institution of data user forum (a forum where data users may gather, agree on and propose codes of practices and other relevant issues of PDPA enforcement). Unlike litigation, ADR seeks to solve the problems while avoiding adversaries among the parties.
- The development of Code of Practice by either the data user forum or the PDP Commissioner is expected to offer an "adequate level of protection for the personal data of the data subjects." This adequate level of protection may arguably include mediation processes as preferred in some industries more than the others.
- 3. An Advisory Committee is established by the PDPA to "advise the Commissioner on all matters relating to personal data protection, and the due administration and enforcement of this Act." No further qualifications are put on this "advise" may well include advises on the promotion of mediation between the disputing parties.
- 4. The broad scope of Enforcement Notice includes steps "to remedy the contravention or... the matters occasioning it." It is argued that these steps include providing consensual solutions proposed by data subjects and agreed by data users, which is the gist of an ADR.

FINAL REMARKS

Preventing data protection breaches is more desirable -and cheaperalternative. Some breaches and disputes on data protection practices are best referred to a non-litigation channel. Nevertheless, it is obvious that the PDPA 2010 provides for a breach-correction methods with the spirit of co-regulatory mechanism, involving in every level every stakeholders, including industry players as well as members of public (through the PDP Advisory Committee). It is only natural that we should push for more rooms to introduce and provide for more consensual dispute resolution in dealing with the PDPA breaches.



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and data security
nationally.





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[BOOK LAUNCH] Harban's Engineering and Construction Contracts Management: **Commencement and Administration** (Second Edition)

One of KLRCA's key adjudication programme trainers, Ir Harbans Singh documents his broad experience in the world of engineering and construction contract management within the parameters of Asia and beyond, through the launch of this comprehensive and practical book.



[MEDICO LEGAL] Discussion on the incorporation and reference of mediation in Malaysia's Patient Grievance Procedure A discussion session was held on the proposal to incorporate the KLRCA Mediation Rules into the Patient Grievance mechanism in hospitals in Malaysia. This proposed platform is designed to make the grievance mechanism efficient as well as time and cost-effective for both the hospitals and patients.



[WORKSHOP] MYNIC Training Workshop

MYNIC which is the sole administrator for web addresses that end with .my in Malaysia held an informative workshop on the recent developments of domain technologies in the country. The KLRCA kickstarted the workshop by presenting on matters pertaining to domain name dispute resolution.

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KLRCA Talk Series

KLRCA Talk Series continued with numerous engaging talks by ADR experts. Below are talks that were held from April–June 2015

DISPUTE RESOLUTION IN CAPITAL & COMMODITY MARKETS

Speakers: Dr Dilip V Virani (Director & Treasurer of CIArb India Branch), Mr Samir Shah (Chairman of the Global Collaborative Law Council, India Branch)

Moderator: Ms Sabarina Samadi (Messrs Zaid Ibrahim & Co)

Attendees were taken through various aspects of the dispute resolution mechanism both in the capital and commodities market. The speakers shared numerous examples on case laws from different jurisdictions before touching on highly functional arbitration mechanisms from around the globe.



ROLE OF EXPERT WITNESSES IN INTERNATIONAL ARBITRATION

Speakers: Michael Tonkin (Vice President, Hill International Inc – Middle East & Asia), James Lyall (Vice President, Hill International (Australia) Ptv Ltd)

Moderator: Mr Kuhendran Thanapalasingam

(Zul Rafique & Partners)

With a combined wealth of experience spanning over forty years, expert witnesses Michael and James connected with the audience instantaneously as they discussed the practicalities of using experts and the ways in which they can be used more efficiently. Amongst other matters explored, were issues relating to the independence of experts.



DEFAULT, DELAYS, BIAS & FRAUD: THE OBSTACLES TO ADJUDICATION

Speakers: Justice Peter Coulson QC (Judge of the High Court, Queen's Bench Division)

Moderator: Mr Ivan Loo (Skrine)

It was full house at the Seminar Room as Justice Peter Coulson QC, an icon of the adjudication industry took centre stage to begin his presentation. Justice Coulson captivated the crowd with his learned views as he discussed on a host of current topics of interest surrounding the adjudication world.

The talk covered claims for interim payments where the dates for pay less notices have been missed as it could be months or years before the next payment notice; and payment response and jurisdictional issues arising therefrom and certain aspects of fraud and bias.







13 - 17 April 2015

KLRCA Director, Datuk Professor Sundra Rajoo pictured here with AALCO Secretary General Professor Rahmat Mohamed at the 54th AALCO Annual Session in Beijing.



23 April 2015

KLRCA Director, Datuk Professor Sundra Rajoo partaking in a panel discussion during the 'Russian Arbitration Conference' in Moscow.



Datuk Professor Sundra Rajoo pictured here presenting at the St. Petersburg International Legal Forum.

The Centre continued to enhance its international standing through its presence at conferences and training workshops held around the globe.



around

the globe

KLRCA's Senior Case Counsel, Ms Suganthy David at the ADNDRC 2015 Conference "Online Dispute Resolution in the Internet-Plus Era" in Beijing, China.

_LEGAL UPDATES

Arbitration Case Law: Developments in Malaysia & The International Front

By Danaindran Rajendran (Case Counsel, KLRCA), Shona Yean (Intern, KLRCA)

Awangku Dewa Bin Pgn Momin & Ors v Superintendent of Lands and Surveys, Limbang Division

COURT COURT OF APPEAL (KUCHING)

JUDGMENT BY DATO' MOHD HISHAMUDIN

YUMUS JCA

CASE CITATION [2015] MLJU 42

DATE OF JUDGMENT 11 FEBRUARY 2015

FACTS

The present case stems from an arbitration award hitherto rendered against the four appellants, allegedly the descendants of one Dato' Pengira Haji Matusin in particular and of the Royal Brunei family in general. The respondent is the Superintendent of Land and Surveys, Limbang Division.

The appellants' ancestor had, prior to the ascension of Rajah Brooke, obtained native customary rights over three parcels of land located in Kuala Lawas, Sarawak. When these parcels of land were subsequently "acquired" for public purposes by the Government of Sarawak in 1997, the appellants demanded compensation on the basis of an alleged infringement of their native proprietary rights. An investigation by the respondent ensued, and the appellants' claims were ultimately rejected by reason of their failure to establish, pursuant to Section 5(6) of the Land Code, that they continued to be the lawful owners of the parcels of land. Specifically, it was contended that those particular species of rights on which the appellants had sought to ground their claims of ownership had ceased to exist as of 9 September 1997 due to the operation of the Land (Extinguishment of Native Customary Rights) (Kuala Lawas Area) (No. 55) Direction. With a view to challenging this finding, the appellants accordingly requested the respondent vide their joint letter dated 20 August 1998 to refer the matter to arbitration pursuant to Section 212 of the Land Code.

The land arbitrator ruled in favour of the respondent on the basis that the appellants' ancestor had, by two instruments known as the Deed of 1905 and Deed of 1955 respectively, irrevocably ceded all present and future native customary rights over the parcels of land to the Rajah of Sarawak, then the Government of Sarawak, in return for an annuity of six thousand dollars. In holding thus, the arbitrator also rejected the interpretation propounded by the appellants that by these instruments they had not relinquished their proprietary rights, but only their Tulin rights, namely their rights to collect levies or taxes in relation to the use of the bodies of water situated on the land. To reprise the wording of the arbitrator, "[t[he Court [is] not prepared to accept the contention of the Claimants...that the Tulin's right is only the right to levy taxes and dues and not a right to the land."

Dissatisfied with the arbitrator's award, the appellants purported to refer, pursuant to Section 42(1) of the Arbitration Act 2005, eight (8) questions of law pertaining to the decision for consideration by the High Court of Sabah and Sarawak.

ISSUE

The issue before the High Court was to determine the status of the appellants' Section 42 application and its effect on the arbitrator's award providing that consequent to the signing of a deed in 1905, the appellants had ceded their native customary rights in respect of the a parcels of land to the erstwhile Rajah of Sarawak, then the Government of Sarawak. The Court of Appeal undertook more broadly to ascertain the legitimacy of the Section 42 reference in the present circumstances.

HELD

At first instance, the arbitrator's award in favour of the respondents was confirmed by the High Court pursuant to Section 42(4)(a) of the Arbitration Act 2005 (hereinafter known as the "Act"), and the claimants' application under the same section accordingly dismissed with costs of RM 2,000.00. As regards the eight questions of law specifically posed by the claimants, the learned judge generally determined, without expressing which question he was addressing, that there "was no error in face of the award and there was no reason to intervene on the questions of law or to set aside the award."



On appeal, the Court unanimously upheld the learned judge's ruling against the appellants, but on considerably different grounds.

The Court began by restating the fundamental principle enshrined in Section 36 of the Act; namely, that any decision of the arbitrator is final and binding and as such, there can be no appeal on this basis to a court of law. In support of this essential tenet that where an arbitral award is concerned, the High Court is proscribed from exercising any appellate jurisdiction, the Court of Appeal cited the pithy dictum of Gopal Sri Ram JCA in *Pembinaan LCL Sdn Bhd v SK Styrofoam (M) Sdn Bhd* [2007] 4 MLJ 113, that "[i]t is the unanimous view of all the authorities that the High Court in exercising its statutory jurisdiction under the Arbitration Act [...], does not enjoy appellate jurisdiction."

Having in this way laid due emphasis on the peremptory nature of Section 36 of the Act and the "basic and important legislative policy" promulgated therein, the Court then proceeded to adumbrate those few and narrowly defined exceptions to the policy afforded by the Act itself. To this end, Section 37 of the Act was briefly alluded to, following which the Court moved on to consider Section 42, the relevant statutory provision pursuant to which the appellants in the instant case had sought to refer the eight (8) questions of law concerning the arbitrator's decision.

Unlike the High Court however, the Court of Appeal declined to have regard to any of the eight questions submitted whatsoever, having ascertained that not one of them represented a "genuine" question of law as contemplated by Section 42. Rather, as the Court emphatically concluded, counsel for the appellants had in effect attempted to masquerade an appeal against the arbitrator's decision as a legitimate reference. This finding was premised primarily on the egregious manner in which, to the Court's mind, the various so-called questions of law had been drafted. In addition to inveighing against their general lack of concision and clarity as well as their unwarranted multiplicity, it was asserted that each of the questions had been couched in terms plainly reminiscent of the "grounds" of a memorandum of appeal. The result was that far from advancing any novel legal issue for the Court's deliberation, the questions merely amounted to criticisms of the decisions of the learned arbitrator, as evinced by the reiteration of the phrase "erred in law" in every supposed question. Finally, the Court's view was also fortified by the discovery of several discrepancies between the "questions of law" as formulated in the supporting affidavit and their articulation in the originating summons. Ultimately, the Court of Appeal's disapprobation in this matter was not only

confined to the appellants' misuse of Section 42 however, as in the course of delivering judgment, the Court also ventured to express disapproval in respect of the earlier conduct of the learned judge in treating the proceedings before him as an appeal, despite having been fully apprised of the impermissibility of such an action.

IMPACT

Overall, the significance of the decision may be analysed as twofold: on the one hand, it reaffirms the sanctity of the prohibition on appealing arbitral awards as codified in the Arbitration Act; on the other, the case propounds a distinction between sham and genuine references on questions of law, with the necessary result that especial care must now be had to the framing of any questions of law sought to be referred to the High Court. Clarity and concision in drafting are prerequisites to avoiding a classification as a disguised attempt at instituting an impermissible appeal. As regard the corresponding obligations of subordinate courts, the Court of Appeal has exhorted greater vigilance against potential abuses of Section 42. In particular, the learned judge must endeavour to ascertain from the outset whether any question referred is purely one of law. If not, the application must be immediately and summarily dismissed.

By Aastha Dua (International Case Counsel, KLRCA)

World Sports Group (Mauritius) Ltd v MSM Satellite (Singapore) Ltd

COURT

SUPREME COURT OF INDIA

CASE CITATION

CIVIL APPEAL NO. 895 OF 2014, PETITION FOR SPECIAL LEAVE TO APPEAL (CIVIL) NO(S).34978/2010, SUPREME COURT OF INDIA (UNREPORTED), 24.01.14, SUPREME COURT OF INDIA

DATE OF JUDGMENT

24 JANUARY 2014

FACTS

Appeal from an anti-arbitration injunction granted by the Division Bench of the Bombay High Court in favour of Respondent.

The case involved a dispute over media rights for the Indian Premier League (IPL). The Board of Control for Cricket in India (BCCI) had tendered the global media rights earlier which had been won by the Appellant for a ten-year period. The Respondent claimed that under a pre-existing agreement, the Respondent was intended to acquire the media rights for the Indian sub-continent for the first two years of the ten-year period. However, after only the first year, the BCCI terminated its agreement with the Respondent and commenced consultations with the Claimant, after which the Respondent initiated injunction proceedings against the BCCI.

Thereafter, the Claimant and the Respondent entered into a separate agreement whereby the Claimant relinquished its media rights for the Indian sub-continent. This agreement contained an arbitration clause for all disputes to be referred to ICC arbitration in Singapore.

The Respondent made three payments to the Claimant under the new agreement and thereafter declined to pay the balance, alleging fraud and misrepresentation. The Respondent applied to the Bombay High Court to declare that the agreement was void. The Claimant requested ICC arbitration in Singapore but the Respondent sought an injunction from the Bombay High Court claiming that the Claimant was not entitled to rely upon the arbitration clause in the agreement. This injunction was granted by the Bombay High Court and subsequently appealed by the Claimant.

ISSUE

The issue in this case rests on whether the arbitration clause in the agreement is null and void due to allegations of fraud and misrepresentation made by the Respondent.

HELD

The Supreme Court of India reversed the decision of the Bombay High Court and held that the dispute should properly be referred to ICC arbitration in Singapore.

The Supreme Court held that the courts are obligated to refer the disputing parties to arbitration if there exists an arbitration clause in the contract until and unless they find that the arbitration clause was "null and void, inoperative or incapable of being performed" under the Indian Arbitration and Conciliation Act 1996. The Supreme Court held that an arbitration agreement does not become null and void merely because the dispute involves allegations of fraud and misrepresentation. The Supreme Court opined that it is not only the courts that can decide issued of fraud and malpractice, but such issues can also be properly dealt with by arbitral tribunals.

IMPACT

This case shows an increasing maturity from the courts in India and helps to dispel the belief that the Indian judiciary is unsympathetic and unfriendly to arbitration. It is now settled law of the land in India that despite allegations of fraud and malpractice raised by one party, such issues are arbitrable and properly to be decided by the arbitral tribunal.



By Aastha Dua (International Case Counsel, KLRCA)

Dr Dieter Gobbers v Jacob and Toralf Consulting Sdn Bhd & Ors and other appeals

COURT COURT OF APPEAL, PUTRAJAYA

CASE CITATION [2015] 1 MLJ 507

DATE OF JUDGMENT 21 AUGUST 2014

FACTS

The Plaintiffs commenced an action the Defendants in the High Court premised on the allegation of fraudulent misrepresentation. The Second, Third and Fourth Defendants had filed their defence in the matter after the High Court, the Court of Appeal and the Federal Court rejected their application to set aside the Plaintiff's motion.

The First Defendant, however, had applied for stay of proceedings for the matter to be referred to arbitration and the application had been granted by the Court of Appeal and the Federal Court. Accordingly, the Plaintiff and the First Defendant then commenced arbitration proceedings.

After the commencement of the arbitration proceedings, the Second, Third and Fourth Defendants applied for a stay of the action by the Plaintiff against them in the High Court pending the outcome of the continuing arbitration on the grounds that the issues, nature and characteristics of the claims in both arbitration and court proceedings were similar and coincided, and therefore such a position would be most undesirable and extremely prejudicial to the parties in case there were two opposing sets of decisions in the two separate fora.

However, the Judicial Commissioner, despite finding that the circumstances warrant a stay, did not grant such stay on the grounds that she was bound by the earlier ruling of the Court of Appeal and Federal Court whereby those Learned Courts had rejected the application of the Second, Third and Fourth Defendant to set aside the Plaintiff's action. The decision of the Judicial Commissioner was appealed.

ISSUE

The issue in this case focuses on whether a stay of proceedings should be granted where the issues before the arbitral proceedings and the court proceedings are substantially the same; and

Whether the Court of Appeal and the Federal Court, in permitting the First Defendant to proceed with arbitration and ordering separate proceedings, had implicitly directed the arbitration proceedings and the court proceedings to proceed concurrently notwithstanding the risk of inconsistent decisions.

HELD

The Court granted the stay application in favour of the Defendants.

The Court of Appeal held that the finding of the Judicial Commissioner that concurrent proceedings are generally undesirable as they cause confusion and injustice and that if the proceedings before her were not stayed then there will be the prospect that the Defendants will be put to considerable expense and inconvenience of duplicated proceedings were correct findings of facts on the evidence and the pleadings of the parties, which constituted special circumstances.

EVENT CALENDAR

save the date!

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

AUGUST 2015

Date **20 - 21 AUGUST 2015**

Event International Conference on Arbitration Discourse

and Practice in Asia 2015

Organiser KLRCA & University Malaya

Venue Bangunan Sulaiman

JULY 2015

Date **9 JULY 2015**

Event KLRCA Afternoon Talk

Series: Mediating a Natural

Disaster Claim

Organiser KLRCA

Venue Bangunan Sulaiman

Date 25 AUGUST 2015

Event In the Seat: 60 minutes

with Loretta Malintoppi

Organiser KLRCA

Venue Bangunan Sulaiman

Date **27 JULY 2015**

vent KLRCA Afternoon Talk

Series: The Importance and Development of International Arbitration in

the Asia Pacific Region

Organiser KLRCA

Venue Bangunan Sulaiman

SEPTEMBER 2015

Date **5 - 13 SEPTEMBER 2015**

Event Diploma in Islamic

Banking & Finance Arbitration Course

Organiser KLRCA, ClArb & INCIEF

Venue Bangunan Sulaiman

Date **30 JULY 2015**

Event Mediation of Medico -

Legal Disputes: Is It A

Viable Alternative

Organiser KLRCA & Medico-Legal

Society of Malaysia (MLSA)

Venue Bangunan Sulaiman

Date 14 SEPTEMBER 2015

Event IPBA Asia-Pac Arbitration

Day

Organiser KLRCA & IPBA

Venue Bangunan Sulaiman

