



CI Arb
evolving to resolve

Bermuda Branch

CI Arb EXPEDITED ARBITRATION RULES

(Bermuda)

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Chartered Institute of Arbitrators

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The Chartered Institute of Arbitrators is a learned society that works in the public interest to promote and facilitate the use of Alternative Dispute Resolution (ADR) mechanisms. Founded in 1915 and with a Royal Charter granted in 1979, it is a UK- based membership charity that has gained international presence in more than 100 countries and has more than 14,000 professionally qualified members around the world. The Bermuda Branch has been in operation since 1996. While the Chartered Institute of Arbitrators has used its best efforts in preparing this publication, it makes no representations or warranties with respect to the accuracy or completeness of its content and specifically disclaims any implied warranties of merchantability or fitness for a particular purpose.

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Rationale

The Expedited Arbitration Rules (Bermuda) (“EAR”) is based on the Chartered Institute of Arbitrators (CI Arb)’s Business Arbitration Scheme and is designed to provide simple, cost-effective, and timely resolution of disputes of relatively modest monetary value (less than \$50,000) before a sole arbitrator.

The scheme is operated by CI Arb’s Bermuda Branch alongside the Chartered Institute of Arbitrator (London)’s Dispute Appointment Service (“DAS”) and aims to provide parties with a final, legally binding decision on their dispute in less than 90 days from the appointment of the arbitrator, by adopting the simplest procedure tailored to match the dispute in question.

Key Features

- s EAR is aimed at disputes where the amount claimed is less than \$50,000.
- s A fixed fee of \$1,500 is payable by each party on commencement of the arbitration, to cover administrative costs and the arbitrator’s fees.
- s A sole arbitrator will be appointed by the Appointments Committee of the Bermuda Branch, following consultation with the DAS, within 14 days of commencement of the arbitration.
- s The statement(s) of case and witness statements shall not exceed 5,000 words.
- s A successful party may not recover more than the fixed fee paid by them plus up to a further \$3,000 towards their costs of the arbitration.
- s The arbitrator will issue an Award in less than 90 days of their appointment.

Key Benefits

- s Certainty of costs: the fixed fee scheme gives parties ease of mind.
- s Speed: the award is issued in under 3 months.

- s Formal procedural steps are kept to a minimum.
- s The amount recoverable as legal costs is limited to dissuade parties from incurring legal costs disproportionate to the amount in dispute.
- s Confidentiality: the process is private and confidential.
- s An award can have the same effect as a court judgment.

The Small Claims Rules

1. EAR has been developed to provide simple, cost-effective and timely resolution of disputes by a sole arbitrator, for a fixed fee, provided that any monetary claim is less than \$50,000.
2. The object is to provide the parties with a final and legally binding decision on their dispute in less than 90 days from the appointment of the Arbitrator, by adopting the simplest procedure appropriate to the dispute.
3. An arbitration is commenced when the Dispute Appointment Service (**DAS**) of The Chartered Institute of Arbitrators (**CI Arb**) receives a request for the appointment of an Arbitrator (***the Application***). The Application should contain details of the parties, a brief summary of the dispute and the issues to be determined, and an outline of the relief sought. A copy of the Application form is attached to these Rules. If there is no contractual agreement between the parties to refer disputes to arbitration under the Scheme, the Application should be signed by each party to the dispute.
4. The Application should be accompanied by the following:
 - (a) copies of relevant contractual documents, including, in the case of a unilateral Application, a copy of the contractual agreement between the parties to refer their dispute to arbitration under the Scheme;
 - (b) a copy of the Applicant's Statement of Claim (subject to paragraph 11 below); and
 - (c) a fee of \$1,500 per Applicant, which is payable by cheque or bank transfer on or before the date of the Application.

- (d) A copy of the Application, and all accompanying documents, should be sent by the Applicant to the Respondent, simultaneously, by courier or by hand. DAS retains the right to refuse to register an Application if any of the requirements in paragraphs 3 and 4 are not complied with.
5. Within 7 days of the commencement of the arbitration, the Respondent should send:
 - (a) a fee of \$1,500 per Respondent, payable by cheque or bank transfer; and
 - (b) to DAS and to the Applicant, a Statement of Defence (and Counterclaim, if applicable) (subject to paragraph 11 below).
 6. If a counterclaim is advanced by the Respondent, but the Respondent fails to pay the fee required under paragraph 5, and/or under paragraph 12 (if applicable), the Respondent's counterclaim may be treated by the Arbitrator and by DAS as withdrawn.
 7. Failure by the Respondent to pay any or all of the fee required under paragraph 5, and/or paragraph 12 (if applicable) may result in DAS directing the Applicant to pay the remainder of the fee due. Any payment made by the Applicant on behalf of the Respondent will be treated as a debt which the Applicant is entitled to recover immediately from the defaulting Respondent.
 8. If a counterclaim is advanced, with the Respondent's payment of the fee under paragraph 5, and the value of the Applicant's claim and the Respondent's counterclaim together exceeds \$50,000, DAS will refer the dispute for determination under its Controlled- Cost Arbitration Rules.
 9. The Arbitrator will be appointed by the Appointments Committee of the CIArb (Bermuda Branch) from a Branch approved panel within 10 days of commencement of the arbitration, and the Arbitrator's details will then be notified to the parties. The Arbitrator will issue a timetable for the arbitration within 7 days of being appointed. All procedural matters are at the discretion of the Arbitrator. Any timetable issued by the Arbitrator should meet the objective of the Scheme, and meet the 89 day deadline prescribed in paragraph 14 for the issue of an award.
 10. The statements of case (e.g. the Claim, Defence, and Response) must each be signed and dated by a duly authorised representative of the party concerned. All witness statements must be signed and dated by the witness. Unless otherwise directed by the Arbitrator: (i) each side's statements of case and witness statements shall, collectively, be no more than 5,000

- words; and (ii) if a hearing is to take place, the hearing bundle shall not exceed one binder.
11. Each party may be directed by DAS to make an additional payment following the issue of the procedural timetable if either of following applies.
 - (a) **Half-day Hearing or Meeting:** If the parties require a half-day hearing or meeting with the Arbitrator, an additional fee of \$750 per party will be payable. This additional fee does not include the cost of a venue for the hearing or meeting, the Arbitrator's expenses for the hearing or meeting, or any other expenses associated with the hearing or meeting.
 - (b) **Site Visit:** If a half-day site visit is required, in order for the Arbitrator to better appreciate the matters in dispute, an additional fee of \$750 per party will be payable. This additional fee does not include the Arbitrator's expenses, or any other expenses, associated with the site visit.
 12. It is for the Arbitrator to decide if one side can recover from the other any costs of the arbitration, which includes the arbitral fees and reasonable legal fees. Unless the parties agree otherwise, one side shall not however recover more than the arbitral fees plus a further \$3,000 towards their legal costs.
 13. Within 89 days of the Arbitrator's appointment, the Arbitrator will issue to the parties a written reasoned award. The Arbitrator will, simultaneously, send to DAS a copy of his or her award, together with an invoice of his or her charges. Upon receipt of that invoice, DAS will release to the Arbitrator his or her fee.
 14. If the parties settle their dispute after commencing the arbitration, they must inform DAS and the Arbitrator, if appointed, immediately. In the event of settlement after the Arbitrator has been appointed, DAS will release to the Arbitrator his or her fee, upon receipt of the Arbitrator's invoice.
 15. The Arbitration Act 1986 shall apply to the arbitration and the Arbitrator shall have all the powers available to an Arbitrator under such Act.
 16. All communications will be in writing and any correspondence which a party sends to the Arbitrator, or the Arbitrator sends to a party, must be copied to the other party at the same time. Arbitrator should not be copied to correspondence between the parties unless the correspondence specifically relates to a procedural matter on which the Arbitrator is required to take action or be informed of a relevant event.
 17. Neither CI Arb nor any of its officers, agents, or employees will be liable for anything done or

omitted to be done in the appointment or nomination of an Arbitrator under the Scheme or in respect of the administration of the Scheme, unless the act or omission was shown to be in bad faith. Neither CIArb nor its officers, agents, or employees shall be liable for anything done or omitted to be done by an Arbitrator nominated or appointed by CIArb under the Scheme (or its employees or agents) in the discharge or purported discharge of his or her functions as an Arbitrator.

18. The Arbitrator shall be held harmless by the parties in respect of his or her appointment and shall not be liable to the parties save in the case of deliberate wrongdoing. The Arbitrator shall not be a compellable witness and he/she shall not be required to be a witness in any judicial or other proceeding.
19. The Arbitration, and all matters relating to, are and shall be kept confidential.