

# **The Rules of Arbitration**

**Internal Regulations of the Arbitration  
Centre of Iran Chamber of  
Commerce on Provision of Services  
and Organization of**

**A.C.I.C**



## **Chapter 1 – Generalities**

### **Article 1 – The Subject of Activity**

The Arbitration Centre of Iran Chamber of Commerce (hereafter the Arbitration Centre or ACIC ) has been established as an affiliate to Iran Chamber of Commerce in accordance with the Law on the Statute of the Arbitration Centre of Iran Chamber (2002) and its function is the settlement of domestic and international commercial disputes by institutional arbitration in accordance with the Law on the Statute of the Arbitration Centre, Arbitration Rules (domestic and international) of the Centre, and the Rules on the Arbitration Costs and these regulation. Arbitration under Clause 3 of Article 57 of the Law of the Cooperative Section of Iran's Economy (1991) also falls within the ambit of the activities of the Arbitration Centre.

### **Article 2 – The Headquarters of the Arbitration Centre**

The headquarters of the Centre shall be in Tehran. The Arbitration Centre may, for the purpose of promotion and dissemination of arbitration and facilitating access to the Centre, establish an office in each Provincial Chamber of Commerce, which shall function directly under the supervision of secretariat of the Centre.

**Note:** The scope of duties and authorities of the offices of the Centre in provinces shall be in accordance with the directives approved by Board of Directors of the Centre.



### **Article 3 – Organs of the Centre**

The Arbitration Centre has the following organs:

- i. The Board of Directors;
- ii. The Secretary General;
- a. The Arbitrators.

**Article 4-** The income of the Centre is derived from the following sources:

- i. Administrative costs received from the disputing parties;
- ii. Financial assistances from Iran Chamber of Commerce and other donations;
- a. Income generated by consulting services, publications, convocation of seminars, research projects and other services of the Centre.

**Article 5-** The Centre may, within the framework of its services and at the request of domestic or foreign natural or legal entities, provide legal consultative opinions or conduct legal research and may participate in such researches concerning settlement of disputes by arbitration, arbitration clauses, terms of reference, conduct of arbitration and enforcement of the award and so on, and receive appropriate recompense.

**Article 6-** The Centre may, within the framework of provision of its services, register contracts which contain an ACIC arbitration clause and receive appropriate fees for that purpose.

**Article 7-** In all cases in which the Chamber of Commerce has been chosen as an arbitrator, expert, conciliator or mediator, or generally as the dispute settlement authority, and also in all cases



where the Chamber of Commerce has been chosen as the appointing authority, such functions shall be performed by the Centre.

## **Chapter 2 – The Board of Directors**

**Article 8-** The Board of Directors of the Centre consists of the President of Iran Chamber, one of the Vice-President of the Iran Chamber, the Chairman or the deputy Chairman of the Tehran Chamber, the Secretary General of the Iran Chamber, three knowledgeable and well-known business persons or managers in the fields of industry and mines selected by the Board of Representatives of the Iran Chamber of commerce.

**Note1:** In the event of death, withdrawal or resignation of, or inability to function by an elected member of the Board of Directors, his substitute shall be appointed in the same manner as required for the appointment of the original member and for the remaining part of his term of membership.

**Note2:** For the purpose of promotion of arbitration mechanism and also for the purpose of continuous exchange of views with the Judiciary, the Board of Directors may request the head of the Judiciary to designate and introduce a representative as a liaison member of the Judiciary with the Centre. The liaison member of the Judiciary shall participate at the Board of Directors' meetings without the right to vote.

**Article 9-** The term of office of the Board of Directors is three years and it shall be chaired by the Chairman of Iran Chamber. The Board of



Directors in office is obliged to conduct elections for the appointment of the elected members of the next Board within a maximum of 30 days prior to the end of its term. Reelection of the existing Board members is permitted.

**Article 10-** Meetings of the Board of Directors shall be held every 3 months and if necessary the Board may hold extraordinary sessions. The Secretary General shall make necessary arrangements for invitation and convocation of the Board of Directors' sessions and shall prepare the agenda for each session and forward them to the members of the Board of Directors.

**Article 11-** The quorum for the meetings of the Board of Directors is the presence of at least five members and the decisions are valid and effective with a simple majority.

**Article 12-** The duties and powers of the Board of Directors are as follows:

1. Preparation and proposal of the internal rules and regulations of the Centre on provision of services and on costs (except for arbitrator tariffs in domestic arbitration which is subject to the tariffs approved by the head of judiciary), and also financial or recruitment rules, for approval to the Board of Representatives of Iran Chamber of Commerce in accordance with Article 6 of the Law on the Statute of the Centre dated 2002;
2. Preparation and approval of the annual budget of the Centre;
3. Preparation and proposal of amendments to the Law on the Statute of the Arbitration Centre of the Iran Chamber and its presentation to the



- respective authorities through the Presidency Board of the Iran Chamber;
4. Appointment and removal of the Secretary General;
  5. Appointment of the Secretary General in the event of his death, resignation, withdrawal or inability to function;
  6. Affirmation of the list of qualified arbitrators and experts upon proposal of the Secretary General, and also review or changes in such list;
  7. Designation of the authorized signatures (in addition to the Secretary General) for signing obligatory documents and contracts;
  8. Determination of the Secretary General's and Secretariat staff's salary and allowances in accordance with the financial and recruitment rules of the Centre;
  9. Other issues which according to the Law on the Statute of the Arbitration Centre or the Internal rules and Regulations of the Centre are within the scope of the authority of the Board of Directors;
  10. Decision on any issue which is necessary for better management of the Centre and performance of its legal duties.

### **Chapter 3- The Secretary General**

**Article 13-** The Secretary General of the Arbitration Centre shall be appointed by the Board of Directors from amongst Iranian lawyers with good experience and knowledge of domestic and international trade matters for a term of three years. The Secretary General shall conduct his work in accordance with resolutions of the Board of Directors, the provisions of the Law on Statute of the Arbitration Centre of Iran Chamber of Commerce, the internal rules and regulations of



the Arbitration Centre of Iran Chamber including the present Regulations on Organizations of the Centre.

**Note:** Reelection of the Secretary General is permitted and until the appointment of a new Secretary General the former Secretary General shall continue to perform his functions.

**Article 14-** The Arbitration Centre has a Secretariat which conducts its work under the supervision of Secretary General and will have a sufficient number of staff, experts and consultants.

**Article 15-** The Secretary General may appoint one executive director and one legal director from amongst Iranian lawyers with experience and knowledge in domestic and international commercial matters, who shall function under his supervision.

**Article 16-** The Secretary General is the legal representative of the Arbitration Centre and is responsible for the management of all affairs of the Arbitration Centre and supervision over the effective conduct of the arbitration proceedings referred to the centre.

**Article 17-** For the purpose of good performance of the arbitration, the Secretariat is obliged to afford all the facilities, administrative and office services in accordance with the law and the Internal rules and Regulations of the Centre, at the disposal of the arbitrators, experts, the parties and their counsel and representatives. Receipt, service and communication of the request for arbitration, the statement of defense and exchange of pleadings, and also notification of the arbitration



award and all documents and communications by the arbitrators with the parties and the experts, which takes place in the course of the proceedings, rest with the Secretariat of the Centre.

**Article 18-** In addition to the authorities and duties which are envisaged for the Secretary General in the Law on the Statute of the Centre, the Internal rules and Regulations of the Centre, the authorities, duties and functions of Secretary General include the following:

1. Management and supervision over the Secretariat of the Arbitration Centre;
2. Supervision over good conduct of the legal proceedings and the other matters which are referred to the Centre;
3. Selection and appointment of the arbitrator or arbitrators in cases where in accordance with the Internal rules and Regulations of the Arbitration Centre such function is on the Arbitration Centre;
4. Fixing arbitration costs and other costs for the services rendered by the Arbitration Centre in accordance with the Rules on Costs of the Centre;
5. Timely receipt of the arbitration costs and arbitrators' and experts' fees from the parties in accordance with the Rules on Costs;
6. Supervision over the notification of all documents, communications and pleadings of the parties and the arbitration award
7. Provision of meeting rooms and other office facilities for the hearings and meetings of the arbitrators and of the experts;
8. Conduct of all matters that in view of the law on Statute of the Centre and its Internal Rules and regulation , are referred to the Secretariat by Iran Chamber of Commerce or by Board of Directors of the Centre;





9. Signature of communications and electronic correspondence within the scope of the authorities of the Centre;
10. Registration of commercial contracts containing an ACIC arbitration clause;
11. Securing a wider use of arbitration services of the Centre and promotion of its position through contacts with provincial chambers of commerce throughout the country, and trade unions, companies and institutions , industrial, production, mining, service entities and with domestic and international investors, and also convocation of seminars and training workshops publication of journals and specialized books, and also contact and cooperation with universities, higher educations institutions in Iran and abroad and also with arbitration associations and institutions in Iran and abroad;
12. Preparation and proposal of the annual budget to the Board of Directors;
13. Assistance with settlement of disputes through other means such as mediation, conciliation and expert assessment (ADR) ;
14. Extension of the period of arbitration when necessary;
15. Determination of the methods of preservation of documents and correspondences of the parties or the arbitrators, in accordance with the guidelines approved by the Board of Directors;
16. Necessary collaborations and co-ordinations with the Judiciary for the promotion of the concept of arbitration and for effective conduct of arbitration proceeding enforcement of the award;
17. Implementation of the resolutions of the Board of Directors and also the views of the Court of Arbitration of the Centre;
18. Performance of all other matters that by virtue of the law or the Internal and Regulations Rules of the Centre rest with him, or the Board of



Directors of the Centre refers to him in accordance with the regulations.

**Note:** The Secretary General is authorized to delegate parts of his powers to his executive or legal directors, as the case may be.

## **Chapter 4- The Arbitrators**

**Article 19-** Pursuant to Article 8 of the Law on the Statute of the Arbitration Centre a list of Iranian and foreign individuals who are qualified to act as arbitrator shall be drawn up at the suggestion of the Secretary General and approval of the Board of Directors, from amongst lawyers, businessmen and other reputable and knowledgeable individuals who are sufficiently familiar with laws and customs of domestic and international commerce.

**Note 1:** The Secretary General shall take care that the list of arbitrators of the Centre contains individuals that have the theoretical knowledge and practical experience in various commercial and legal matters.

**Note 2:** The Secretary General may at any time request the review of the list of qualified arbitrators and experts from the Board of Directors.

**Article 20-** Members of the Board of Directors, the Secretary General and the executive and legal directors of the Arbitration Centre cannot during



their terms of office and for one year after that, accept to act as arbitrator or expert in the cases referred to the Arbitration Centre.

**Article 21-** In the event that members of the Board of Director or the Secretary General or the executive and legal directors of the Center are appointed by the parties as arbitrator, counsel, legal advisor, representative or an expert in the cases referred to the Arbitration Centre, they are obliged to notify the matter forthwith in writing to the Secretariat and refrain from acting as such in the matter.

## **Chapter 5- The Arbitration Court**

**Article 22-** For the purpose of effective conduct of the services of the Arbitration Centre and in order to ensure the due observance of the law, including the regulations of the law on Statute of the Arbitration Centre and also of its Internal Rules and regulations, a board composed of fifteen competent and experienced Iranian and foreign individuals shall be established in the Arbitration Centre. “This board is called the Arbitration Court of the Arbitration Centre”

**Note 1:** the arbitrators of the Centre is may be appointed as member of the “court of Arbitration of the centre”

**Note 2:** The composition of the “Arbitration Court” shall be such to include university professors, one judge knowledgeable in arbitration



and commercial matters as introduced by the head of the Judiciary, one attorney-at-law knowledgeable in arbitration and commercial matters introduced by the president of the Central Bar Association.

**Article 23**

Members of the Arbitration Court shall be fifteen which shall be appointed upon proposal of the Secretary General and approval of the Board of Directors for a period of 3 years. The working sessions of the Arbitration Court shall be held at the invitation of the Secretary General and shall have a quorum of at least seven members and its decisions shall be valid by a simple majority of the members present.

In the event of death, resignation or withdrawal of a member of the Court of Arbitration, his substitute shall be appointed in the above manner.

**Note:** The Court of Arbitration at its first session shall elect a Chairman and two vice-Chairmen from amongst its members for a period of 3 years, who shall be eligible for reelection.

**Article 24-** In the event that members of the Court of Arbitration are appointed by the parties as arbitrator, counsel, advisor, or expert in the cases referred the Centre, they shall be precluded from participating or decision-making of in the Arbitration Court when dealing with the case concerned.

**Article 25-** In the arbitration cases in which the value of the relief sought is over IR. Rials 500,000,000 or its foreign currency equivalent or its equivalent value in non-pecuniary claims, and in other cases if the circumstances so require, the



draft arbitration awards shall be submitted to the Court of Arbitration of the Centre and the Court shall scrutiny the draft award as required under Article 53 of the Arbitration Rules of the Centre, and shall provide its comments on matters of form and substance of the award.

The Secretary General shall notify the comments to the Arbitrator and the Arbitrator is free to accept the Court's comments on substance but he is bound to observe the comments of the Court on matters of form.

#### **Article 26**

In order to expedite and facilitate the review and decision at the Arbitration Court, specialized committees composed of at least three members of the Court shall be set up, by the Secretary General and functions of the Court shall be exercised by such committees, unless in view of the nature and complexity of the matter, as determined by the Secretary General, the case has to be decided by a full bench of Court. Sessions of the committees of the Court shall be formal with majority, three or five members as the case may be, and the decisions of the committees shall be taken by a simple majority of the members present.

#### **Article 27**

For the purpose of coordination and promotion of the services of the Arbitration Centre and also for the review of developments in arbitration and other dispute settlement mechanisms in national and international matters, every year annual full session of the Arbitration Court shall be held.

**Note 1:** The invitation for the annual full session of the Court and determination of its agenda shall be made by the Secretary General.

The Secretary General may invite university professors, judges, lawyers, students and also those individuals involved in commercial,



industrial and service sectors to participate as guests at the annual full session of the Court of Arbitration.

**Note 2:** The full annual sessions shall be chaired by the Chairman of the Court which is elected in accordance with the note to Article 23 above.

Pursuant to Article 6 of the Law on Statute of the Arbitration Centre (2002) these Internal Regulations on the Organization and of Provision of Services were ratified in 27 Articles and 12 Notes at the session of the Board of Directors of the Centre dated 23.06.1384 (12.September 2005) and were approved by the Board of Representatives of Iran Chamber of Commerce, Industries and Mines at its session dated 23.12.1384 (13. March 2006).