**MARITIME ARBITRATION DISPUTE RESOLUTION ASSOCIATION SERVICES**

**RULES FOR ARBITRATION PROCESS**

1. General:  
   1. Once the parties have agreed that the dispute will be settled by Arbitration in accordance with the rules of MADRASS, the Rules will be those which are in force at the time the arbitration is initiated by either of the parties.
   2. Unless otherwise agreed by the parties, the seat of the arbitration will be Chennai, Tamil Nadu, India.
   3. Wherever these rules refer to "the arbitrators", they refer to the three arbitrators who jointly decide or the sole arbitrator who decides on his own.
   4. For the purposes of these rules, "in writing" also includes e-mail messages.
   5. The parties may appear at the arbitration proceedings in person, or be represented by any person (lawyer or otherwise) subject to them being expressly authorised in writing by the parties for this purpose.
2. Commencement of arbitration proceedings:
   1. Notification of arbitration must be given to the other party in the form of a written notice with a description of the dispute. The said notice shall contain a summary ofwhat the party commencing the proceedings wishes to submit to arbitration. A copy of the notification of arbitration must be sent to MADRASS office by post email.

* 1. The arbitration proceedings shall start from the date of receipt of the copy of the notification of arbitration by MADRASS.
  2. The provisions in the previous paragraphs of this article shall apply equally to the institution of a counterclaim. In the case of a counterclaim, the notification of arbitration may be included in the statement of defence. If the counterclaim is included in the statement of defence, it shall be deemed to have been instituted at the moment at which the statement of defence is submitted unless the parties agree that arbitration shall not be carried out by electronic means, in which case the counterclaim shall be deemed to have been instituted at the moment at which the statement of defence is received by MADRASS.

1. Arbitrators:

* 1. Disputes shall be settled by three arbitrators, unless the parties agree that the disputes hall be settled by a sole arbitrator. In cases where the principal claim, excluding interest and costs, does not exceed the amount of USD 100,000 for International Arbitration or INR 65Lakhs for domestic arbitration (where the parties involved are Indian Parties) the disputes hall be settled by a sole arbitrator.

* 1. Disputes for which a sole arbitrator is appointed will be dealt by an expedited procedure with fixed costs for the arbitrator being USD 3000 for International Arbitration or INR 200,000 for domestic arbitration. The expedited procedure to be followed is listed in 11.1.
  2. The claimant for International arbitrations may request the arbitrator to deal with the claim as if it is a domestic arbitration. Subject to the agreement of the Respondent, the Arbitrators will deal with the proceedings as a domestic arbitration. In the event, the Respond does not participate or fails to respond, then it will be dealt as an International Arbitration at applicable costs.

1. Appointment of Arbitrators:
   1. MADRASS shall, if so requested, supply information about available arbitrators to any person and, if necessary, assist that person in the appointment of arbitrators.
   2. If the notice of arbitration does not include the appointment of an arbitrator, the claimant must appoint an arbitrator within fourteen days from the date of notice of arbitration. After the appointment of the arbitrator by the claimant, the respondent has a time period of fourteen days to appoint a second arbitrator. If the respondent fails to appoint an arbitrator within the time allowed, the arbitrator appointed by the claimant will act as the sole arbitrator to hear the dispute.
   3. The two arbitrators appointed by the parties shall jointly appoint a third arbitrator.
   4. If the parties have agreed to appoint a sole arbitrator, or if the appointment of a sole arbitrator is prescribed by article 3, the parties shall jointly appoint the sole arbitrator within a time period of fourteen days after the notification of arbitration. If the parties are unable to agree on the sole arbitrator, either of the parties may, upon paying an application fee, make an application to the President of MADRASS, who will appoint the sole arbitrator keeping in view the amounts in question and the type of dispute or he may recuse if he is an interested party, leaving it to the Committee to nominate another Madras Fellow/Member with due expertise. Decision of the President of MADRASS or the Committee Member of MADRASS as the case may be, will be final on the arbitrator appointment.
   5. If there are several respondents, they must jointly appoint an arbitrator. If the respondents fail to reach such agreement in time, President of MADRASS, subject to the party applying paying the requisite fees, shall at the request of any party - appoint an arbitrator to act as the arbitrator for the respondents or he may recuse if he is an interested party, leaving it to the Committee to nominate another Madras Fellow/Member with due expertise, The decision of the Chairman of MADRASS or the Committee Member of MADRASS will be final on the arbitrator appointment.
   6. If the appointment of a sole arbitrator is prescribed by article 3, and the respondent institutes a counterclaim leading to the total amount in dispute exceeding USD 100,000 for International Arbitration or INR 65,00,000 for domestic arbitration (where the parties involved are Indian Parties), the dispute shall be settled by three arbitrators, unless the parties agree otherwise. The claimant and the respondent shall each appoint an additional arbitrator, within two weeks after being invited to do so by the already appointed sole arbitrator.
   7. The appointment of an arbitrator by the Chairman of MADRASS shall, in principle, be carried out within fourteen days after such a request with the arbitrator being appointed from among those registered by MADRASS from a publicly available list, unless this is not reasonably possible.
   8. The arbitrators who have accepted their appointments according to the MADRASS rules, shall also accept the validity and effect of these rules.
2. Discharge, challenge and substitution:
   1. An arbitrator who has accepted his mandate may, at his own request, be released from his mandate either with the consent of the parties, failing which he may apply to the Chairman of MADRASS for consent and who will give due consideration depending on the reasons for release and the stage of the proceedings when this request is made. The Chairman of MADRASS in providing the consent may also ask the arbitrator who is being released to refund the fee’s collected.
   2. Challenge of one or more arbitrators shall be made in accordance with the laws provided in the seat of the arbitration.
   3. An arbitrator whose mandate has been terminated for any reason whatsoever shall be replaced pursuant to the rules applicable to his initial appointment.
3. Proceedings:  
   1. Unless the parties agree otherwise, the language of the arbitration shall be in English. Unless the parties explicitly agree otherwise, the arbitration will be conducted via an online platform ("e-arbitration") or through documents / emails only.

**Rules of Procedure**

* 1. The arbitrators shall determine the details of rules of procedures. They shall accommodate the joint wishes of the parties as much as possible. They shall enforce the rules of procedure and ensure that the arbitration proceedings are conducted expeditiously. Unless the arbitrators, whether or not at the unanimous request of the parties, determine otherwise, the course of the proceedings shall be laid down as follows:   
     1. Immediately after their appointment, the arbitrators will allow the claimant a time period of two weeks to file a statement of claim. After the filing of the statement of claim, the arbitrators will allow the respondent a time period of two weeks to file a statement of defence. Should the claimant or the respondent seek additional time, they may make an application to the arbitrators and who will consider each request on its merits provided the additional time does not exceed a period of 2 weeks.
     2. A counterclaim is instituted prior to or in the statement of defence or, if no statement of defence is filed, in the first written or oral defence. A counterclaim is permitted if it is subject to the same agreement to arbitration as that on which the claim is based, or if the parties have either explicitly or tacitly declared such agreement to be applicable. If a counterclaim is instituted, the arbitrators shall allow the original claimant (the respondent in the counterclaim proceedings) a time period of two weeks for his statement of defence in the counterclaim proceedings.
     3. If a party has not been able to carry out a procedural step in time, the arbitrators will grant additional time to carry out the procedural step. If, however, the other party has notified the party concerned in writing, prior to the granting of the additional time - with a copy to the arbitrators - no additional extensions will be permitted after the expiry of the additional time. If the party has not carried out the procedural step, the arbitrators at the request of the other party may decide that the right to carry out the procedural step has lapsed. Only in the case of compelling circumstances may the arbitrators grant the party concerned a final time period to carry out the procedural step in question.
     4. After the statement of defence, or, in the case of a counterclaim, the statement of defence in the counterclaim proceedings has been submitted, the arbitrators shall decide whether a second round of written statements will follow or whether an oral hearing of the dispute will take place.

* + 1. With respect to expedited procedure, the process to be followed is listed in Cl 11.

OTHER PROCEDURAL RULES

* 1. During each arbitration, the arbitrators shall give the parties an opportunity to plead their case orally, unless the parties explicitly waive this right. However, in those cases where the principal claim, excluding interest and costs, does not exceed the amount of USD 100,000 for International Arbitration and INR 65,00,000 for domestic arbitration (where the parties involved are Indian Parties), no oral hearing of the dispute shall take place and the arbitration will be conducted on the basis of documents alone. In that case, the statement of defence will be followed by a second round of written statements.
  2. If the respondent fails to appear at the arbitration proceedings despite the fact that, according to the arbitrators, he has been sufficiently and appropriately summoned, an award will be rendered after submission of the statement of claim. As long as no award has been rendered, the respondent may still appear at the arbitration proceedings. In this case, the arbitrators shall grant a time period for the submission of the statement of defence.
  3. During the arbitration proceedings, a party may change or increase its claim or counterclaim, or the grounds for these respective claims, if by doing so the other party's defence will not be unreasonably hampered or the arbitration proceedings unreasonably delayed.

1. Award:  
   1. Unless different rules of procedure have been established, the arbitrators shall render an award as soon as possible after the oral hearing or after completion of the last procedural step, within two weeks of the completion of the last procedural step.
   2. The arbitrators may render a final award, a partial final award, or an interim award.
   3. The arbitrators will ensure that as soon as possible the original of the award, or a copy thereof certified by an arbitrator or by the Chairman of MADRASS, is sent to the parties, provided the outstanding fees have been paid by one of the parties or both as called by them.
2. Others:  
   1. The respondent's cooperation in the appointment of arbitrators does not forfeit his right to challenge the jurisdiction of the arbitrators. A motion to dismiss for lack of jurisdiction of the arbitrators must be filed before all principal defences. In principle, a motion to dismiss for lack of jurisdiction must be lodged by statement of defence; the arbitrators, however, may decide that a motion to dismiss for lack of jurisdiction may be filed in a separate statement.
   2. By agreeing to arbitration in accordance with these rules, the parties are deemed to have undertaken to comply immediately with an irrevocable award. An arbitral award may not be appealed, unless the parties agree otherwise.
   3. The arbitrators shall make their award in accordance with the rules of law, unless the parties have explicitly agreed that the arbitrators shall decide as *amiable compositeur*.
   4. At the joint request of the parties, the arbitrators shall record the content of the amicable settlement agreed between the parties in the form of a consent arbitral award.
3. Costs:  
   1. The arbitration costs consist of administrative costs (if any), the arbitrators’ fees and disbursements, and other costs.
   2. The appointed arbitrators shall work on the basis of an hourly fee as fixed and published by MADRASS’s management board, unless the parties and the arbitrators jointly agree otherwise in writing. The arbitrators shall immediately inform MADRASS if fees are different to those fixed and published by MADRASS are agreed. In the event, a party has not agreed to the rates, then they will be bound by the rates as fixed and published by MADRASS and with the other party bearing the differences.
   3. Other costs are costs incurred by the arbitrators and/or MADRASS with regard to the arbitration, such as the costs of experts appointed by the arbitrators, and costs for technical support and interpreters.

**Deposit**

* 1. The arbitrators may require that the claimant pay a deposit from which the arbitration costs, to the extent possible, be paid. If the respondent has filed a counterclaim, the arbitrators may require a deposit from him as well.
  2. As soon as possible after their appointment, the arbitrators shall determine the amount of the deposit. The parties may make direct payment to the arbitrators for their fee’s or deposit or may deposit the same with MADRASS and for which MADRASS will be entitled to charge a fee.
  3. The arbitrators must themselves ensure at all times that there are adequate funds on deposit to pay the arbitration costs. MADRASS has no obligation to pay any costs that are not covered by a deposit. No interest will be paid on the deposit.
  4. The arbitrators may suspend the arbitration of the claim or the counterclaim if the relevant party has not paid the requested deposit or any other fees charged to him. If a party does not pay the requested deposit or any other fees charged to him within fourteen days after a second written demand issued by the arbitrators or MADRASS, he will be deemed to have withdrawn his claim or counterclaim.
  5. The parties shall be liable to MADRASS and the arbitrators for the arbitration costs in proportion to the deposits that the said parties have made or are to make. The obligation to pay the arbitration costs remains in full force, even if the arbitration proceedings have been terminated for any reason whatsoever.

1. **Cost award:** 
   1. The unsuccessful party may be ordered to pay the arbitration costs. If more than one party is partly unsuccessful, they may each be ordered to pay such portion of the arbitration costs as the arbitrators deem reasonable.
   2. The unsuccessful or partly unsuccessful party may be ordered to pay such portion of the other party's or parties' costs related to the arbitration as the arbitrators deem reasonable, namely the costs for legal and other assistance, and other reasonable costs made in relation to the arbitration. The party concerned may be ordered to pay these costs only in part, in the same way as he may be ordered to pay the arbitration costs only in part.
2. **EXPEDITED Procedure by use of Sole Arbitrator:**
   1. The Sole Arbitrator fee includes the appointment fee, interlocutories, the writing of the award and the assessment of costs (if any). It does not include expenses, such as the hire of an arbitration room, which shall in the first instance be paid by the claimant on demand. However, if there is any challenge to jurisdiction or request for Physical hearings, the arbitrator shall be entitled to charge additional fees and which being payable in the first instance by the claimant before the Arbitrator makes any award. The ultimate liability for such additional fee may be decided by the arbitrator in his/her final award.
   2. The Sole Arbitrator fee shall be such standard fee as shall be fixed from time to time by the Committee of MADRASS. Payment of the Sole Arbitrator fee will be made within 14 days of agreement being reached upon a sole arbitrator or upon the appointment of the sole arbitrator by the Chairman of MADRASS shall be a condition precedent to the pursuit of proceedings.
   3. In the event of the respondent putting forward a counterclaim which exceeds the amount of the claim, and in circumstances in which the arbitrator retains jurisdiction over the dispute on the basis that both parties have agreed for a sole arbitrator to hear their dispute or due to the respondent not nominating an arbitrator, an additional fixed fee in such amount, as shall be fixed from time to time by the Committee of the MADRASS, is payable by the respondent or the claimant as the case may be. Payment of such fee within 14 days of service of defence and counterclaim submissions shall be a condition precedent to the respondent’s entitlement to pursue any such counterclaim within the proceedings in question.
   4. If the case is settled amicably before an award has been written, the arbitrator may retain out of the Single Arbitrator Fee a sum sufficient to compensate him for services thus far rendered and any balance shall be repaid.
   5. **PROCEDURE**
      1. Submission letters referred to below must:
3. identify and set out the position of the parties in respect of the issues that have arisen between them as clearly, concisely and comprehensively as possible;
4. be contained in numbered paragraphs;
5. be accompanied by paginated supporting documentation relevant to the issues between the parties (“relevant supporting documents”), except that, in the case of submission letters referred to in subparagraphs 11.5.3 and 11.5.4 below, documents shall only be included with the prior approval of the arbitrator.   
   * 1. Within 14 days of receiving confirmation or notice of the appointment of the arbitrator, the claimant will deliver to the respondent, a letter of claim not exceeding 2,500 words accompanied by relevant supporting documents.
     2. A letter of defence and of counterclaim (if any) not exceeding 2,500 words for each, accompanied in each case by copies of relevant documents, shall be delivered by the respondent to the claimant within 28 days from receipt of the letter of claim or from the date of the confirmation or appointment of the arbitrator, should the letter of claim and relevant documents have been sent in advance of such appointment.

For the purpose of the word limit in this sub-paragraph, and in sub-paragraphs 11.5.4 and 11.5.5 below, the term counterclaim shall only apply to counterclaims arising independently of the claim and not to counterclaims arising from the same facts as the claim where, depending on the arbitrator's findings, an amount may be due to one party or the other.

11.5.4 A letter of reply (if any) not exceeding 1,000 words or of reply and defence to counterclaim not exceeding 2,500 words shall be delivered by the claimant to the respondent within a further 21 days. Additional evidence or supporting documents shall only be included with a letter of reply with the prior approval of the arbitrator. Where an additional fee is payable under paragraph 11.3 thereof in respect of the counterclaim, the 21 days shall run only from receipt by the arbitrator of the additional fee.

11.5.5 The respondent shall, if he so wishes, deliver to the claimant a letter of reply to defence to any counterclaim not exceeding 1,000 words within a further 14 days (except where the arbitrator rules that the counterclaim does not raise any new issues independent of those raised in the claim). Additional evidence or supporting documents shall only be included with a letter of reply to defence to counterclaim with the prior approval of the arbitrator.

11.5.6 The arbitrator may require letters of submission that do not comply with these requirements to be resubmitted in a form that complies with the requirements of the Procedure. In cases where in the opinion of the arbitrator a claim, defence, counterclaim or reply is insufficiently or excessively pleaded the arbitrator may order the relevant party to re-serve a letter of submission that complies with the requirements of this paragraph, and time for service of any responsive submissions will not begin to count until such letter of submission has been served. Where, in the opinion of the arbitrator, costs are increased because a letter of submission was inadequately or excessively pleaded, or was not supported by relevant documents, any additional costs incurred in consequence may be awarded against the party whose letter of submission was deficient, regardless of the outcome of the case.

11.5.7 Any extension to the above time limits must be applied for before expiry of the existing time limit. If a party fails to deliver the appropriate letter of submission within the time limit set, the arbitrator, on the application of the other party or of his own motion, will notify the defaulting party that unless the outstanding communication is received within a fixed period (maximum 14 days) he will proceed to the award on the basis of the submissions and documents before him to the exclusion of all others. In the case of failure to serve a letter of claim the arbitrator may make an award dismissing the claim. The time allowed by the arbitrator’s notice, added to any extension of time previously agreed between the parties in respect of the same letter, shall not in total exceed 28 days. Any letter of submission submitted by the defaulting party subsequent to expiry of the time limit set by the arbitrator’s notice shall not be admissible.

11.5.8 Following delivery of the letter of reply, or, where there is a counterclaim, following delivery of the letter of reply to defence to counterclaim, the arbitrator may declare to the parties that submissions have been closed. No further submissions shall be considered, even if received by the arbitrator following such a declaration.

11.5.9 Copies of all the above letters and documents shall be sent to the arbitrator and to the other party, or if the other party is acting through a solicitor or representative, to that solicitor or representative.

11.5.10 Experts’ reports shall only be admissible with the permission and subject to the directions of the arbitrator. Experts’ reports must not exceed 2,500 words.

11.5.11 There shall be no hearing unless in exceptional circumstances, the arbitrator requires this and for which additional arbitrators fee’s may be incurred as stated in 11.1.

11.5.12 In the case of an oral hearing the arbitrator shall have power to allocate the time available (which shall be limited to one working day of 5 hours) between the parties in such manner that each party has an equal opportunity in which to present his case.

11.5.13 All communications or notifications under this Procedure may be by letter, or e-mail.