



IICRA
International Islamic Centre
for Reconciliation & Arbitration

CHART
AND
Arbitration and
Reconciliation Procedures

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CHAPTER ONE

ESTABLISHMENT OF THE CENTRE, ITS POWERS AND HEADQUARTERS

Article (1) Establishment of the Centre

A centre called the International Islamic Centre for Reconciliation and Arbitration shall be established. It shall be independent and shall have legal personality like an international institution.

Powers Article (2)

The International Islamic Centre for Reconciliation and Arbitration (The Centre) shall make arrangements to settle any kind of financial or commercial disputes between financial or commercial institutions that have chosen to comply with the sharia'a to settle such disputes. The Centre shall also help to settle disputes between the above-stated institutions and their customers or between them and any third party through reconciliation and arbitration as outlined under this charter.

Headquarters Article (3)

The headquarters of the Centre shall be situated in the United Arab Emirates. The venue for reconciliation and Arbitration shall be at the Centre. However, the parties to a dispute can agree on a venue for reconciliation and Arbitration other than the headquarter country. Furthermore, the Reconciliation and Arbitration tribunal can choose a venue it deems fit for its sessions.

Organizational chart Article (4)

The Centre shall be composed of:

1. The General Assembly.
2. The Board of Trustees.
3. The Executive Committee.
4. The General Secretariat.

General Assembly Article (5)

- a) The General Assembly shall be composed of Central Banks, Islamic Financial Institutions, Conventional Financial Institutions that provide Islamic financial services, sponsors and any other institution or any member accepted by The Board of Trustees.
- b) The General Assembly shall meet every year at the request of the chairman of the Board of Trustees, who shall chair its meetings. A quorum for a meeting of the General Assembly shall be stained if at least 50% of the members are present. Decisions shall be taken by a vote of a simple majority of participants at a meeting unless when it comes to amending the Center's Charter, in which case two thirds of the votes shall be required.
- c) Powers of the General Assembly
 1. The General Assembly shall approve The Charter as well as any amendments proposed by the Board of Trustees.
 2. It shall appoint members of the first Board of Trustees.
 3. It shall approve the final accounts.
 4. It shall appoint the auditor.
- d) The chairman of the General Assembly or the Board of Trustees may convene an extraordinary meeting of the General Assembly at any time provided that the need arises and that two thirds of the members of the Board of Trustees approve it.
The General Assembly shall be the highest authority of the Centre.

Board of Trustees and its Powers

Article (6)

a) The General Assembly shall appoint some of its members to serve the Board of Trustees for a three-year term renewable provided their number does not exceed fifteen members including a representative of the headquarter country , a representative of the Islamic Development bank and a representative of the General Council of Islamic Banks and Financial Institutions. Geographical distribution and professional qualification must be taken into account when it comes to appointing the members. The members should make sure that they select specialists in sharia'a or law or have a minimum of ten years of experience in Islamic banking to represent them.

The Board of Trustees shall elect a chairman and a vice chairman from among its members by a secret vote. In addition to the above-stated requirements, the chairman to be selected must have contributed significantly in the development of Islamic banking in the fields stated above. It is not allowed to be chairman concurrently of the Board of Trustees and any of its committees.

b) The Board of Trustees shall meet at least twice a year and whenever the need arises at the request of the chairman or the Secretary General or at the request of 25% of the members at least. 50% of the members shall constitute a quorum for the meeting. Its decision shall be taken by a vote of a simple majority of the participants at the meeting unless when it comes to amending the Center's charter, in which case three quarters of the votes shall be required.

c) Power of the Board of Trustees

The board shall perform the tasks of the Centre and seek to achieve the Center's objectives. The Board of Trustees shall perform mainly the following roles:

1. propose amendment to the Center's charter
2. Appoint members of the Executive Committee and the Center's Secretary General.
3. Approve the budget estimates.
4. Recommend the final accounts for approval from the General Assembly.

5. Approve financial, administrative and technical regulations.
6. To plan a strategy and proper control and management mechanisms to achieve the Center's objectives.
7. Appoint an internal auditor. This task may be assigned to an external auditor or to one of the Center's permanent members.
8. Set up committees composed of members of the board or non-members and outline their duties and powers.

Executive Committee

Article (7)

The Centre shall have an Executive Committee composed of five members selected by the Board of Trustees from among its own members. The Board shall appoint one of them as chairman and vice chairman. The Committee may seek advice from experts and specialists with its scope and shall perform, among others, the following duties:

- a) Discuss the financial, administrative and technical regulations that govern the activities of the Centre.
- b) Discuss the Center's strategy.
- c) Discuss the annual draft budget estimates
- d) Discuss the final accounts
- e) Make recommendations to the Board of Trustees, and ensure that the general secretariat carries out the board of trustee's decisions and recommendations.

The Committee shall meet once every six months and whenever the need arises at the request of the chairman or the Secretary General of the Centre or at the request of three of its members at least. Three members present at a meeting of the committee shall constitute a quorum provided that the chairman or the vice chairman is one of them.

General Secretariat
Article (8)

a) The General Secretariat shall be composed of the Secretary General, and the technical and administrative staff. The Secretary General shall be appointed by the Board of Trustees but from outside its membership. He shall be working full time for the Centre and shall be academically and professionally qualified for the position.

b) Powers and duties of the Secretary General

The Secretary General shall be the chief executive officer of the Centre and shall perform the following duties:

1. Coordinate the activities of the General Assembly and the Center's Boards and Committees and ensure that the decisions of the above bodies are carried out.
2. Run the day-to-day affairs of the Centre.
3. Conduct and supervise studies and procedures on the preparation of data, standards and guidelines issued by the Centre.
4. Prepare and issue news report on the Center's activities.
5. Foster closer ties between the Centre and similar regional and international bodies, and between islamic financial institutions.
6. Recruit the technical and administrative staff in accordance with the plan approved by the Board of Trustees.
7. Supervise both the technical and administrative staff of and facilitate work and set up committees for the purpose.
8. Prepare a work schedule and annual budget estimates for the Centre and submit them to the Executive Committee for onward transmission to the Board of Trustees.
9. Propose staff rules and financial regulations and submit them to the Executive Committee the Board of Trustees.
10. Prepare the annual report of the Board of Trustees and the financial statement for the Centre and submit them to executive committee for onward transmission the Board of Trustees.
11. Serve as rapporteur for General Assembly and the Center's various boards. He shall also attend its meetings and take part in the discussion of items on the agenda without the right to vote.

12. Serve as a legal representative for the Centre and represent it at conferences, seminars, symposium, etc.. that are relevant to the Center's activities.
13. Perform any other task that the General Assembly assigns it or the Center's other Boards and Committees.
14. Get member countries of the Organization of the Islamic Conference to recognize the Centre, secure the Center's membership in similar Arbitration institutions, and get financial institution to include in their contracts the arbitrational clause and to admit the jurisdiction of the centre to settle their disputes in accordance with the Center's procedures.
15. Liaise with countries and institutions in order to raise funds for the benefit of the Centre.

 **CHAPTER TWO** 
ARBITRATION

Arbitration Panel
Article (9)

The Arbitration Panel shall be composed of an odd number of arbiters in accordance with the arbitration clause or the arbitration agreement. If there is no mention in the clause or in the agreement, the Secretary General shall appoint them in accordance with the Reconciliation and Arbitration regulations after consulting with members of the Executive Committee at a meeting of the latter or by circulation.

Article (10)

The Centre shall have a list of a sufficient number of jurists, Sharia'a specialist, economists, trade specialists and professors of universities and institutes of higher learning etc... The Centre can seek inspiration from proposals made by chambers of commerce and industry in the Organization of the Islamic Conference member countries and the like to prepare such a list. The parties concerned may consider such a list and select arbiters from it or elsewhere.

The arbitrator must be of jurist or someone with cast knowledge and experience in trade, industry, finance and Sharia'a principles. He must be with reputed morals, and be renowned for his independence.

Mandatory Law

Article (11)

The arbitrators must apply the chosen law to settle the dispute. If such law is not specified in an arbitration clause or an arbitration agreement, the Arbitration tribunal must, therefore choose a law most congenial to the contract subject of the dispute based on the venue where the contract was signed, where it took effect and the nationality of the parties of the contract. Furthermore the Arbitration tribunal shall by all means avoid regulations under the mandatory law that is incompatible with the Sharia'a. The Arbitration tribunal may choose what it deems fit from the various Islamic schools of thought and the opinions of Fiqh academies and Sharia boards of Islamic financial institutions.

Arbitration Rules

Article (12)

The parties have the right to choose the applicable procedural law to govern the dispute; in case there is no mention or no agreement on such law then the procedure rules of the Centre shall be applicable on

Arbitration the headquarters' country procedural law will be the complementary law, the arbitration panel can rely upon the international laws and customs in the field.

Only the arbitrators and their representatives are allowed to attend the sittings which are confidential. As well as all Arbitration documents. Only the parties of the dispute and the arbiters can have access to them.

Article (13)

If both parties agree to settle the dispute before the Arbitration Tribunal and if the Arbitration Tribunal agrees that it is competent to consider such a dispute or any procedure adopted to consider the dispute cannot be brought before any other judicial body in any country . Moreover, the award of the Arbitration Tribunal or any related procedure cannot be appealed when it has to be approved by any judicial body in any country. The Arbitration Panel is competent to decide any matter related to its own jurisdiction.

Article (14)

Any award issued by the Arbitration Tribunal in accordance with these procedures shall bind on both parties and final.

Article (15)

The Arbitration Tribunal shall transmit to the Secretary General a copy of its award. He shall therefore help, as quite as possible to have the exequatur if required by the law of the country in which the award is rendered.

Secretariat of the Arbitration Tribunal
Article (16)

The Centre provides the secretariat for the Arbitration Tribunal who shall appoint its rapporteur, the latter shall be submissive to the chairman of the Arbitration Tribunal.

Article (17)

The General Secretariat shall receive applications for Arbitration and shall follow the procedures stipulated in this charter to process the applications.

Budget
Article (18)

An annual budget estimate shall be drawn up for the Centre, The General Secretary assisted by the Board of Trustees and the executive Committee shall provide the funds required to run the affairs of the Centre.

Article (19)

The Centre shall have an annual budget estimate with the following sources of income:

- a) Fees received by the Centre for services it provides and other annual membership fees fixed by the Board of Trustees.
- b) Grants and donations received by the Centre and accepted by the Board of Trustees.
- c) Proceeds from the Center's sold publications.
- d) Income from the Center's Waqf.
- e) Any other income approved from The Board of Trustees.

Financial Year
Article (20)

The Center's financial year shall be the Gregorian year starting from January and ends at December.

Additional services provided by the Centre
Article (21)

- a) If the Centre is empowered to appoint arbitrators in accordance with its rules, the Secretary General shall perform the duty in accordance with these procedural rules.
- b) The Centre shall receive fees determined under the rules of procedure according to its administrative expenses, workload and overhead expenses.

Arbitration Expenses
Article (22)

- a) The Secretary General shall draw up a temporary estimate of Arbitration expenses and shall require one party or more to pay the equivalent in advance. He may also require both parties to make additional payment while arbitration procedures are underway.
- b) Should any of the parties fail to make the requisite payments within thirty days from the date of receipt of the order to pay, the Secretary General shall inform the other parties in accordance with the procedural rules.
- c) The Secretary General shall provide both parties a breakdown of the payments and expenses made, after the Arbitration Tribunal has made its ruling on a dispute.

CHAPTER THREE

RECONCILIATION

Article (23)

Any dispute brought before the Centre can be amicably settled by one reconciler or a panel of reconcilers appointed by the Secretary General. Reconciliation procedures shall be governed by the arbitration and reconciliation rules.

General Rules Article (24)

- a) Neither the arbitrators nor members of the Executive Committee, nor the Centre, nor the Center's staff shall be queried about anything related with arbitration.
- b) The Arbitration rules shall be drafted three month after Charter has been approved by legal experts and shall enter into force after the technical committee has approved the rules.
- c) It is forbidden to request the arbitrator's or reconciler's testimony for any legal dispute between parties to a dispute if reconciliation fails or if Arbitration is considered null and void the same applies on any case concerning the dispute submitted before the Centre.
- d) None of the bodies stated in article 4 or any sub- committee is allowed to interfere directly or indirectly with the arbitration procedures.
- e) The chairman of the Board of Trustees and his vice and the General Secretary shall be from different nationalities, same rule to be applied on the chairman of the Executive Committee and his vice, as well as for any committee that the Board of Trustees may set up.

Interpretation Article (25)

The Board of Trustees has the competence to interpret the provisions of this statute. However, if the issue for which an interpretation is needed affects the Board of Trustees, the matter shall be referred to the General Assembly for interpretation.

Inception Date Article (26)

This charter shall take effect on the date it is approved by the General Assembly at its constitutive meeting as stated in paragraph C under Article 5 of this charter.

This statute has been prepared in both Arabic and English language, in case of any incompatibility between the two versions, the Arabic version shall be considered the authoritative one.



Arbitration and Reconciliation Procedures

Preliminary Provisions

Article (1)

In implementation of the provisions of these by-laws, the following words and phrases shall have the meanings assigned to each of them, unless the context necessitates otherwise:

The Centre : The International Islamic Centre for Reconciliation and Commercial Arbitration.

The Procedures : The Procedures governing Reconciliation and Commercial Arbitration at the Centre.

The Secretary-General : The Secretary-General of the Centre.

The Panel: The Arbitration Panel formed According to the Provisions of these procedures

Arbitration Agreement: Written Agreement between the parties involved to resort to Arbitration whether before the emergence of a dispute (Arbitration Clause) or after the emergence of dispute (Arbitration Provision).

The Directory: The Directory listing the names of the arbitrators employed by the Centre.

The Board of Trustees : The Centre's Board of Trustees.

The Committee : The Executive Committee of the Centre.

The statute : The statute of the Centre.

Article (2)

1. Agreement on Arbitration as per the provisions of these procedures precludes the submission of the dispute to, or appealing the Panel's ruling on the dispute with any other entity.
2. In the event of resorting to Arbitration, the following wording shall be included in the Arbitration agreement:
"In the case of disagreement between the parties about the interpretation or implementation of this agreement (contract), the dispute shall be submitted to an Arbitration Panel for final and binding judgment according to the rules and procedures of the Centre."

Article (3)

All agreements and provisions submitted to the Centre for Arbitration shall be assumed to be authentic unless proven otherwise.

Article (4)

Arbitration shall be carried out at the Centre according to these procedures unless the parties agreed and chose other procedures, provided that these additional procedures shall not prejudice the Centre's authority or the authority of the Arbitration Panel as provided for in the articles of these procedures, nor shall these additional procedures affect the application of Islamic Sharia rules. The Executive Committee reserves the right to reject such additional procedures.

Article (5)

The Arbitration Panel guarantees the right of the parties of dispute to defense, and their treatment with equality. It also guarantees for each party full opportunity to present its case throughout the proceedings.

Article (6)

Arbitration procedures shall be carried out in the United Arab Emirates, unless otherwise agreed by the parties or decided by the Arbitration Panel. The executive Committee reserves the right to reject such agreement or decision.

Article (7)

Arbitration shall be carried out in the Arabic language or any other language as may be agreed upon by the parties, or decided by the Committee. The Panel may also listen to the testimonies of non-Arabic speakers among the disputing parties, witnesses and experts with the assistance of a certified interpreter who shall take the oath in front of the Panel. The Panel may also accept submission of memorandums, reports, and defense statements in a language other than Arabic, provided that a translation into Arabic is attached. In all cases, the ruling will be issued in the Arabic language.

The Arbitration Panel

Article (8)

The Arbitration Panel shall be constituted from a number of arbitrators according to the nature of the dispute and the desire of the parties, without prejudice to the Statute of the Centre.

Applications and Referrals for Arbitration

Article (9)

The party applying for Arbitration shall submit a request in writing to the Secretary-General which includes the following:

1. Name, surname, function, nationality and address of the person submitting the request.
2. Name, surname, function, nationality and address of the other party of the dispute.
3. Report including the facts and evidence of the dispute, specifying the claimant's demands.
4. Name of the chosen arbitrator, if applicable.
5. Copies of the Arbitration agreement and all documents related to the dispute.

The Secretary-General shall ensure that the file presented by the claimant is complete with all the documents required to proceed with the Arbitration procedures. Otherwise, the party concerned shall be required to produce any missing documents.

Article (10)

Upon receiving the request for Arbitration and payment of the fees, the Secretary-General shall send an acknowledgement-of-receipt notice to the applicant. He shall also send a copy of the Arbitration request, by registered mail with confirmation of receipt, to the other party of the dispute within seven days after receipt of the complete documents.

Article (11)

The Arbitration respondent should submit within 20 days of receiving the notification of Arbitration a reply in writing including the Arbitration respondent's arguments and counter-demands, if any, supported by any documents available and he has to nominate his arbitrator. The Secretary-General, upon a request from the respondent, may extend the period for no more than 20 extra days. Parties have to sign the Arbitration agreement before the commencement of the procedures.

Article (12)

1. If the Arbitration claimant does not name the arbitrator representing him in the application for Arbitration, the Secretary-General, in consultation with the Committee, shall appoint an arbitrator representing the claimant within one week after receipt of the application for Arbitration.
2. If the Arbitration respondent does not name the arbitrator representing him within the same period as mentioned in the previous Article, the Secretary-General shall appoint an arbitrator representing the dilatory respondent within one week.
3. The Secretary-General shall request the arbitrators of both parties to select a third arbitrator to serve as head of the Arbitration Panel. Should they fail to reach an agreement on selecting the third arbitrator within 15 days from the date of the Secretary-General's request, the Secretary-General shall appoint the third arbitrator within one week.
4. Arbitrators are invited to sign an undertaking to guarantee their neutrality and their commitment in the secrecy and the non disclosure of any information related to the case and the abstention of meeting any party aside, arbitrators also have to disclose any relation that might connect them with any party.

Article (13)

If one of the parties disputes the validity of appointing of any of the arbitrators, the Secretary-General shall resolve this dispute within three days with a final decision, provided that this dispute is raised prior to the session scheduled for consideration of the case.

Article (14)

If any of the arbitrators passed away or excuses from carrying out or continuing his task or a force majeure prevents him from accomplishing his task, a replacement arbitrator shall be appointed in the same manner as the original arbitrator, within one week from the notification of the concerned party about the excuse or the death of his arbitrator.

Article (15)

The Secretary General shall refer the case file to the Panel within seven days of the date of its formation in accordance with these procedures. The Panel should commence discharging its task within 15 days of receiving the Secretary-General's notification.

Rejection of Arbitrators

Article (16)

Each of the two parties in the dispute is entitled to challenge one of the arbitrators for reasons that should be specified in a written request submitted to the Secretary-General. This request shall be examined and decided upon in accordance with the procedural rules of the Arbitration process.

Article (17)

1. In the event that one of the disputing challenges one of the arbitrators, the other party may agree to the request and the arbitrator may resign from the case and another arbitrator shall be appointed in the same way the previous arbitrator was appointed.
2. If the other party does not agree on the arbitrator's challenge request, and the arbitrator in question does not resign from the case the Committee shall examine the request, provided that it produces its decision within a period of no more than one week from the date of receipt of the challenge request.
3. If the Secretary General responds with the challenge request and decides that the arbitrator has to be changed, a new arbitrator shall be appointed in accordance with these Procedures, and the decision shall be communicated immediately to the removed arbitrator and the disputing parties.

Plea of non-jurisdiction

Article (18)

Unless agreed explicitly upon, the Arbitration Agreement shall be considered an independent agreement from the contract which is the subject of the dispute. If the contract is nullified or expired for any reason, the Arbitration Agreement shall continue to be effective.

Article (19)

The Arbitration Panel has the competence for resolving any issue concerning the challenging of its jurisdiction, including plea of challenges based on the absence, invalidity, or expiry of an Arbitration agreement or based on the argument that the agreement does not cover the subject of the dispute. These challenges must be presented in the first session prior to considering the substantive aspects of the case. The signature of the

Arbitration agreement is considered as waiver of any right regarding the objection on the formation of the Arbitration Panel or its jurisdiction.

The Sessions

Article (20)

At any stage of the proceedings and upon the request of either party, the Arbitration Panel shall convene sessions for oral submissions, or for listening to testimonies witnesses or experts. If none of the parties makes such a request, the Panel has the choice to convene such sessions or to pursue the proceedings on the basis of the documents available, provided that at least one such session has been held.

Article (21)

1. In the case of verbal hearings, the Panel shall notify the parties sufficiently in advance of the hearing date, time and venue.
2. In the case of providing proofs based on testimonies by witnesses, the party that bears the burden of proof shall notify the Panel and the other party, at least seven days prior to the witnesses-hearing session, with the names and addresses of the witnesses, and the topics they intend to cover in their testimonies and the language they shall use. The Panel reserves the right to decide the manner in which the witnesses shall be examined.
3. The Panel shall undertake any necessary arrangements for the translation of the verbal testimonies presented in the session if these testimonies are in a language other than Arabic. The Panel shall also provide minutes of the meetings.
4. Hearings for defense and witness testimonies shall be held in secret. The Panel may agree to the attendance of any outside parties.
5. The Panel shall decide on accepting or rejecting the evidence presented and its importance relevance or irrelevance to the subject of the dispute.

Article (22)

1. If either of the parties claims that forgery has been committed on the documents presented to the Panel, the Panel shall halt Arbitration procedures temporarily, the needed period to settle this claim will be excluded from the original period.
2. The Panel refers the forgery allegation to the concerned authority for investigation and decision.
3. If forgery is proven to have occurred, the Panel shall issue a ruling rejecting the forged documents.

Article (23)

The Panel may at any stage in the Arbitration procedures require that both parties submit additional documents or evidence, and the Panel may examine the assets subject of the dispute and make any necessary investigations, including the engaging of experts.

Article (24)

Both parties of the dispute may authorise the Panel to initiate reconciliation between them. They may also request the Panel to record the provisions of the reconciliation agreement and issue a ruling thereon.

Article (25)

The Panel, either of its own volition or upon a request from either one of the parties may, for substantive reasons, decide at any stage after closing the case for hearings and before issuing the ruling to reopen the case for additional hearings.

Non-attendance Article (26)

If one of the parties fails to attend the sessions required by the Panel and does not provide acceptable excuse for absence within the timeframe decided by the Panel, then this absence shall not delay the proceedings of the Arbitration, provided that he had submitted his defense.

Temporary Arrangements Article (27)

The Panel, upon the request from either party, may refer to the concerned authorities regarding temporary and custodial arrangements, including arrangements for the custody of the disputed goods according to the procedural regulations in the country where the temporary arrangement was taken.

The Applicable Law Article (28)

The arbitrators must abide by the laws chosen by the parties in the dispute. In the event that no law is specified for application in the Arbitration clause or the Arbitration agreement, the Panel shall identify the law to be applied; taking into consideration that this law should be of utmost relevance to the disputed issue. The Panel should also take into consideration the venue where the contract was concluded, the venue where it should be implemented and the citizenship and residence of the contractual parties and the law that should be applied. In all cases, the Panel shall exclude any provisions that contradict in the law that should be applied if such provisions are not in conformity with the rules of Islamic Sharia. The Arbitration Panel may invoke for the disputed issue whatever it deems appropriate from among the viewpoints of various schools of Islamic

thought, rulings of Islamic Fiqh academies, and opinions of Sharia supervisory boards at Islamic financial institutions.

The Panel may choose to be guided by local or international commercial rules or conventions that are not at variance with the provisions of Islamic Sharia. In all cases, the Panel shall abide by the requirements of justice and neutrality in its administering the proceedings and shall be careful in hearing the submissions of each party in full.

Deliberation and Ruling

Article (29)

The Arbitration Panel shall announce the date of concluding of the sessions if it feels that sufficient opportunity was given to all parties make their case. It is not permitted after this date to submit any written memorandums, claims, or evidence, unless requested or allowed by the Panel.

Upon closing the door for submissions, the Panel shall meet to deliberate on the case and issue its ruling. The Panel deliberations must be confidential.

Article (30)

The Panel adopts and hence issues its ruling by majority. In all events, the ruling must be issued within a period of no more than six months, unless otherwise agreed by the parties, from the day and date of submission of the case to the Panel. The parties shall undertake to implement the Panel ruling immediately.

Article (31)

The Committee, upon request from the Panel, may agree to extend the period of Arbitration by no more than six months, provided that extension request is supported with reasonable justifications and is submitted before the expiry of the original Arbitration period.

Article (32)

The ruling must be supported with justifications. It should include the Arbitration agreement, the names and signatures of the arbitrators, the names of the disputing parties, the date and place of issuance of the ruling, the proceedings of the case, demands of the disputing parties, a summary of their allegations and arguments and the replies thereto, and the party shall bear the fees and costs, whether wholly or partially.

Article (33)

1. The Panel shall deliver the original award to the Secretary-General for the registration, and for taking the necessary action as may be required pursuant to the law of the Headquarter's country. In case the award has been rendered outside the UAE the same above procedures are applied and the winner has to approbate the decision from the competent court if required.
2. The Tribunal's Secretariat shall send a copy of the ruling to each of the two parties via registered mail and with a returned confirmation of receipt within one week of the ruling.

Article (34)

The ruling issued by the Arbitration Panel in accordance with these procedures shall be binding and final.

Article (35)

The Panel, either of its own volition or upon a written request from either party, channeled through the Secretary-General, or after notifying the other party of the request, may correct any material or other errors that may have occurred in the ruling; provided that the correction request is submitted within 15 days from the date of receiving the ruling. The correction shall be made in writing and shall be considered an integral part of the ruling, and shall be notified to both parties.

Article (36)

Either one of the disputing parties may request clarification of any ambiguity in the ruling from the Panel within seven days of receiving the ruling, provided that the other party is notified of this request. The Panel shall provide a clarification in writing within 20 days of receiving the request. The clarification is to be considered a supplementary part of the ruling in all aspects. The panel can render the clarification decision without need for a hearing.

Article (37)

The Arbitration Panel may refer the draft ruling before it is signed to the Sharia board of the Centre. The Sharia'a Board may introduce amendments in form on the ruling. It may also draw the attention of the Arbitration Panel to substantive issues related to Islamic Sharia, without any prejudice to the liberty of the Arbitration Panel in drafting the ruling.

Fees and Costs

Article (38)

The Centre shall collect for each file a non-refundable fee of US \$ 1000 (one thousand US dollar), for registration fees.

Article (39)

1. The Centre charges administrative fees in return for the services it supplies to the parties in the Arbitration, provided that such fees do not at all exceed 2% of the total value of the subject of dispute except the dispute value under 100,000 \$ one hundred thousand US dollar, where the fees are a lump sum .

Article (40)

1. The Secretary-General shall prepare a temporary list of the estimated arbitrators' fees and other related costs; such as transportation fees for arbitrators and witnesses, remuneration for experts and translators, and service fees for the Centre. The parties of the dispute shall be required to deposit an amount as advance payment for covering these fees. In addition, the disputing parties may be required to make additional payments at any time during the Arbitration proceedings.
2. If the advance deposits are not completed within 30 days of the date of receiving the payment request, the Secretary-General shall notify the disputing parties so that one of the parties may complete these payments. If both the parties fail to deposit the required amounts, the Panel may stop or terminate the Arbitration process.

Reconciliation Procedures

Article (41)

The party that desires reconciliation shall address a request to the Secretary-General of the Centre conveying the details of the reconciliation proposal.

Article (42)

The Secretary-General shall inform the other party in the dispute of the request for reconciliation as soon as possible, and a period of 15 days is allowed the other party to accept or refuse reconciliation.

If the second party that has been notified of the reconciliation proposal agrees to participate, he must inform the Secretariat of the Arbitration Panel of this agreement within the appointed time.

If the second party does not respond within the time or refuses reconciliation, the reconciliation request is considered rejected. The Secretary-General shall then notify the party requesting reconciliation of this rejection, as soon as possible.

Article (43)

Upon receipt of acceptance of reconciliation from the other party, the Secretary-General in consultation with the disputing parties shall appoint one or more reconcilers, and the reconcilers shall inform the parties of their appointment and will arrange a time for the parties to present their cases to them.

Article (44)

The reconcilers shall manage the reconciliation attempt as they see fit, but in accordance with the principles of impartiality, fairness and justice. The reconcilers shall agree with the parties on the venue for reconciliation. They may at any time request either party to provide additional information as they deem necessary.

Article (45)

Reconciliation is of a confidential nature that must be preserved by each individual participating in the reconciliation process in any capacity.

The Centre shall collect for each conciliation request a non-refundable fee of 1000 US Dollar for registration fees.

Article (46)

The reconciliation attempt may result in any of the following, as the case may be:

- a) Signing of an agreement by the parties, which shall be considered binding upon the parties. This agreement shall remain confidential, unless it is necessary to publicize it for the purpose of its implementation.
- b) In the event of failure of reconciliation, the reconcilers shall produce a report stating that the reconciliation attempt has failed. The report does not have to include the reasons for the failure.
- c) One or more of the parties in the dispute, at any stage in the attempt, may inform the reconcilers of their decision to discontinue the reconciliation attempt.

Article (47)

Upon conclusion of the reconciliation attempt the reconcilers shall inform the Secretary-General of the result, whether it is the reconciliation agreement signed by the parties, the report of the failure of the attempt, or the decision of the parties to discontinue the reconciliation attempt.

Article (48)

Upon opening the file for a reconciliation attempt, the Secretary-General, taking into account the nature of the conflict and its importance, shall specify the financial amount to be paid by the parties in equal shares in order to proceed with the reconciliation.

The financial amount to be paid shall cover:

- a) Estimated costs for Reconciliation and reconciler's honorarium.
- b) The administrative fees determined in accordance with the arbitration administrative fees' schedule below and limited up to the third of the arbitration required fees as it is stated in the said schedule.

In the event that the Secretary General, during the reconciliation procedures, considers that the payments made originally in accordance to the paragraph (a) above are insufficient to cover all the possible costs for reconciliation, he shall then ask the parties for additional amounts to be paid in equal shares.

Upon completion of reconciliation, the Secretary-General shall determine the final costs and inform the parties in writing. The parties shall be equally liable for these costs, unless otherwise stipulated in the reconciliation agreement. All other expenditures by either party shall remain that party's responsibility.

Article (49)

Unless the disputing parties agree on otherwise, the reconciler may not assume the role of arbitrator, representative, or advisor for the benefit of either party in any litigation or Arbitration proceedings concerning the dispute for which the reconciliation attempt was initiated.

The parties should not ask for the reconciler to be called in as witness in any of these proceedings, unless the disputing parties agree on otherwise.

Article (50)

The parties are required not to use any documents, opinions, data or testimonies submitted during the reconciliation procedures as supporting evidence in any litigation or Arbitration proceedings.

Final Provisions

Article (51)

The Board of Trustees has the right to amend and interpret the provisions of these Procedures.

Article (52)

These Procedures shall become effective upon approving them by the Board of Trustees.

RULES AND REGULATIONS OF ARBITRATION COSTS

Pursuant to Articles (6) and (21) of the Statute and Article 38, 39 and 40 of the Procedures, the Board of Trustees has approved the Rules and Regulations Arbitration Costs, as follows:

Article One The Centre's Fees

1. A non-refundable amount of one thousand (1,000) US Dollar shall be collected as a fee for submitting and registration of the Arbitration request.
2. The Centre shall charge administrative fees in return for the services it provides to the parties in accordance with the Article 39 of the Procedures.
3. The administrative fees shall be calculated as a decreasing percentage of the disputed amount as shown in the Schedule of Administrative Fees below. The fees shall be calculated as the cumulative total of the fee amounts payable for the categories preceding, and including, the one representing the portion of the disputed amount. An increasing fixed amount is to be added to the percentage. The administrative fees shall not in any way exceed 2% as stipulated in the article 39 of the procedures except for the disputed amount under (100,000) US Dollar. If the disputed amount exceeds one Hundred million dollars, the administrative fees shall be a fixed amount of sixty thousand (60,000) US Dollar.
4. The Board of Trustees may amend this Schedule from time to time upon a proposal from the Secretary-General.

Schedule of Administrative Fees (in US Dollar)

Disputed value		Administrative Fees
From	To	
0 Up to 50,000		2,000
50,001	100,000	4,000
100,001	500,000	4,000 + 1% (from the value that exceeds 100,000)
500,001	1,000,00	6,000 + 1% (from the value that exceeds 500,000)
1,000,001	3,000,000	8,000 + 0.9% (from the value that exceeds 1,000,000)
3,000,001	10,000,000	10,000 + 0.8% (from the value that exceeds 3,000,000)
10,000,001	15,000,000	12,000 + 0.6% (from the value that exceeds 10,000,000)
15,000,001	20,000,000	15,000 + 0.5% (from the value that exceeds 15,000,000)
20,000,001	30,000,000	18,000 + 0.4% (from the value that exceeds 20,000,000)
30,000,001	50,000,000	20,000 + 0.2% (from the value that exceeds 30,000,000)
50,000,001	100,000,000	30,000 + 0.05% (from the value that exceeds 50,000,000)
100,000,001 And Above		60,000 Fixed Amount

* All the above mentioned amounts are in US Dollar.

Article Two Arbitrators' Fees

1. Arbitrators' fees shall be calculated as a decreasing percentage of the total disputed amount plus a progressive sum. This will be decided according to each case and its circumstances within the limits of the minimum and maximum amounts shown in the Schedule of Arbitrators' Fees below.

2. The Secretary-General shall decide on the arbitrators' fees according to the schedule. However, the Secretary-General may on an exceptional basis, decide on arbitrators' fees differently from the schedule, if he perceives that this is required by the size and circumstances of the case. For example, prolonged Arbitration proceedings or a divergence in the subject of the dispute beyond the control of the Arbitration Panel, may necessitate an increase in the arbitrators' fees. Conversely, the fees may be reduced if the parties of the dispute reach an amicable settlement outside or within the context of the Arbitration Panel during the Arbitration proceedings.

Schedule of Arbitrators' Fees (in US Dollar)

Disputed value		Arbitrators honorarium	
From	To	Minimum charges	Maximum charges
Up to 50,000		1,500	6,000
50,001	100,000	2,000 + %1 (From the value that exceeds 50,000)	6,000 + 4% (From the value that exceeds 50,000)
100,001	500,000	2,500 + 0.8% (From the value that exceeds 100,000)	8,000 + 2.5% (From the value that exceeds 100,000)
500,001	1,000,000	3,000 + 0.6% (From the value that exceeds 500,000)	12,000 + 1.75% (From the value that exceeds 500,000)
1,000,001	3,000,000	4,000 + 0.4% (From the value that exceeds 1,000,000)	15,000 + 1% (From the value that exceeds 1,000,000)
3,000,001	10,000,000	6,000 + 0.25% (From the value that exceeds 3,000,000)	24,000 + 0.5% (From the value that exceeds 3,000,000)
10,000,001	15,000,000	10,000 + 0.175% (10,000,000 From the value that exceeds)	40,000 + 0.35% (10,000,000 From the value that exceeds)
15,000,001	20,000,000	12,000 + 0.1% (From the value that exceeds 15,000,000)	48,000 + 0.25% (From the value that exceeds 15,000,000)
20,000,001	30,000,000	15,000 + 0.05% (From the value that exceeds 20,000,000)	60,000 + 0.1% (From the value that exceeds 20,000,000)
30,000,001	50,000,000	20,000 + 0.025% (From the value that exceeds 30,000,000)	70,000 + 0.05% (From the value that exceeds 30,000,000)
50,000,001	100,000,000	25,000 + 0.01 (From the value that exceeds 50,000,000)	100,000 + 0.02% (From the value that exceeds 50,000,000)
100,000,000 And Above		35,000 + 0.01% (From the value that exceeds 100,000,000)	180,000 + 0.02% (From the value that exceeds 100,000,000)

* All the amounts in the table above are in US Dollar.

Article Three


Fees for Additional Services

1. In the event that the Centre is authorised to choose the arbitrators according to the Arbitration Procedures, the Secretary-General of the Centre shall undertake this responsibility pursuant to the provisions of the Procedures.
2. If the two parties of the dispute agree to resolve their dispute through Arbitration, yet not through the Centre, the Secretary-General, with a written request from both parties, may provide or arrange facilities and assistance necessary for the Arbitration procedures requested by the parties. Such facilities and assistance may include provision of premises for the Arbitration hearings, assistance with administrative, translation and documentation services (Article 22 of the Statute).
3. The Centre shall charge a fee of 1,000 US Dollar for every request to engage an arbitrator for Arbitration that is not subject to the Centre's Statute and Procedures. The Centre shall not consider any requests not accompanied by the above-mentioned, non-refundable payment.
4. The Centre shall charge a fee of 500 US Dollar from any party requiring a list of the Centre's certified arbitrators/experts.
5. The Centre shall charge a fee of 500 US Dollar for using the premises for meetings at the Centre (without providing any administrative services).
6. Regarding fees and costs of administrative work, translation and other services, the Secretary General shall decide these costs according to each case, while considering the nature of the case and the amount of administrative work, translation and other services needed.

Article Four

General Provisions

1. The term "Arbitration Fees" used in this annex is defined as the Centre's fees, administrative fees, arbitrators' fees, costs of transportation and accommodation for arbitrators and witnesses, and the fees of experts, translators and other miscellaneous costs.
2. The Secretary-General shall determine the administrative fees and estimate the Arbitration-related fees on a temporary basis. He shall also determine the advance amount to be paid by the parties in the dispute. This shall take place before starting the Arbitration.
3. The Secretary-General shall request the parties in the dispute to pay the decided advance amount. If one of the parties fails to pay his share of the decided advance amount within the specified time, the Secretary-General shall notify the other party to pay the rest of the amount. If the amount is not paid the Arbitration proceedings may be stopped or terminated, (Article 40, paragraph 2 of the Procedures).
4. The Secretary-General, at any point in the proceedings, may request the parties to place additional funds for the estimated Arbitration costs on a temporary basis, pursuant to paragraph 1 of this Article (Article 40, paragraph 1 of the Procedures).. If one of the parties refuses to pay, the Secretary-General shall notify the other parties to pay the share of the declining party. If the other parties fail to pay, the Secretary-General or the Panel may decide to stop or terminate all Arbitration proceedings.
5. Payment of the fees decided by the Secretary General must be made within 30 days of receiving the request for payment (Article 40, paragraph 1 of the Procedures).
6. Counter-requests for Arbitration shall be treated similar to the original request and fees duly payable for them shall be collected as per the



schedules of administrative fees and arbitrators' fees. The Secretary-General shall then determine an additional advance to be paid by the party submitting the counter-request, without any prejudice to the principle of equal payment of the advance amount by all parties.

7. If the amount of the dispute is not known, the Secretary-General shall decide the administrative fees and arbitrators' fees according to the scale of the case, provided that the administrative fees do not exceed the maximum amount stated in the schedule of administrative fees.
8. All amounts paid for Arbitration fees shall be deposited in the Centre's treasury, in accordance with the Centre's financial rules and regulations, and shall remain there until the issuance of the arbitrators' final ruling (the Arbitration Decision).
9. The Panel shall decide which party shall bear the fees and costs either wholly or partially.
10. After the issuance of the Arbitration ruling, the Secretary-General shall prepare a statement of all the payments made by the parties and the expenses incurred in connection with the dispute in question. The statement shall be given to the parties upon their request.

Article Five **Final Provisions**

These Rules and Regulations had been approved by the Board of Trustees in accordance with the article 6 of the Chart paragraph C) 5th clause on the 7th of Safar 1428 corresponding to 25/2/2007.

This procedures has been prepared in both Arabic and English language, in case of any incompatibility between the two versions, the Arabic version shall be considered the authoritative one.