

ARIAS (UK) ARBITRATION RULES
(Fourth Edition – February 2026)

"The object of arbitration is to obtain the fair resolution of disputes by an impartial tribunal without unnecessary delay or expense.

The parties should be free to agree how their disputes are resolved, subject only to such safeguards as are necessary in the public interest."

(The English 1996 Arbitration Act s.1, as amended)

It is with these objectives and the requirements of the insurance and reinsurance communities in mind that these Rules have been drafted.

The ARIAS (UK) Arbitration Rules may be used in any venue throughout the world in the arbitration of disputes arising from insurance and reinsurance contracts.

Before proceeding with arbitration under the ARIAS (UK) Arbitration Rules the Parties may wish to consider whether there is a more proportionate and cost effective manner of resolving their dispute. This issue is further referred to in the Appendix to these Rules.

ARIAS (UK) ARBITRATION RULES
(Fourth Edition – February 2026)

1. Introduction

- 1.1. These Rules shall be known as the ARIAS (UK) Arbitration Rules or “AAR” and shall take effect from 1 February 2026. Where an agreement, submission or reference provides for or otherwise refers to arbitration under the ARIAS (UK) Arbitration Rules the Parties agree that the arbitration shall be conducted in accordance with these Rules or those adopted subsequently by ARIAS (UK) but taking effect before the arbitration is commenced.
- 1.2. Where reference is made in these Rules to appointment being made by ARIAS (UK), such appointment will be made by the Appointing Officers for the time being as designated by the Committee of ARIAS (UK).
- 1.3. All communications to ARIAS (UK) under these Rules shall be delivered or sent to the Honorary Secretary of ARIAS (UK) at the address designated on the ARIAS (UK) website secretary@arias.org.uk.
- 1.4. Certain Rules are accompanied by explanatory notes. If any note conflicts in any way with the Rules, the Rules shall prevail.
- 1.5. These Rules shall take effect subject to any mandatory procedural legislation applicable to the arbitration.

2. Definitions

- 2.1. **The Adjudicator** as defined by Rule 20.3.
- 2.2. **Arbitration Agreement** an agreement to submit present or future disputes to arbitration under AAR.
- 2.3. **ARIAS (UK)** A.I.D.A. Reinsurance and Insurance Arbitration Society of the UK, otherwise known as ARIAS (UK).

- 2.4. **AFTAR** the ARIAS (UK) Fast Track Arbitration Rules.
- 2.5. **AAR** The ARIAS (UK) Arbitration Rules as further defined by Rule 1.
- 2.6. **The Chairman of the Tribunal** as defined by Rule 6.11.
- 2.7. **Claimant** the Party who commences arbitration.
- 2.8. **The Costs of the Arbitration**
- (a) the reasonable fees and expenses of the Tribunal as are appropriate in the circumstances including those incurred under Rule 14.1.8; and
 - (b) the reasonable and proportionate fees and expenses of the Parties as are appropriate in the circumstances.
- 2.9. **Notice of Arbitration** the notice sent by the Claimant in accordance with Rule 4.1.
- 2.10. **The Parties** the Claimant and the Respondent.
- 2.11. **Party** either the Claimant or the Respondent.
- 2.12. **Respondent** the Party against whom arbitration is commenced.
- 2.13. **The Response** the response to the Notice of Arbitration sent by the Respondent in accordance with Rule 5.1.
- 2.14. **The Rules** as defined by Rule 1.
- 2.15. **The Seat of Arbitration** the juridical seat of the arbitration as defined by Rule 10.
- 2.16. **The Third Member of the Tribunal** the third arbitrator or Umpire.
- 2.17. **The Tribunal** the body charged with determining the dispute, to include sole arbitrator, three arbitrators or two arbitrators and an Umpire.
- 2.18. **Umpire** the person completing formation of the Tribunal who, in the event of the other two members of the Tribunal failing to agree on any matter relating to the

arbitration shall replace them as the Tribunal with power to make decisions, orders and awards as if the Umpire were a sole arbitrator.

3. Notices and Time Periods

Notices

3.1. Notices required to be given under the Rules are deemed to be given:

3.1.1. if delivered to the address agreed by the Parties or to the principal place of business of the intended Respondent: on the day delivered;

3.1.2. if sent by email: on the day the email is received by the intended Respondent;
or

3.1.3. if sent by post: upon receipt by the intended Respondent.

NOTE to Rule 3. Notices should where possible be given by email. If there has not been a prior course of dealing by email proof that the Notice has been received by the Party to which it was sent by email may be required. Where email communication is not possible and unless the Arbitration Agreement provides otherwise notices should be delivered in a manner that ensures proof of receipt is available.

Time Periods

3.2. When calculating any time period under the Rules the period shall start to run from the day immediately after that upon which the document is delivered or order made. Time will then run continuously (including non-business days).

3.3. If a time period expires at the end of a non-business day in the country of the recipient then the time period will be deemed extended until the end of the first following business day.

4. The Commencement of Arbitration Proceedings

4.1. To commence arbitration under the Rules the Claimant shall send to the Respondent a written Notice of Arbitration which should include or be accompanied by:

- 4.1.1. the full name and correspondence address of the Claimant and name of the contact person or reference to whom all communications are to be addressed (including telephone and email address if available);
- 4.1.2. if appropriate, the full text of the arbitration clause or clauses under which the arbitration or arbitrations are commenced together with identification of the contractual document or documents in which the arbitration clause or clauses are contained (or under which the arbitration or arbitrations arise if different) specifying if appropriate the period and type of insurance or reinsurance cover provided;

NOTE to Rule 4.1.2. Where arbitration is commenced in respect of more than one separate contract – for instance in respect of a series of annual contracts – it is important to ensure that each separate contract is referred to in the Notice of Arbitration and that account is taken of any annual variations in the arbitration clause wording.

If the arbitration is being commenced in respect of a series or programme of related contracts each contract under which the arbitration is commenced should be specified.

- 4.1.3. a brief outline of the nature of the dispute referred to arbitration and specifying the type of relief sought;

NOTE to Rule 4.1.3. The description is intended to be of a very general nature and in most instances no more than one or two sentences will be required.

- 4.1.4. if the reference is to a sole arbitrator, the name and address (together with telephone and email address if available) of the person or persons the Claimant considers would be an appropriate arbitrator; and
- 4.1.5. if the reference requires party appointed arbitrators, the name and address (together with telephone and email address if available) of the arbitrator appointed by the Claimant.

NOTE to Rules 4.1.4 and 4.1.5. If the Arbitration Agreement provides that the arbitrator or arbitrators shall have certain qualifications or experience, it is recommended that brief personal details of the arbitrator be supplied sufficient to illustrate compliance with such qualifications or experience.
(See Rules 6.1 and 6.2).

4.2. Arbitration is commenced under these Rules on the date the Respondent receives the Notice of Arbitration or as determined by the Tribunal under Rule 16.1.1.

5. The Response by the Respondent to the Notice of Arbitration

5.1. Within 14 days of receipt of the Notice of Arbitration the Respondent shall send to the Claimant a Response containing:

5.1.1. if the reference is to a sole arbitrator: agreement to or counter proposals concerning the appointment of a sole arbitrator including the name and address of any proposed arbitrator (together with telephone and email address if available);

5.1.2. if the reference is to a three person Tribunal with party appointed arbitrators: the name and address of the arbitrator appointed by the Respondent together with telephone and email address if available); and

5.1.3. a brief statement of the nature of any counter or cross claims to be referred to the arbitration.

5.2. Failure to send a Response will not prevent the Respondent from denying any claim made in the arbitration nor from setting out counter or cross claims at a later stage.

6. The Composition of the Tribunal and Default Appointments

NOTE to Rule 6. Generally an arbitrator or Umpire cannot be appointed unless his or her agreement to act is first obtained. It is recommended that the consent is given or recorded in writing prior to notification of the appointment to any third party

- 6.1. The Parties are free to agree on the number and qualification of arbitrators to form the Tribunal.
- 6.2. If there is no agreement as to the number of arbitrators the Tribunal shall consist of three arbitrators, one to be appointed by the Claimant, one to be appointed by the Respondent and the third to be appointed by two appointed arbitrators.
- 6.3. If there is no agreement as to the qualification of arbitrators or the Umpire they shall be persons (including those who have retired) with not less than ten years' experience of insurance or reinsurance within the industry or as lawyers or other professional advisors serving the industry.
- 6.4. Where the Arbitration Agreement provides for a sole arbitrator and the Parties are unable to agree as to the identity of the arbitrator within 28 days of the delivery of the Notice of Arbitration, then upon the application of either Party ARIAS (UK) will appoint the sole arbitrator.
- 6.5. Where the Arbitration Agreement provides for Party appointed arbitrators and the Respondent fails to appoint an arbitrator within 14 days of the delivery of the Notice of Arbitration, then upon application by the Claimant ARIAS (UK) will appoint an arbitrator to act as the Party appointed arbitrator for the Respondent. At any time prior to the appointment by ARIAS (UK) under this Rule the Respondent may make such appointment.
- 6.6. Where a dispute is referred to a three person Tribunal and the Third Member of the Tribunal is to be appointed by the two Party appointed arbitrators, then the Third Member of the Tribunal shall be appointed as soon as practicable (and no later than 28 days) after the appointment of the two Party appointed arbitrators. Notice of the appointment of the Third Member of the Tribunal arbitrators is to be given to the Parties.
- 6.7. The Party appointed arbitrators may (but have no obligation to) consult with their appointors concerning the identity of the Third Member of the Tribunal.

6.8. Where the two Party appointed arbitrators are unable to agree upon a Third Member of the Tribunal within 28 days of their appointment either Party to the arbitration or either Party appointed arbitrator may apply to ARIAS (UK) to appoint the Third Member of the Tribunal.

6.9. Unless the Parties specifically agree otherwise at the time they agree that these Rules are to apply to the arbitration, the Third Member of the Tribunal shall sit as and be a third arbitrator and not an Umpire.

NOTE to Rule 6.9. The distinction between Third Member of the Tribunal and Umpire is relevant where the Seat of Arbitration is England. (See also Rules 2.16 and 2.18)
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6.10. Where the Parties have agreed there is to be an Umpire and the law of the arbitration is English Law:

6.10.1. the Umpire shall attend all proceedings and be supplied with the same documents and other materials as are supplied to the Party appointed arbitrators;

6.10.2. decisions, orders and awards shall be made by the two Party appointed arbitrators unless and until they cannot agree on a matter relating to the arbitration. In that event they shall forthwith give notice to the Parties and the Umpire whereupon the Umpire shall replace them as the Tribunal with power to make decisions, orders awards as if he or she were the sole arbitrator; and

6.10.3. the Umpire shall be a member of the Tribunal from the date of appointment and the fees and expenses of the Umpire shall be part of the Costs of the Arbitration.

6.11. The Third Member of the Tribunal who sits as arbitrator, not Umpire, shall be the Chairman of the Tribunal.

- 6.12. If after appointment any arbitrator or Umpire resigns, dies, is unable to act, or is otherwise removed from the reference ARIAS (UK) will, in default of re-appointment within 14 days, upon request by either Party or by a remaining member of the Tribunal, appoint a replacement arbitrator or Umpire. At any time prior to the appointment by ARIAS (UK) under this Rule the Party or Parties in default of the remaining members of the Tribunal may make such appointment.
- 6.13. Once arbitration has commenced, all communications to ARIAS (UK) must be copied to:
- 6.13.1. the Parties; and
 - 6.13.2. all existing members of the Tribunal.
- 6.14. The Tribunal shall be constituted:
- 6.14.1. if the reference is to a sole arbitrator: upon appointment; or
 - 6.14.2. if the reference is to a three person Tribunal: upon appointment of the Third Member of the Tribunal.

7. Declaration of Interest

- 7.1. At any time between the date when a member of the Tribunal is appointed and 14 days after the Tribunal is constituted either Party may require any member of the Tribunal to produce a declaration of interest setting out any facts or matters that may reasonably raise doubts as to impartiality of the tribunal member.
- 7.2. Should any circumstance arise which could reasonably raise such doubts at any time prior to the issuance of an award then the relevant member of the Tribunal must make prompt declaration of such issues.
- 7.3. Any objection must be made within 14 days of the facts and matters being made known to or coming to the attention of the objecting party. If no such objection is

raised with the relevant member of the Tribunal within that 14 day period, the Party's right to object is waived and absolutely barred.

NOTE TO Rule 7. Each arbitrator is reminded that after the original declaration of interest is made an arbitrator has a continuing obligation to disclose any changes in circumstances that may justifiably raise doubts as to her or his impartiality. It is recommended that such declarations are made or recorded in writing. ARIAS (UK) has prepared a questionnaire to assist members which can be accessed [here](#).

8. Procedure for Appointment by ARIAS (UK)

- 8.1. Where ARIAS (UK) is called upon to make an appointment under the Rules the request to ARIAS (UK) shall be accompanied by copies of the following:
- 8.1.1. the Notice of Arbitration;
 - 8.1.2. the Response, alternatively evidence to the satisfaction of ARIAS that the Notice of Arbitration has been delivered accompanied by a letter confirming that no response has been received;
 - 8.1.3. the contractual document or documents under which the dispute has arisen together with (if different) the document containing the agreement to arbitrate; and
 - 8.1.4. such further documents as the Parties consider appropriate or as may be requested by ARIAS (UK).
- 8.2. ARIAS (UK) reserves the right to make a reasonable charge for considering applications for appointment under these Rules.

9. Communication between the Parties and the Tribunal

- 9.1. Except as provided by Rule 6.7 any communication relating to substantive or procedural issues raised or likely to be raised in the arbitration sent by any Party to any member of the Tribunal must be copied to all members of the Tribunal and to the other Party.

9.2. Any member of the Tribunal who communicates (except as provided by Rule 6.7) relating to substantive or procedural issues raised or likely to be raised in the arbitration:

9.2.1. with any Party must copy such communication to the other Party and to other members of the Tribunal; and

9.2.2. with any other member of the Tribunal must copy such communication to the remaining member of the Tribunal.

NOTE to Rule 9.2.2. Two members of the Tribunal should avoid discussing substantive or procedural matters in the absence of the remaining member. Note that where the reference is to two arbitrators and an Umpire, until the two arbitrators have formally disagreed the Umpire is not for these purposes a member of the Tribunal.

10. Procedure (General)

NOTE to Rule 10. If there is no agreement between the Parties, the procedure prior to hearing is to be determined by the Tribunal after hearing representations from the Parties. It is not possible to lay down specific time-scales or procedure to be followed as requirements will differ from case to case. It is recommended that the Tribunal convene a preliminary meeting with the Parties as early as is reasonably practical after the Tribunal is constituted at which time reasonable and proportionate directions for the conduct of the arbitration can be considered and either agreed or ordered.

10.1. The Parties may agree upon any procedure for the conduct of the arbitration. If the Parties have not agreed or do not subsequently agree upon how the proceedings are to be conducted the Tribunal may in its sole discretion make such orders and directions as it considers necessary for the final proportionate determination of the matters in the dispute. The Tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions and may overrule any Party agreement which they in their sole discretion consider does not permit the resolution of the dispute in a proportionate manner without unnecessary delay or expense.

10.2. The Tribunal shall:

10.2.1. act fairly and impartially as between the Parties, giving each Party a reasonable opportunity of putting their case and dealing with that of their opponent; and

10.2.2. adopt procedures suitable to the circumstances of the particular case, avoiding unnecessary delay or expense, so as to provide a fair means for the resolution of the matters to be decided.

10.3. Unless there is agreement by the Parties to the contrary the Chairman of the Tribunal may make procedural rulings alone.

11. Seat of Arbitration

11.1. The Seat of Arbitration shall be as agreed between the Parties. In the absence of agreement between the Parties the Seat of Arbitration shall be London.

11.2. Any award issued by the Tribunal, irrespective of where it is signed or delivered, is deemed issued at the Seat of Arbitration as defined in Rule 11.1.

NOTE to Rule 11.2. The Seat of Arbitration must be stated in the arbitration award (Rule 17.2). The Seat determines the procedural law under which the arbitration is conducted. It does not necessarily determine the proper law of the dispute nor necessarily dictate the place of any hearings or meetings.

12. Meetings and the Hearing

12.1. The Tribunal shall give the Parties reasonable notice of the time, place and date of meetings and hearings.

12.2. At any meeting or hearing before the Tribunal either Party may be represented by lawyers or other appointed representatives.

12.3. The Parties may agree in writing that the Tribunal proceed to its award on the basis of documents and written submissions alone.

- 12.4. In the absence of written agreement the Parties have the right to be heard before the Tribunal.
- 12.5. All meetings and hearings are private and confidential to the Parties. Only the Tribunal, the Parties, the duly authorised representatives of the Parties and others participating in the proceedings (including witnesses, experts and shorthand writers) may be admitted to meetings and hearings unless otherwise agreed by the Parties and the Tribunal.

13. Witnesses

- 13.1. The Tribunal may in their sole discretion decide whether and to what extent there should be oral or written evidence or submissions. In particular the Tribunal may:
- 13.1.1. require each Party to provide a list of witnesses which they intend to call at the hearing;
 - 13.1.2. require each Party to produce and exchange at some specific time prior to the hearing the statements of any witness of fact or expert witnesses they intend to call which statement shall be the evidence of that witness;
 - 13.1.3. limit both expert testimony and witnesses of fact evidence on grounds of necessity, number, duplication or relevance; and
 - 13.1.4. place such reliance as it sees fit on the written evidence of any witness if such witness is not present at the hearing.
- 13.2. The Parties (under the control of the Tribunal) and the Tribunal may question any witness who appears at the hearing.

14. Additional Powers

- 14.1. The Tribunal shall have the following powers:
- 14.1.1. to determine whether any and if so what form of written statements setting out the issues in dispute and the position of the Parties in respect of those

issues are to be supplied and the extent to which such statements can be later amended;

- 14.1.2. to order the disclosure of such documents or class of documents relevant to the dispute as it considers necessary and proportionate for the proper disposal of the dispute and to determine the stage when those documents are to be disclosed;
- 14.1.3. to order the inspection by either Party of the books and records of the other Party in partial substitution for or in addition to documentary disclosure;
- 14.1.4. to require suitable undertakings from the Parties that the proceedings will remain confidential;
- 14.1.5. to order the exchange of statements of facts, issues and submissions prior to the hearing;
- 14.1.6. to decide whether any and if so what questions should be put to and answered by the respective Parties and when and in what form this should be done;
- 14.1.7. to determine the language or languages in which the arbitration shall be conducted and order the translation of such documents into such languages as they consider appropriate;
- 14.1.8. unless the Parties agree otherwise, to appoint an expert, legal advisor or assessor to advise the Tribunal and to attend such proceedings as the Tribunal may determine.
- 14.1.9. upon the application of either Party, to order that concurrent hearings are held in respect of related disputes between the same Parties;
- 14.1.10. provided every Party to an arbitration or arbitrations shall first have given their consent to the Tribunal in writing, to hear tripartite, multipartite or

consolidated arbitrations and to make a single award in respect of such consolidated arbitrations; and

- 14.1.11. unless otherwise agreed by the Parties, the Tribunal may at any time after their appointment direct that the recoverable costs of the arbitration be limited to a specified amount. Any direction or variation of a direction made under this rule must be made sufficiently in advance of the costs being incurred for the limitation on costs to be taken into account by the Parties.

NOTE to Rule 14.1.11. The purpose of this rule is to ensure that the issue of PROPORTIONALITY is central to the arbitral process. The Tribunal is recommended to take note of this rule and apply it whenever it is appropriate irrespective of whether an application is made by a Party.

15. Powers which the Tribunal is NOT Granted

- 15.1. For the avoidance of doubt, the Tribunal shall NOT have additional equitable powers unless such powers have been specifically conferred upon them by the Parties in writing or by these Rules.
- 15.2. In particular the arbitrators shall NOT, unless specifically so authorised by the Arbitration Agreement or by the Parties, have power to order or award:
- 15.2.1. the posting of security for the sums in dispute save in the case of an award enforcing a contractual obligation;
 - 15.2.2. the payment of exemplary, punitive, multiple or other non-contractual damages;
 - 15.2.3. save as provided in Rule 16.1.4, the alteration or amendment of agreed contractual terms; or
 - 15.2.4. injunctive relief.

16. The Jurisdiction of the Tribunal

16.1. The Tribunal shall have jurisdiction:

- 16.1.1. to issue a declaratory award stating the date upon which the arbitration was commenced and in reaching such determination the Tribunal shall take note of but not be bound by the provisions of Rule 4;
- 16.1.2. to rule on objections to its own jurisdiction including those relating to the existence, validity or scope of the arbitration clause or the separate Arbitration Agreement. Any objection to the jurisdiction of the Tribunal must be raised within 28 days of the commencement of the arbitration . If no such objection is raised prior to that date all such objections shall be waived and absolutely barred;
- 16.1.3. in absence of specific agreement between the Parties to determine the applicable law;
- 16.1.4. to order rectification of any contract solely in order to correct mistakes which the Tribunal determines were made by the Parties in expressing their true intentions when drawing up their contract;
- 16.1.5. to declare contracts null and void;
- 16.1.6. to rule on the validity and enforceability of the totality or any part of the agreement between the Parties;
- 16.1.7. to proceed at any meetings or at the hearing in the absence of one Party provided the Tribunal is satisfied that due notice of the meeting or hearing has been given to the absent Party;
- 16.1.8. to proceed to a hearing where there has been persistent failure or refusal to comply with orders of the Tribunal;

- 16.1.9. to make an award allocating the Cost of the Arbitration as between the Parties; and
- 16.1.10. to make an award for the payment of simple, compound or lump sum interest as provided by Rule 17.5.

17. The Award

17.1. The Tribunal shall decide the dispute:

- 17.1.1. in accordance with the law chosen by the Parties as applicable to the substance of the dispute;
- 17.1.2. if the Parties have not chosen an applicable law, in accordance with the law determined by the Tribunal under rule 16.1.3; or
- 17.1.3. if the Parties so agree, in accordance with such other considerations as may be agreed by them or determined by the Tribunal but where the Arbitration Agreement is otherwise governed by English Law, this shall only apply to an Agreement entered into on or after 31 January 1997.

NOTE to Rule 17.1.3 This provision refers to decisions under “honourable engagement” or similar clauses which permit the Tribunal to decide the issues before them under equitable principles rather than under a particular system of law. Section 46(1)(b) of the English Arbitration Act 1996 [as amended, which gives this power to arbitrators where the applicable law would otherwise be English] only applies to Arbitration Agreements entered into on or after 31 January 1997. The Rules follow this provision.

- 17.2. The award shall be in writing, in the primary language in which the arbitration has been conducted and shall state the Seat of Arbitration, the date on which the award is made and, unless otherwise agreed in writing by the Parties or as provided by Rule 17.10, the reasons for the award.
- 17.3. The award shall be valid if signed by a sole arbitrator, an Umpire, or by any two members of a Tribunal of three arbitrators.

- 17.4. Monetary sums may be awarded in any relevant currency.
- 17.5. The Tribunal may award such interest whether by way of lump sum, simple or compound interest as they consider is reasonable on the whole or part of any amount awarded by the Tribunal. The Tribunal may also award such interest on the whole or part of any amount claimed in the arbitration and outstanding at the commencement of the arbitral proceedings but paid before the award was made, in respect of any period up to the date of payment. Interest must not be awarded for a period commencing earlier than the date the sum awarded became due and must not continue to run after the date of payment of the sum awarded.
- 17.6. The Tribunal may make more than one award at different times on different aspects in dispute.
- 17.7. The Tribunal may, in particular, make an award relating to:
- 17.7.1. as issue affecting the whole claim; or
 - 17.7.2. a part only of the claims or counter or cross claims submitted to it for decision.
- 17.8. If the Tribunal does make an award as provided in Rule 17.6 it shall specify in its award the issue or the claim or part of a claim which is the subject matter of the award.
- 17.9. The Tribunal may make monetary or declaratory awards.
- 17.10. Where the Parties settle a case after commencement of arbitration the arbitrators may at the written request of the Parties make a consent award. No reasons shall be given for a consent award.
- 17.11. Upon application of either Party or on its own initiative, both within 28 days of the publication of the award or such extended period agreed by the Parties, the Tribunal may:

17.11.1. correct an award so as to remove any clerical mistake or error arising from an accidental slip or omission or clarify or remove any ambiguity in the award; or

17.11.2. make an additional award in respect of any matter (including interest or costs) which was presented to the Tribunal but omitted from the award.

17.12. The powers set out in 17.11.1 and 17.11.2 shall not be exercised without first giving the Parties a reasonable opportunity to make representations to the Tribunal.

18. Fees and Expenses of the Tribunal

18.1. The Parties shall be jointly and severally liable for such reasonable fees and expenses of the Tribunal including those incurred under 14.1.8 as are appropriate in the circumstances.

18.2. Fees of the Tribunal shall be based upon hourly or daily rates or on such other basis as agreed in writing by the Parties and the Tribunal.

18.3. The basis charged or to be charged by any member of the Tribunal is to be made known to the Parties at the request of either Party.

18.4. The Tribunal may, from time to time, order that each Party pay a deposit on account of its projected fees and expenses of the Tribunal which deposit shall be under the control of the Tribunal out of which any fees and expenses incurred may be deducted. Any interest earned on the deposit will be credited to the Parties. A final account will be delivered to the Parties after the conclusion of the arbitration.

NOTE to Rule 18.4. If either Party fails to comply with such order, they should be referred to Rule 16.1.8.

18.5. The Tribunal shall fix the amount and apportionment of its fees and expenses in the award.

19. Costs of the Arbitration

- 19.1. Unless otherwise agreed by the Parties, the REASONABLE and PROPORTIONATE Costs of the Arbitration shall be borne by the unsuccessful Party except where it appears to the Tribunal that in the circumstances it is not appropriate in relation to the whole or part of the costs taking into account all the circumstances.
- 19.2. The Tribunal shall if requested to do so by either Party prior to the publication of the final award, tax and fix the amount of the REASONABLE and PROPORTIONATE Costs of the Arbitration and issue an award directing by which Party and in what amount the Costs of the Arbitration are payable by one Party to the other as is appropriate in the circumstances.

20. Adjudication of Fees of Arbitrators

- 20.1. By agreeing to accept or continue an appointment in arbitration conducted under the ARIAS (UK) Arbitration Rules each Party and each arbitrator and Umpire agrees to be bound by the procedure set out in this Rule.
- 20.2. If there is any question as to what reasonable fees and expenses of any arbitrator or Umpire are appropriate in the circumstances, ARIAS (UK) shall, on the application of any Party or any member of the Tribunal determine the matter.
- 20.3. The determination shall be made by a person appointed by the Chairman of ARIAS (UK) which person shall be the Adjudicator.
- 20.4. The Adjudicator shall determine what fees and expenses of the arbitrator or Umpire are appropriate in the circumstances adopting whatever procedure as he or she considers appropriate.
- 20.5. The determination of the Adjudicator shall be made in writing, signed and submitted to the Chairman of ARIAS (UK) for confirmation. The determination shall also fix the fees and expenses of the Adjudication and by which party such fees and expenses are payable. Upon confirmation by the Chairman of ARIAS (UK), the determination shall be final and binding on the Parties and all members of the Tribunal.

- 20.6. As a precondition to either appointing the Adjudicator or delivering the determination of the Adjudicator, The Chairman of ARIAS (UK) may require the member of the Tribunal or the Party who requests an adjudication to pay a deposit for fees incurred in the adjudication. The deposit will be held under the control of the Chairman of ARIAS (UK), any interest earned added to the deposit, any adjudication fees set against the deposit and any balance remaining after payment of the adjudication fees returned to the member of the Tribunal or Party who paid the deposit.

21. Exclusion of Liability

- 21.1. Neither ARIAS (UK) nor any persons authorised to act by or on behalf of ARIAS (UK) shall be liable:
- 21.1.1. for anything done or omitted in the discharge or purported discharge of that function unless the act or omission is shown to have been in bad faith; or
 - 21.1.2. for anything done or omitted by any arbitrator (or his employees or agents) in the discharge or purported discharge of his functions as arbitrator.
- 21.2. No arbitrator nor any employee or agent of an arbitrator shall be liable for anything done or omitted in the discharge or purported discharge of the functions of arbitrator unless the action or omission is shown to have been in bad faith.

End

Appendix to the Fourth Edition of ARIAS (UK) Arbitration Rules.

If either Party considers that the issues in dispute can best be resolved under ARIAS (UK) Fast Track Arbitration Rules (“AFTAR”) the Parties may wish to discuss that possibility before arbitration is formally commenced.

If agreement is reached to refer disputes for resolution under AFTAR, this will require an agreement to vary the existing contractual arbitration clause. Any such agreement must be recorded in writing. Contractual provisions may also specify what further steps must be taken to record contractual amendments.

The Parties will be aware that when time bar occurs is a matter for the proper law of the contract. Where the proper law gives effect to these Rules, particularly Rules 4.1, and in the absence of agreement of the Parties to the contrary time will continue to run until arbitration is commenced under these Rules.

If circumstances do not permit discussion between the Parties before arbitration is commenced, the following procedure may be adopted:

If commencing arbitration under these Rules:

1. Appoint your arbitrator.
2. Give Notice of Arbitration to the opposite party and require that party to appoint their arbitrator.
3. State that you believe the matter can best be resolved under AFTAR and by a sole arbitrator.
4. Invite that party to agree that:
 - A) AFTAR will be adopted to resolve the dispute; and
 - B) one or more stated individuals be agreed as sole arbitrator.

If responding to a Notice of Arbitration under these Rules:

1. Appoint your arbitrator.
2. Give notice of that appointment to the claiming party

3. State that you believe the matter can best be resolved under AFTAR and by a sole arbitrator.
4. Invite that party to agree that:
 - A) AFTAR will be adopted to resolve the dispute; and
 - B) one or more stated individuals be agreed as sole arbitrator.

NOTE that this SUGGESTED procedure simply invites agreement. Unless both Parties agree in writing to vary the existing Arbitration Agreement the arbitration will proceed under AAR.

NOTE ALSO that if arbitration is commenced under AAR and the parties subsequently agree to resolve their disputes under AFTAR, Rules 4.2 of AFTAR provides that commencement date of the arbitration when considering time bar issues and other issues is the date upon which the arbitration was commenced under AAR.

End