

# The Arbitration Rules of Chicago International Dispute Resolution Association (CIDRA)

(Revised and Effective as of July 1, 2005)

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## **ARTICLE 1 - INTRODUCTORY RULES**

1. Where the parties to a contract have agreed in writing that disputes in relation to that contract shall be referred to arbitration under the CIDRA Arbitration Rules, then such disputes shall be resolved in accordance with these Rules subject to such modification as the parties may agree in writing.
2. These Rules shall govern the arbitration except that where any of these Rules is in conflict with a provision of the law applicable to the arbitration from which the parties cannot deviate, that provision shall prevail.
3. It is CIDRA's intention, to which each arbitrator accepting appointment agrees to adhere, that arbitration tribunals shall actively manage cases. The arbitrators' case management shall seek to focus and narrow issues in dispute from the outset of, and throughout, the proceedings so that ultimate disposition may occur as rapidly, expeditiously, and cost effectively as possible.
4. CIDRA arbitrators are committed to:
  - a. Early pre-hearing conferences;
  - b. Early refinement of issues;
  - c. Establishment of expeditious schedules;
  - d. Discouraging wasteful pre-hearing activities;
  - e. Thorough arbitrator preparation;
  - f. Using available technology; and
  - g. Encouraging settlement where appropriate.

## **ARTICLE 2 - NOTICE, CALCULATION PERIODS OF TIME**

1. For the purposes of these Rules, any notice, including a notification, communication or proposal, is deemed to have been received if it is physically delivered to the addressee or if it is delivered at his habitual residence, place of business or mailing address, or, if none of these can be found after making reasonable inquiry, then at the addressee's last-known residence or place of business. Notice shall be deemed to have been received on the day it is so delivered.
2. For the purposes of calculating a period of time under these Rules, such period shall begin to run on the day following the day when a notice, notification, communication or proposal is received. If the last day of such period is an official holiday or a non-business day at the residence or place of business of the addressee, the period is extended until the first business day which follows. Official holidays or non-business days occurring during the running of the period of time are included in calculating the period.

## **ARTICLE 3 - STATEMENT OF CLAIM AND NOTICE OF ARBITRATION**

1. The party initiating recourse to arbitration (hereinafter called the "claimant") shall submit a written statement of claim to CIDRA and to the other party (hereinafter called the "respondent").
2. Arbitral proceedings shall be deemed to commence on the date on which the statement of claim is received by CIDRA.
3. The statement of claim shall include the following:
  - a. A notice of arbitration demanding that the dispute be referred to arbitration;
  - b. The names and addresses of the parties;
  - c. A reference to the arbitration clause or the separate arbitration agreement that is invoked;
  - d. A reference to the contract out of or in relation to which the dispute arises;
  - e. A statement of facts supporting the claim and an indication of the amount involved, if any;
  - f. The points at issue;
  - g. The relief or remedy sought;
  - h. A proposal as to the number of arbitrators (i.e. one or three), if parties have not previously agreed thereon;
  - i. A proposal nominating an arbitrator in a three-arbitrator arbitration;
  - j. A copy of the contract, and of the arbitration agreement if not contained in the contract, shall be annexed thereto.
4. The statement of claim may also include:
  - a. A proposal as to the place of arbitration, if parties have not previously agreed thereon;

- b. A proposal as to the language(s) of arbitration, if parties have not previously agreed thereon.

The claimant may annex to his statement of claim all documents he deems relevant or may add a reference to the documents or other evidence he will submit.

5. CIDRA shall send a copy of the statement of claim and the documents annexed thereto to the respondent for his statement of defense.

## **ARTICLE 4 - STATEMENT OF DEFENSE**

1. Within a period of thirty days after the date of receiving the statement of claim, the respondent shall communicate his statement of defense in writing to CIDRA and to the claimant.
2. The statement of defense shall reply to the particulars (e), (f) and (g) of the statement of claim (Article 3, paragraph 3). The respondent may annex to his statement the documents on which he relies for his defense or may add a reference to the documents or other evidence he will submit.
3. In his statement of defense, or at a later stage in the arbitral proceedings if the arbitral tribunal decides that the delay was justified under the circumstances, the respondent may make a counter-claim arising out of the same contract or rely on a claim arising out of the same contract for the purpose of a set-off.

## **ARTICLE 5 - AMENDMENTS TO THE CLAIM OR DEFENSE**

During the course of the arbitral proceedings either party may amend or supplement his claim or defense unless the arbitral tribunal considers it inappropriate to allow such amendment having regard to the delay in making it or prejudice to the other party or any other circumstances. However, a claim may not be amended in such a manner that the amended claim falls outside the scope of the arbitration clause or separate arbitration agreement.

## **ARTICLE 6 - REPRESENTATION AND ASSISTANCE**

The parties may be represented or assisted by persons of their choice. The names and addresses of such persons must be communicated in writing to the other party; such communication must specify whether the appointment is being made for purposes of representation or assistance.

## **ARTICLE 7 - COMPOSITION OF THE ARBITRAL TRIBUNAL**

If the parties have not previously agreed on the number of arbitrators (i.e. one or three), and if within fifteen days after the receipt by the respondent of the notice of arbitration the parties have not agreed that there shall be three arbitrators, a sole arbitrator shall be appointed.

## **ARTICLES (8 TO 10) - APPOINTMENT OF ARBITRATORS**

### **ARTICLE 8 - SOLE ARBITRATOR**

1. If a sole arbitrator is to be appointed, CIDRA shall appoint the sole arbitrator as promptly as possible. In making the appointment CIDRA shall use the following list-procedure, unless both parties agree that the list-procedure should not be used or unless CIDRA determines in its discretion that the use of the list-procedure is not appropriate for the case:

- a. CIDRA shall communicate to both parties an identical list containing at least three names;
- b. Within fifteen days after the receipt of this list, each party shall return the list to CIDRA after having deleted the name or names to which he objects and numbered the remaining names on the list in the order of his preference;
- c. After the expiration of the above period of time CIDRA shall appoint the sole arbitrator from among the names approved on the lists returned to it and in accordance with the order of preference indicated by the parties;
- d. If for any reason the appointment cannot be made according to this procedure, CIDRA may exercise its discretion in appointing the sole arbitrator.

2. In making the appointment, CIDRA shall have regard to such considerations as are likely to secure the appointment of an independent and impartial arbitrator and may take into account as

well the advisability of appointing an arbitrator of a nationality other than the nationalities of the parties.

## **ARTICLE 9 - THREE ARBITRATORS**

1. If three arbitrators are to be appointed, each party shall nominate one arbitrator, subject to appointment and confirmation by CIDRA. CIDRA shall appoint the third arbitrator who will act as the presiding arbitrator of the tribunal in the same way as a sole arbitrator would be appointed under article 8, unless the parties have provided that the arbitrators nominated by them shall agree on the third arbitrator. In such case CIDRA shall confirm the appointment of such third arbitrator.

2. If within thirty days after the appointment of the second arbitrator the two arbitrators have not agreed on the choice of the third arbitrator, the third arbitrator shall be appointed by CIDRA.

3. If within thirty days after the receipt of a party's notification of the appointment of an arbitrator the other party has not notified the first party of the arbitrator he has appointed the first party may request CIDRA to appoint the second arbitrator. CIDRA may exercise its discretion in appointing the arbitrator.

4. Where the names of one or more persons are proposed for appointment as arbitrators, their full names, addresses and nationalities shall be indicated, together with a description of their qualifications.

## **ARTICLE 10 - MULTIPLE PARTIES**

1. Where there are multiple parties, whether as Claimant or as Respondent, and where the dispute is to be referred to three arbitrators, the multiple Claimants, jointly, and multiple Respondents, jointly shall nominate an arbitrator for confirmation pursuant to Article 9.

2. In the absence of such a joint nomination and where all parties are unable to agree to a method for the constitution of the arbitral tribunal, CIDRA may appoint each member of the arbitral tribunal and shall designate one of them to act as chairman of the arbitral tribunal. In such case, CIDRA shall choose any person it considers as suitable to act as arbitrator applying Article 9 when it considers it appropriate.

## **ARTICLES (11 TO 14) - CHALLENGES OF ARBITRATORS**

### **ARTICLE 11 - INDEPENDENCE, DISCLOSURE**

1. Every arbitrator must be and remain independent of the parties involved in the arbitration.
2. A prospective arbitrator shall disclose to those who approach him in connection with his possible appointment any circumstances likely to give rise to justifiable doubts as to his impartiality or independence. An arbitrator, once appointed or chosen, shall disclose such circumstances to the parties unless they have already been informed by him of these circumstances.

### **ARTICLE 12 - GROUNDS FOR CHALLENGE**

1. Any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence.
2. A party may challenge the arbitrator appointed by him only for reasons of which he becomes aware after the appointment has been made.

### **ARTICLE 13 - PROCEDURES FOR CHALLENGE**

1. A party who intends to challenge an arbitrator shall send notice of his challenge within fifteen days after the appointment of the challenged arbitrator has been notified to CIDRA or within fifteen days after the circumstances mentioned in Articles 11 and 12 became known to that party.
2. The party making the challenge shall notify CIDRA and the other party of that challenge. The notification shall be in writing and shall state the reasons for the challenge.
3. When an arbitrator has been challenged by one party, the other party may agree to the challenge. In both cases the procedure provided in Article 8 or 9 shall be used in full for the appointment of the substitute arbitrator, even if during the process of appointing the challenged arbitrator a party had failed to exercise his right to appoint or to participate in the appointment.

## **ARTICLE 14 - CIDRA OVERSIGHT**

1. If the other party does not agree to the challenge and the challenged arbitrator does not withdraw, the decision on the challenge will be made by CIDRA.
2. If CIDRA sustains the challenge, a substitute arbitrator shall be appointed or chosen pursuant to the procedure applicable to the appointment or choice of an arbitrator as provided in Articles 8 to 11.

## **ARTICLE 15 - REPLACEMENT OF AN ARBITRATOR**

1. In the event of death or resignation of an arbitrator during the course of the arbitral proceedings, a substitute arbitrator shall be appointed or chosen pursuant to the procedure provided for in Articles 8 to 11 that was applicable to the appointment or choice of the arbitrator being replaced.
2. In the event that an arbitrator fails to act or in the event of the *de jure* or *de facto* impossibility of his performing his functions, the procedure in respect of the challenge and replacement of an arbitrator as provided in the preceding articles shall apply.

## **ARTICLE 16 - REPETITION OF HEARINGS IN THE EVENT OF THE REPLACEMENT OF AN ARBITRATOR**

If under Articles 13 to 15 the sole or presiding arbitrator is replaced, any hearings held previously shall be repeated; if any other arbitrator is replaced, such prior hearings may be repeated at the discretion of the arbitral tribunal.

## **ARTICLE 17 - ARBITRAL PROCEEDINGS**

1. Subject to these Rules, the arbitral tribunal may conduct the arbitration in such manner as it considers appropriate, provided the parties are treated with equality and that at any stage of the proceedings each party is given a full opportunity of presenting his case.
2. The arbitral tribunal, after consulting the parties, shall establish a provisional timetable that it intends to follow for the conduct of the arbitration and communicate it to the parties. Any subsequent modifications of the provisional timetable shall be communicated to the parties.

3. If either party so requests at any stage of the proceedings, the arbitral tribunal shall hold hearings for the presentation of evidence by witnesses, including expert witnesses, or for oral argument. In the absence of such a request, the arbitral tribunal shall decide whether to hold such hearings or

whether the proceedings shall be conducted on the basis of documents and other materials.

4. All documents or information supplied to the arbitral tribunal by one party shall at the same time be communicated by that party to the other party.

## **ARTICLE 18 - PLACE OF ARBITRATION**

1. Unless the parties have agreed upon the place where the arbitration is to be held, such place shall be determined by CIDRA, having regard to the circumstances of the arbitration.

2. The arbitral tribunal may determine the locale of the arbitration within the country agreed by the parties. It may hear witnesses and hold meetings for consultation among its members at any place it deems appropriate, having regard to the circumstances of the arbitration.

3. The arbitral tribunal may meet at any place it deems appropriate for the inspection of goods, other property or documents. The parties shall be given sufficient notice to enable them to be present at such inspection.

4. The award shall be made at the place of arbitration.

## **ARTICLE 19 - LANGUAGE**

Subject to an agreement by the parties, the arbitral tribunal shall, promptly after its appointment, determine the language or languages to be used in the proceedings. This determination shall apply to the statement of claim, the statement of defense, and any further written statements and, if oral hearings take place, to the language or languages to be used in such hearings.

## **ARTICLE 20 - PLEAS AS TO THE JURISDICTION OF THE ARBITRAL TRIBUNAL**

1. The arbitral tribunal shall have the power to rule on objections that it has no jurisdiction, including any objections with respect to the existence or validity of the arbitration clause or of the separate arbitration agreement.
2. The arbitral tribunal shall have the power to determine the existence or the validity of the contract of which an arbitration clause forms a part. For the purposes of Article 20, an arbitration clause which forms part of a contract and which provides for arbitration under these Rules shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitral tribunal that the contract is null and void shall not entail *ipso jure* the invalidity of the arbitration clause.
3. A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than in the statement of defense or, with respect to a counter-claim, in the reply to the counter-claim.
4. In general, the arbitral tribunal should rule on a plea concerning its jurisdiction as a preliminary question. However, the arbitral tribunal may proceed with the arbitration and rule on such a plea in their final award.

## **ARTICLE 21 - FURTHER WRITTEN STATEMENTS**

The arbitral tribunal shall decide which further written statements, in addition to the statement of claim and the statement of defense, shall be required from the parties or may be presented by them and shall fix the periods of time for communicating such statements.

## **ARTICLE 22 - PERIODS OF TIME**

The periods of time fixed by the arbitral tribunal or CIDRA for the communication of written statements (including the statement of claim and statements of defense) should not exceed thirty days. However, the arbitral tribunal or CIDRA, as the case may be, may extend the time limits if it concludes that an extension is justified.

## **ARTICLES (23 AND 24) - EVIDENCE AND HEARINGS**

### **ARTICLE 23 - EVIDENCE**

1. Each party shall have the burden of proving the facts relied on to support that party's claim or defense.
2. The arbitral tribunal may, if it considers it appropriate, require a party to deliver to the tribunal and to the other party, within such a period of time as the arbitral tribunal shall decide, a summary of the documents and other evidence which that party intends to present in support of the facts in issue set out in his statement of claim or statement of defense.
3. At any time during the arbitral proceedings the arbitral tribunal may require the parties to produce documents, exhibits or other evidence within such a period of time as the tribunal shall determine.

### **ARTICLE 24 - HEARINGS**

1. In the event of an oral hearing, the arbitral tribunal shall give the parties adequate advance notice of the date, time and place thereof.
2. If witnesses are to be heard, at least fifteen days before the hearing each party shall communicate to the arbitral tribunal and to the other party the names and addresses of the witnesses he intends to present, the subject upon and the languages in which such witnesses will give their testimony.
3. The arbitral tribunal shall make arrangements for the translation of oral statements made at a hearing and for a record of the hearing if either is deemed necessary by the tribunal under the circumstances of the case, or if the parties have agreed thereto and have communicated such agreement to the tribunal at least fifteen days before the hearing.
4. Hearings shall be held in camera unless the parties agree otherwise. The arbitral tribunal may require the retirement of any witness or witnesses during the testimony of other witnesses. The arbitral tribunal is free to determine the manner in which witnesses are examined.
5. Evidence of witnesses may also be presented in the form of written statements signed by them.

6. On application of a party and for use as evidence, the arbitral tribunal may permit a deposition to be taken, in the manner and upon the terms designated by the arbitrators, of a witness who cannot be subpoenaed or is unable to attend the hearing. Such production will be for the purpose of presenting evidence at the arbitration hearing and will not include pre-trial discovery as known in common law countries.

7. The arbitral tribunal shall determine the admissibility, relevance, materiality and weight of the evidence offered.

## **ARTICLE 25 - INTERIM MEASURES OF PROTECTION**

1. At the request of either party, the arbitral tribunal may take any interim measures it deems necessary in respect of the subject matter of the dispute, including measures for the conservation of the goods forming the subject matter in dispute, such as ordering their deposit with a third person or the sale of perishable goods.

2. Such interim measures may be established in the form of an interim award. The arbitral tribunal shall be entitled to require security for the costs of such measures.

3. A request for interim measures addressed by any party to a judicial authority shall not be deemed incompatible with the agreement to arbitrate, or as a waiver of that agreement.

## **ARTICLE 26 - EXPERTS**

1. The arbitral tribunal may appoint one or more experts to report to it, in writing, on specific issues to be determined by the tribunal. A copy of the expert's terms of reference, established by the arbitral tribunal, shall be communicated to the parties.

2. The parties shall give the expert any relevant information or produce for inspection any relevant documents or goods that he may require of them. Any dispute between a party and such expert as to the relevance of the required information or production shall be referred to the arbitral tribunal for decision.

3. Upon receipt of the expert's report, the tribunal shall communicate a copy of the report to the parties who shall be given the opportunity to express, in writing, their opinion of the report. A party shall be entitled to examine any document on which the expert has relied in his report.

4. At the request of either party the expert, after delivery of the report, may be heard at a hearing where the parties shall have the opportunity to be present and to interrogate the expert. At this hearing either party may present expert witnesses in order to testify on the points at issue. The provisions of Article 24 shall be applicable to such proceedings.

## **ARTICLE 27 - DEFAULT**

1. If, within the period of time fixed by the arbitral tribunal, the claimant has failed to communicate his claim without showing sufficient cause for such failure, the arbitral tribunal shall order the proceedings to continue.
2. If one of the parties, duly notified under these Rules, fails to appear at a hearing, without showing sufficient cause for such failure, the arbitral tribunal may proceed with the arbitration.
3. If one of the parties, duly invited to produce documentary evidence, fails to do so within the established period of time, without showing sufficient cause for such failure, the arbitral tribunal may make the award on the evidence before it.

## **ARTICLE 28 - CLOSE OF HEARINGS**

1. The arbitral tribunal may inquire of the parties if they have any further proof to offer or witnesses to be heard or submissions to make and, if there are none, it may declare the hearings closed.
2. The arbitral tribunal may, if it considers it necessary owing to exceptional circumstances, decide, on its own motion or upon application of a party, to reopen the hearings at any time before the award is made.

## **ARTICLE 29 – WAIVER**

A party who knows that any provision of, or requirement under, these Rules has not been complied with and yet proceeds with the arbitration without promptly stating his objection to such non-compliance, shall be deemed to have waived his right to object.

## **ARTICLE 30 - THE AWARD**

1. When there are three arbitrators, any award or other decision of the arbitral tribunal shall be made by a majority of the arbitrators.
2. In the case of questions of procedure, when there is no majority or when the arbitral tribunal so authorizes, the presiding arbitrator may decide on his own, subject to revision, if any, by the arbitral tribunal.
3. The arbitrators shall make the final award with 30 days of the closing of the final hearing. CIDRA may extend such time limit at its discretion.

## **ARTICLE 31 - FORM AND EFFECT OF THE AWARD**

1. In addition to making a final award, the arbitral tribunal shall be entitled to make interim, interlocutory, or partial awards.
2. The award shall be made in writing and shall be final and binding on the parties. The parties undertake to carry out the award without delay.
3. The arbitral tribunal shall state the reasons upon which the award is based, unless the parties have agreed that no reasons are to be given.
4. An award shall be signed by the arbitrators and it shall contain the date on which and the place where the award was made. Where there are three arbitrators and one of them fails to sign, the award shall state the reason for absence of the signature.
5. The award may be made public only with the consent of both parties.
6. Copies of the award signed by the arbitrators shall be communicated to the parties by the arbitral tribunal.
7. If the arbitration law of the country where the award is made requires that the award be filed or registered by the arbitral tribunal, the tribunal shall comply with this requirement within the period of time required by law.

## **ARTICLE 32 - APPLICABLE LAW AND REMEDIES**

1. The arbitral tribunal shall apply the law designated by the parties as applicable to the substance of the dispute. Failing such designation by the parties, the arbitral tribunal shall apply the law determined by the conflict of laws rules which it considers applicable.
2. The arbitral tribunal shall decide as *amiable compositeur* or *ex aequo et bono* only if the parties have expressly authorized the arbitral tribunal to do so and if the law applicable to the arbitral procedure permits such arbitration.
3. In all cases, the arbitral tribunal shall decide in accordance with the terms of the contract and shall take into account the usages of the trade applicable to the transaction.
4. Unless the parties agree otherwise, the parties expressly waive and forego any right to punitive, exemplary or similar damages unless a statute requires that compensatory damages be increased in a specified manner. This provision shall not apply to any award of arbitration costs to a party to compensate for dilatory or bad faith conduct in the arbitration.

## **ARTICLE 33 - SETTLEMENT, TERMINATION OF PROCEEDINGS**

1. If, before the award is made, the parties agree on a settlement of the dispute, the arbitral tribunal shall either issue an order for the termination of the arbitral proceedings or, if requested by both parties and accepted by the tribunal, record the settlement in the form of an arbitral award on agreed terms. The arbitral tribunal is not obliged to give reasons for such an award.
2. If, before the award is made, the continuation of the arbitral proceedings becomes unnecessary or impossible for any reason not mentioned in paragraph 1, the arbitral tribunal shall inform the parties of its intention to issue an order for the termination of the proceedings. The arbitral tribunal shall have the power to issue such an order unless a party raises justified grounds for objection.
3. Copies of the order for termination of the arbitral proceedings or of the arbitral award on agreed terms, signed by the arbitrators, shall be communicated by the arbitral tribunal to the parties. Where an arbitral award on agreed terms is made, the provisions of Article 31, paragraphs 2 and 4 to 7, shall apply.

## **ARTICLE 34 - INTERPRETATION OF THE AWARD**

1. Within thirty days after the receipt of the award, either party, with notice to the other party, may request that the arbitral tribunal give an interpretation of the award.
2. The interpretation shall be given in writing within forty-five days after the receipt of the request. The interpretation shall form part of the award and the provisions of Article 31, paragraphs 2 to 7, shall apply.

## **ARTICLE 35 - CORRECTION OF THE AWARD**

1. Within thirty days after the receipt of the award, either party, with notice to the other party, may request the arbitral tribunal to correct in the award any errors in computation, any clerical or typographical errors, or any errors of similar nature. The arbitral tribunal may within thirty days after the communication of the award make such corrections on its own initiative.
2. Such corrections shall be in writing, and the provisions of Article 31, paragraphs 2 to 7, shall apply.

## **ARTICLE 36 - ADDITIONAL AWARD**

1. Within thirty days after the receipt of the award, either party, with notice to the other party, may request the arbitral tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted from the award.
2. If the arbitral tribunal considers the request for an additional award to be justified and considers that the omission can be rectified without any further hearings or evidence, it shall complete its award within sixty days after the receipt of the request.
3. When an additional award is made, the provisions of Article 31, paragraphs 2 to 7, shall apply.

## **ARTICLES (37 TO 39) - COSTS AND FEES**

### **ARTICLE 37 - COSTS**

The arbitral tribunal shall fix the costs of arbitration in its award. The term "costs" includes only:

- a. The fees of the arbitral tribunal to be stated separately as to each arbitrator and to be fixed by the CIDRA in accordance with article 38;
- b. The travel and other expenses incurred by the arbitrators;
- c. The costs of expert advice and of other assistance required by the arbitral tribunal;
- d. The travel and other expenses of witnesses to the extent such expenses are approved by the arbitral tribunal;
- e. The costs for legal representation and assistance of the successful party if such costs were claimed during the arbitral proceedings, and only to the extent that the arbitral tribunal determines that the amount of such costs is reasonable;
- f. Administrative fees and expenses of CIDRA.

### **ARTICLE 38 - FEES**

1. The fees of the arbitral tribunal shall be reasonable in amount, taking into account the amount in dispute, the complexity of the subject-matter, the time spent by the arbitrators and any other relevant circumstances of the case.
2. The arbitral tribunal in fixing its fees shall take the CIDRA Schedule of Fees into account to the extent that it considers appropriate in the circumstances of the case.
3. The arbitral tribunal shall fix its fees only after consultation with CIDRA which may make any comment or suggest changes it deems appropriate to the arbitral tribunal concerning the fees.

## **ARTICLE 39 - APPORTIONMENT OF COSTS AND FEES**

1. Except as provided in paragraph 2, the costs of arbitration shall in principle be borne by the unsuccessful party. However, the arbitral tribunal may apportion each of such costs between the parties if it determines that apportionment is reasonable, taking into account the circumstances of the case.
2. With respect to the costs of legal representation and assistance referred to in Article 37, paragraph (e), the arbitral tribunal, taking into account the circumstances of the case, shall be free to determine which party shall bear such costs or may apportion such costs between the parties if it determines that apportionment is reasonable.
3. When the arbitral tribunal issues an order for the termination of the arbitral proceedings or makes an award on agreed terms, it shall fix the costs of arbitration referred to in Article 37 and Article 38, paragraph 1, in the text of that order or award.
4. No additional fees may be charged by an arbitral tribunal for interpretation or correction or completion of its award under Articles 34 to 36.

## **ARTICLE 40 - DEPOSIT OF COSTS**

1. CIDRA may request each party to deposit an equal amount as an advance for the costs referred to in Article 37, paragraphs (a), (b) and (c).
2. During the course of the arbitral proceedings the arbitral tribunal may request supplementary deposits from the parties.
3. If the required deposits are not paid in full within thirty days after the receipt of the request, CIDRA shall so inform the parties in order that one or another of them may make the required payment. If such payment is not made, CIDRA may order the suspension or termination of the arbitral proceedings.
4. After the award has been made, CIDRA shall render an accounting to the parties of the deposits received and return any unexpended balance to the parties.

## **ARTICLE 41 - FAST TRACK ARBITRATION**

1. The parties may agree to shorten the various time-limits set out in these Rules. Any such agreement entered into subsequent to the constitution of an Arbitral Tribunal shall become effective only upon the approval of the tribunal.
2. CIDRA, on its own initiative or at the request of one or more parties, may extend any time limit which has been shortened by the parties under this Article.

## **ARTICLE 42 - MISCELLANEOUS**

1. All functions assigned to CIDRA under these Rules shall be performed by a committee or officers appointed by the Board of Directors of the Chicago International Dispute Resolution Association.
2. These rules may be amended from time to time by CIDRA. These rules and any amendment of them shall apply in the form in effect at the time the administrative filing requirements are met for a demand for arbitration or submission agreement received by CIDRA. To ensure that you have the most current information, check our website at [www.cidra.org](http://www.cidra.org).

## **ARTICLE 43 - EXCLUSION FROM LIABILITY**

1. Neither CIDRA nor any arbitrator is a necessary party in judicial proceedings relating to an arbitration.
2. Neither CIDRA nor any arbitrator shall be liable to any party for any act or omission in connection with any arbitration conducted under these Rules, except for its/his/her own willful misconduct.
3. Each party utilizing CIDRA or CIDRA arbitrator(s) agrees to indemnify, hold harmless and provide a defense by a counsel selected by CIDRA or the arbitrator(s) in case CIDRA or the arbitrator(s) is (are) joined in a suit arising out of CIDRA arbitral proceedings.

**Peter V. Baugher, President**

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