FAST TRACK RULES

2ND EDITION 2012

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REGIONAL RESOLUTION GLOBAL SOLUTION

KLRCA FAST TRACK MODEL ARBITRATION CLAUSE

"Any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or invalidity thereof shall be settled by arbitration in accordance with the Kuala Lumpur Regional Centre for Arbitration Fast Track Rules."

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The KLRCA Fast Track Rules 2nd Edition 2012 is drafted by KLRCA.

PART I

KUALA LUMPUR REGIONAL CENTRE FOR ARBITRATION (KLRCA)

FAST TRACK RULES 2ND EDITION 2012

INTERPRETATION

ARTICLE 1

1. Unless the context otherwise requires, words and expressions below shall bear the meanings and/or definitions ascribed respectively below:

   "the Centre" means the Kuala Lumpur Regional Centre for Arbitration;

   "the Director" means the Director of the Centre, and in the event the Director is unable or incapable of acting for any reason whatsoever, refers to any other person who may be authorized by the Director in writing;

   "these Rules" means the Centre's Fast Track Rules;

   "the Act" means the Malaysian Arbitration Act 2005 (Act 646) and the Arbitration (Amendment) Act 2011 or any statutory modification or re-enactment to the Act;

   "Arbitral Tribunal" means either a sole arbitrator or all arbitrators when more than one is appointed;

   "relevant documents" means all documents relevant to the dispute, whether or not favorable to the party having power, possession or control of them, but does not include documents which are privileged and not therefore legally disclosable;

   "international arbitration" means an arbitration where:

   a) One of the parties to an arbitration agreement, at the time of the conclusion of that agreement, has its place of business in any sovereign State other than Malaysia;

b) Any place where a substantial part of the obligations of any commercial or other relationship is to be performed or the place with which the subject-matter of the dispute is most closely connected is situated in any sovereign State other than Malaysia;

c) The parties have expressly agreed that the subject-matter of the arbitration agreement relates to more than one sovereign State;

"domestic arbitration" means any arbitration which is not an international arbitration.

2. Where the parties to a contract have provided in writing for reference to arbitration under these Rules, then such dispute(s) shall be referred and finally determined in accordance with these Rules. These Rules shall be subject to any such amendments as the Centre may have adopted to take effect on or before the commencement of the arbitration, unless the parties have agreed otherwise.

WRITTEN NOTIFICATIONS OR COMMUNICATIONS

ARTICLE 2

1. For the purposes of these Rules, notices, statements, submissions or other documents used in arbitration may be delivered personally to the party or delivered by leaving the document at the party's habitual residence, place of business or mailing address; or, if none of these can be ascertained after making reasonable inquiry, then documents may be delivered by leaving them at the party's last, known residence or place of business.

2. If a party is represented by an advocate and solicitor or any other authorized agent in respect of the arbitral proceedings, all notices or other documents required to be given or served for the purposes of the arbitral proceedings together with all decisions, orders and awards made or issued by the Arbitral Tribunal shall be treated as effectively served if served on that advocate and solicitor or authorized agent.

3. The date that a party has had or ought to reasonably have had notice of a document is deemed to be the date that the particular document is delivered to that party. Delivery of documents to the Centre or its officers shall be in accordance with these Rules.

4. Without prejudice to the effectiveness of any other form of written communication, written communication may be by fax, email or any other means of electronic transmission effected to a number, address or site of a party. The transmission is deemed to have been received on the day of transmission.

5. 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, statement, submission or other document 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.

COMMENCEMENT OF ARBITRATION

ARTICLE 3

1. Arbitration proceedings under these Rules, shall be deemed to have commenced when the party initiating the arbitration (the "Claimant") delivers to the other party (the "Respondent") a notice in writing stating its intention to commence an arbitration under these Rules (the "Notice of Arbitration"). A copy of the Notice of Arbitration shall, be delivered at the same time to the Centre and be marked for the attention of the Director.

2. The Notice of Arbitration shall include:

   a) The names and mailing addresses of the parties to the dispute;

   b) A brief summary of the matters in respect of which the parties are in dispute;

   c) Reference to the agreement by which the dispute is to be arbitrated under these Rules;

   d) The name and professional details of at least one (1) individual nominated by the Claimant as candidate for the role of a single arbitrator or the name and professional details of the Claimant's duly appointed arbitrator where there is prior agreement for 3 arbitrators;

   e) A request to the other party to concur with the appointment of a sole arbitrator or to duly appoint an arbitrator whether there is prior agreement for 3 arbitrators;

   f) A copy of the arbitration agreement; and

   g) A comprehensive Statement of Case in accordance with Article 7 signed by or on behalf of the Claimant.

3. The copy of the Notice of Arbitration delivered to the Centre shall be accompanied by a cheque drawn in favour of the Centre in such sums as may from time to time be prescribed by the Centre as the registration fee for commencing arbitration under these Rules.

APPOINTMENT OF ARBITRAL TRIBUNAL

ARTICLE 4

1. Unless the parties have agreed otherwise, any arbitration conducted under these Rules shall be conducted by a sole arbitrator whose appointment shall be agreed in writing by the parties within seven (7) days of the commencement of arbitration.

2. Where parties have failed to reach an agreement in writing to the appointment of a sole arbitrator within seven (7) days of the commencement of the arbitration, either party shall within seven (7) days thereafter notify the Director of the same in writing and refer the appointment of the sole arbitrator to the Director. The Director shall, within fourteen (14) days from such notification appoint an arbitrator to hear and/or determine the dispute, notify the parties of the appointment, and provide the parties with the Arbitral Tribunal's name and mailing address.

3. If the Arbitral Tribunal is to consist of three arbitrators:

   a) Each party shall appoint one arbitrator not later than fourteen (14) days of the commencement of arbitration;

   b) Where one party has failed to appoint an arbitrator within fourteen (14) days of the commencement of the arbitration, either party shall within seven (7) days thereafter notify the Director of the same in writing and refer the appointment of the second arbitrator to the Director. The Director shall, within fourteen (14) days from such notification appoint the second arbitrator;

   c) The two arbitrators so appointed may at any time thereafter appoint a third arbitrator so long as they do so before any substantive oral hearing, or forthwith if they cannot agree on any matter relating to the arbitration, and if the two said arbitrators do not appoint a third within ten (10) working days of one calling upon the other to do so, the Director shall, on the application

of either arbitrator or of a party, appoint the third arbitrator within ten (10) days of such application, notify the parties of the appointment, and provide the parties with the third arbitrator's name and mailing address;

d) The third arbitrator shall be the Presiding Arbitrator of the Arbitral Tribunal;

e) A substantive oral hearing shall only proceed after three arbitrators have been appointed;

f) Subject to Article 4 Rule 3(e) above, before the third arbitrator has been appointed, the two arbitrators, if agreed on any matter, shall have the power to make decisions, orders and awards in relation thereto;

g) After the appointment of the third arbitrator, decisions, orders or awards shall be made by all or a majority of the arbitrators;

h) The view of the Presiding Arbitrator shall prevail in relation to a decision, order or award in respect of which there is neither unanimity nor a majority under Article 4 Rule 3 (g) above.

4. If there are more than two parties in the arbitration, the parties shall agree on the procedure for appointing the Arbitral Tribunal within fourteen (14) days of the commencement of the arbitration.

5. If the parties have failed to reach an agreement on the procedure within fourteen (14) days of the commencement of the arbitration or the Arbitral Tribunal is not constituted within twenty eight (28) days of the commencement of the arbitration, any party shall within seven (7) days thereafter notify the Director of the same in writing and refer the appointment of the Arbitral Tribunal to the Director. The Director shall, within fourteen (14) days from such notification appoint the Arbitral Tribunal to hear and/or determine the dispute, notify the parties of the appointment, and provide the parties with the Arbitral Tribunal's name and mailing address.

6. The request for appointment of an Arbitral Tribunal shall be accompanied by a cheque drawn in favour of the Centre in such sum as may from time to time be prescribed by the Centre as the appointment fee.

7. Upon the appointment of the Arbitral Tribunal (whether by parties' agreement or appointment by the Director), the Claimant shall forthwith provide the Arbitral Tribunal with a copy of the Notice of Arbitration.

INDEPENDENCE AND IMPARTIALITY OF THE ARBITRAL TRIBUNAL

ARTICLE 5

1. The Arbitral Tribunal conducting arbitration under these Rules shall be and remain at all times independent and impartial, and shall not act as advocate for any party.

LAW, PROCEDURE AND JURISDICTION

ARTICLE 6

1. The Arbitral Tribunal shall apply the law designated by the parties as applicable to the substance of this 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 seat of arbitration shall be Malaysia. The law of the arbitration under these Rules shall be the Act.

3. An award made under these Rules shall be deemed to be an award made in Malaysia.

4. Unless otherwise agreed, the language of arbitration shall be English.

5. Subject to these Rules, the Arbitral Tribunal shall have the powers permitted by law and under the Act to ensure the just, expeditious, economical and final determination of the dispute(s) in the reference. In this regard, the Arbitral Tribunal shall conduct the arbitration in such manner as the Arbitral Tribunal considers appropriate, save that at all times the Arbitral Tribunal shall ensure that the parties are treated equally and are given reasonable opportunity to present their case. Without limiting the generality of the foregoing, the Arbitral Tribunal's powers and jurisdiction to achieve the just, expeditious, economical and final determination of the dispute(s) in the reference shall include the power and jurisdiction to:

   a) Establish any other procedure not covered by these Rules which are deemed suitable;

   b) Order any submission or other materials to be delivered in writing or electronically;

   c) Limit the submission or production of any documents by the parties;

   d) Order specific disclosure and discovery of limited identified documents or relevant documents which have not been produced in the statement of case, defence or reply, upon application by a party on justifiable grounds; and order that if such relevant documents are not disclosed by the other party within the time so prescribed, draw adverse inferences in its award, should it consider that other party to be in default of its disclosure;

   e) Fix deadlines for any procedure including submissions and production of documents and in default of deadlines to accordingly proceed with the arbitration without attaching any weight to any non-compliant submission or production of documents which do not fulfill the deadlines;

   f) Apply the Arbitral Tribunal's specialist knowledge provided that parties are given the opportunity to address any matter relating to the specialist knowledge that the Arbitral Tribunal wishes to apply to the award;

g) Restrict the use of expert evidence or supplementary expert evidence unless permission or leave is first obtained and any such terms imposed by the Arbitral Tribunal complied with. Any request for such permission or leave to adduce expert evidence must be made within 14 days after the delivery of the Statement of Reply. In the case of supplementary expert evidence any request for such permission must be made by the party wishing to adduce such evidence within 14 days of service/exchange of expert reports, failing which no supplementary witness statement shall be adduced in evidence by that party;

h) Appoint independent experts to inquire and report on specific matters with the consent of the parties as to the appointment and the costs related thereto, and require the parties to give such expert any relevant information or to produce, or to provide access to, any relevant documents, goods or property for inspection by the expert;

i) Order the parties to make any property or thing available for inspection and to carry out physical inspection of any matter or item that is related to the subject matter of the reference to arbitration;

j) If the parties so agree, the Arbitral Tribunal shall also have the power to add other parties (with their consent) to be joined in the arbitration and make a single final award determining all disputes between them;

k) Such directions on the procedure and process for the substantive oral hearings as may be necessary for the expedient determination of the dispute(s) in the reference including but not limited to:

    i. Directing that any party wishing to adduce in evidence statements of witnesses of fact must give notice of such intention within the prescribed time;

ii. The manner in which the time at the hearing is used including the time limited for cross examination or re-examination allocated to each party;

iii. Directing that evidence in chief of any witnesses will be limited only to affirmed witness statements and no further examination in chief of any witness is allowed except for corrections to the witness statements and directions for the simultaneous exchange of these witness statements;

iv. Directing that witness statements in reply can be lodged if parties choose to do so and directions for the simultaneous exchange of these witness statements;

v. Directing that unless the party entitled to cross-examine agrees to dispense with it, the maker of any witness statement and/or the party or parties identified in the statements and/or supporting evidence must be made available for cross-examination at the hearing, in default of which, the Arbitral Tribunal may elect either to proceed with the hearing and place such weight on his statement or evidence as the Arbitral Tribunal deems just and appropriate; or proceed with the hearing and exclude the statement or evidence altogether;

vi. Directing that in the absence of any witness statements, the parties' signed Statement of Case, Statement of Defence (and Counterclaim, if any) and Statement of Reply (and Defence to Counterclaim, if applicable) shall serve as the parties' evidence at the hearing;

vii. Directing the limit or specifying the number of witnesses and/or experts that is to be dealt with in the hearing;

ix. Directing that any issues to be cross-examined of particular witnesses or experts are irrelevant and not to be raised in the hearing;

x. Directing that any other issues cross-examined of particular witnesses or experts, apart from those approved by the Arbitral Tribunal, will be given no weight;

xi. Ordering pre-hearing interrogatories to be answered;

xii. Conducting the questioning of witnesses or experts himself/herself or making such enquiries as may appear to the Arbitral Tribunal to be necessary provided that parties are given an opportunity to address any facts and/or law that the Arbitral Tribunal wishes to apply to the award;

xiii. Requiring two or more witnesses and/or experts to give their evidence together;

xiv. Directing written submission, if required, to be served and exchanged simultaneously with a limited right for an expeditious written submission in reply;

xv. Extend any time limit provided by the Rules up to 14 days, and with the consent of the Director up to 28 days. The Director may in exceptional circumstances, upon consultation with the Arbitral Tribunal and parties, extend time further.

STATEMENT OF CASE

ARTICLE 7

1. Without limiting its comprehensive nature, the "Statement of Case" shall contain the following information:

   a) Statement of the facts and sufficient particulars supporting the Claimant's position in the case and any related claims;

   b) Copies of all documents relied upon in the statement of facts and sufficient particulars;

   c) Copies of any other documents considered relevant to the Claimant's case and claims;

   d) The contentions of fact and law supporting the Claimant's position and copies of any particular legal authority that the Claimant intends to rely upon;

   e) All items of relief and remedy sought by the Claimant; and

   f) All quantifiable items of claim shall be accompanied with the relevant calculations and breakdowns to substantiate the quantum (where applicable).

STATEMENT OF DEFENCE
(AND COUNTERCLAIM, IF ANY)

ARTICLE 8

1. Within twenty-eight (28) days of the commencement of arbitration, the Respondent shall deliver to the Arbitral Tribunal and the Claimant a comprehensive "Statement of Defence" to the Claimant's Statement of Case, signed by or on behalf of the Respondent. Where the Respondent desires to advance a counterclaim against the Claimant, a comprehensive statement of the case and claim relating to the counterclaim signed by or on behalf of the Respondent must be included in the same document as the Statement of Defence and such document shall be entitled "Statement of Defence and Counterclaim".

2. Without limiting its comprehensive nature, the Statement of Defence (and Counterclaim, if any) shall contain the following information:

   a) A confirmation or denial of the Claimant's case and claims;

   b) A statement of the facts and sufficient particulars supporting the Respondent's position in defending the case and claim;

   c) Copies of all documents relied upon in the statement of facts and sufficient particulars;

   d) Copies of any other documents considered relevant to the Respondent's defence;

   e) The contentions of fact and law supporting the Respondent's position and copies of any particular legal authority that the Respondent intends to rely upon;

   f) An identification of agreement or disagreement to any documents produced by the Claimant in the Statement of Case and contentions on the reasons for disagreements; and

   g) Where a counterclaim is advanced by the Respondent, the same kind of information and documents that the Claimant is obliged to provide under these Rules in relation to the Statement of Case.

3. Within seven (7) days of receipt of the Respondent's Statement of Defence (and Counterclaim, if any), the Claimant shall deliver to the Arbitral Tribunal and the Respondent a comprehensive "Statement of Reply" to the Respondent's defence signed by or on behalf of the Claimant. Where the Respondent has advanced a counterclaim against the Claimant, a comprehensive statement of the defence to the Respondent's counterclaim signed by or on behalf of the Claimant must be included in the same document as the Statement of Reply and such document shall be entitled "Statement of Reply and Defence to Counterclaim".

4. Without limiting its comprehensive nature, the Statement of Reply (and Defence to Counterclaim, if applicable) shall contain the following information:

   a) A confirmation or denial of the Respondent's defence;

   b) A statement of the facts and sufficient particulars supporting the Claimant's position in replying to the Respondent's defence;

   c) Copies of all documents relied upon in the statement of facts and sufficient particulars;

   d) Copies of any other documents considered relevant to the Claimant's reply;

   e) The contentions of fact and law supporting the Claimant's position and copies of any particular legal authority that the Claimant intends to rely upon;

   f) An identification of agreement or disagreement to any documents produced by the Respondent in the Statement of Defence and contentions on the reasons for disagreements; and

   g) Where a defence to counterclaim is advanced by the Claimant, the same kind of information and documents that the Respondent is obliged to provide under these Rules in relation to the Statement of Defence.

5. If the Respondent does advance a counterclaim and the Claimant does deliver a Statement of Reply and Defence to Counterclaim, then within seven (7) days of receipt of the Claimant's Statement of Reply and Defence to Counterclaim, the Respondent shall deliver to the Arbitral Tribunal and the Claimant a comprehensive Statement of Reply ("Respondent's Reply") containing the same kind of information and documents that the Claimant is obliged to provide under these Rules in relation to the Statement of Reply.

6. If the Respondent does not advance a counterclaim, then within seven (7) days of receipt of the Claimant's Statement of Reply, the Respondent shall deliver to the Arbitral Tribunal and the Claimant an identification of agreement or disagreement to any documents produced by the Claimant in the Statement of Reply and contentions on the reasons for disagreements, signed by or on behalf of the Respondent.

7. If there is a Respondent's Reply, then within seven (7) days of receipt of the Respondent's Reply, the Claimant shall deliver to the Arbitral Tribunal and the Respondent an identification of agreement or disagreement to any documents produced by the Respondent in the Respondent's Reply and contentions on the reasons for disagreements, signed by or on behalf of the Claimant.

DOCUMENTS-ONLY ARBITRATION

ARTICLE 9

1. Where parties agree expressly in writing to a documents-only arbitration, the Arbitral Tribunal shall, upon receipt of the final document delivered under Article 8 above, proceed to consider the dispute and publish the award in accordance with these Rules.

2. Physical attendance by parties for a substantive oral hearing is not required in a documents-only arbitration unless, in exceptional circumstances, the Arbitral Tribunal deems it necessary for the resolution of the dispute. Decisions, orders and awards may be made by the Arbitral Tribunal comprising two arbitrators in a document-only arbitration in accordance with Article 4 Rule 3(f); subject always to Article 4 Rule 3(e).

3. Where the aggregate amount of the claim, and/or counter claim in dispute is less than USD75,000.00 or is unlikely to exceed USD75,000.00 for an international arbitration; or is less than RM150,000.00 or is unlikely to exceed RM150,000.00 in a domestic arbitration, the arbitration shall proceed as a documents-only arbitration, unless the arbitrator deems it necessary to proceed by way of substantive oral hearing upon consultation with the parties.

CASE MANAGEMENT MEETING

ARTICLE 10

1. Where the arbitration is not a documents-only arbitration, the Arbitral Tribunal shall convene a meeting to be attended by all parties ("Case Management Meeting") no later than eight (8) weeks from the date of commencement of the arbitration. Case Management Meetings may be conducted through a meeting in person, by video conference, by telephone or by any other means of communications as agreed by the parties or failing which, as determined by the Arbitral Tribunal.

2. At the Case Management Meeting, the Arbitral Tribunal shall enquire into the status of the arbitration and shall consider directions for the further conduct of the arbitration. In addition to the powers and jurisdiction of the Arbitral Tribunal as stated in these Rules, the Arbitral Tribunal shall also give:

   a) Directions for the production and exchange of any statements of case, defence or reply or the compliance of any other preceding procedure in these Rules (if parties have failed to exchange such statements or comply with such procedure within the time prescribed by these Rules) to be done at such shorter number of days than that prescribed under these Rules for the party that failed to do so in the first instance. In any event, such time shall be no longer than the periods prescribed under these Rules;

   b) Directions that any substantive oral hearings are to be held at the premises of the Centre unless parties agree otherwise;

   c) Directions as to the procedure and process for the substantive oral hearings as may be necessary for the expedient determination of the dispute(s) in the reference based on the powers and jurisdiction given to the Arbitral Tribunal under these Rules;

d) Directions that all or any applications for further directions or orders be delivered to the Arbitral Tribunal no later than seven (7) days from the date of the delivery of the Statement of Reply, (if such statement has not already been exchanged in accordance with these Rules), or fourteen (14) days from the date of the Case Management Meeting (if such applications have not by such time already been delivered to the Arbitral Tribunal) and directions that such application(s) must be supported by a statement signed by or on behalf of the party setting out the grounds for the application and all relevant supporting documents. The Arbitral Tribunal shall then direct accordingly on the procedure for the expeditious determination of such application(s);

e) Directions that any and all applications for further directions delivered to the Arbitral Tribunal after the time limit stipulated in Article 10 Rule 2(d) may be refused by the Arbitral Tribunal on the sole ground that they were not delivered in accordance with the said time limits. The Arbitral Tribunal may however consider applications for further directions delivered after the time limit stipulated in Article 10 Rule 2(d) if the Arbitral Tribunal is of the view that the application is necessary for the fair disposal of the arbitration.

3. Where the arbitration is not a documents-only arbitration, the Arbitral Tribunal may if appropriate in all the circumstances, dispense with the Case Management Meeting but shall no later than eight (8) weeks after commencement of the arbitration, issue such directions as are necessary or expedient under Article 10 Rule 2.

SUBSTANTIVE ORAL HEARINGS

ARTICLE 11

1. Where the arbitration is not a documents-only arbitration, the Arbitral Tribunal shall direct that the substantive oral hearings be conducted as soon as reasonably possible and in any event to commence not more than twenty (20) days after the conclusion of all the procedures and processes preceding the substantive oral hearings and that the substantive oral hearings be completed no later than one hundred twenty five (125) days from the commencement of the arbitration. The Arbitral Tribunal shall also direct that the substantive oral hearings not to exceed a period of six (6) working days.

2. The Arbitral Tribunal may, if so agreed by the parties, direct a shorter period for the commencement of the substantive oral hearings from the conclusion of all the procedures and processes preceding the substantive oral hearings and/or, direct a shorter period for the completion of the substantive oral hearings from the commencement of the arbitration and/or, direct a shorter period for the substantive oral hearings itself.

3. The parties agree to cooperate and take every opportunity to save time where possible in order to achieve the maximum periods stated in Article 11 Rule 1 above.

4. All parties may, with the agreement of the Arbitral Tribunal, extend the maximum periods stated in Article 11 Rule 1 above, but up to a further maximum of ten (10) days in relation to the commencement of the substantive oral hearings from the conclusion of all the procedures and processes preceding the substantive oral hearings and/or a further maximum of forty (40) days in relation to the completion of the substantive oral hearings from the commencement of the arbitration. The period for the substantive oral hearings itself may only be extended by a further maximum of four (4) working days with the agreement of the parties and the Arbitral Tribunal.

AWARDS

ARTICLE 12

1. Due to the overriding interest of an expeditious determination of the dispute(s) in the reference as a whole, the parties agree that they shall not apply for an interim award under these Rules. In addition, the parties further agree that Section 41 of the Act is opted out in relation to the parties' arbitration agreement.

2. The Arbitral Tribunal may hear the following applications for rulings and shall be empowered to determine the following:

   a) Applications for permission to amend the aforesaid statements or other documents delivered in the arbitration;

   b) Applications for specific disclosure of documents and facts;

   c) Such further or other applications for directions as may appear to the Arbitral Tribunal to be necessary for the fair and expedient resolution of the dispute under arbitration; and

   d) Without prejudice to the general powers conferred on the Arbitral Tribunal under Article 6 Rule 5, make orders as to costs in relation to Article 12 Rule 2 (a) to (c) above.

   In considering any applications under this rule, the Arbitral Tribunal shall have due regard to ensuring a fair and expeditious determination of the disputes in reference as a whole.

3. The award shall state the reasons upon which it is based. The award shall be signed by the Arbitral Tribunal and shall contain the date and place in which the award was made.

4. With regard to a documents-only arbitration, the Arbitral Tribunal shall publish the final award expeditiously and no later than ninety (90) days from the commencement of the arbitration.

5. With regard to an arbitration with a substantive oral hearing, the Arbitral Tribunal shall publish the final award expeditiously and no later than hundred and sixty (160) days from the commencement of the arbitration subject to such equivalent extensions as may have been agreed by the parties, the Arbitral Tribunal under Article 11 Rule 4.

EXTENSION OF TIME FOR THE AWARD

ARTICLE 13

1. If it appears to the Arbitral Tribunal that the final award may not be published within the time limits provided in these Rules, the Arbitral Tribunal shall no later than fourteen (14) days before the lapse of the said time limit notify the Director and the parties in writing explaining and justifying the reasons for the delay, state the revised estimated date of publication of the award and seek the Director's prior consent for such an extension of time for the publication of the award.

COSTS AND EXPENSES OF THE ARBITRATION

ARTICLE 14

1. 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 Arbitral Tribunal itself in accordance with Article 19;

   b) The reasonable travel and other expenses incurred by the arbitrators;

   c) The reasonable costs of expert advice and of other assistance required by the Arbitral Tribunal;

   d) The reasonable travel and other expenses of witnesses to the extent such expenses are approved by the Arbitral Tribunal;

e) The legal and other costs incurred by the parties in relation to the arbitration to the extent that the Arbitral Tribunal determines that the amount of such costs is reasonable.

2. Costs shall be awarded on a summary and commercial basis and in such manner and amount as the Arbitral Tribunal shall in its absolute discretion consider fair, reasonable and proportional to the matters in dispute. The Arbitral Tribunal shall specify the amount of such costs. There shall be no taxation or review by the High Court of such costs, fees and expenses.

3. The parties' recoverable costs are capped so that neither party shall be entitled to recover more than a sum equivalent to 30% of the total amount of claim and counter claim (if any) in a documents-only arbitration and 50% in an arbitration with substantive oral hearing. For avoidance of doubt, these percentages are maximum figures and the Arbitral Tribunal may however at any time, and in its absolute discretion, cap the parties' costs to some lesser percentage.

4. If declaratory or other non-monetary relief is sought the Arbitral Tribunal will, following completion of opening submissions and in its sole discretion, decide what overall cap on costs is to apply.

5. To enable the Arbitral Tribunal to assess costs, each party will provide a breakdown of those costs as soon as the Arbitral Tribunal is in a position to proceed to its award.

WAIVER OF OBJECTIONS & TIME FOR CHALLENGE

ARTICLE 15

1. For the purposes of Section 7 of the Act, the time limit for any objection is seven (7) days.

2. For the purposes of Section 15(1) of the Act, the time limit for any challenge in accordance with the said provision is seven (7) days.

EXCLUSIONS

ARTICLE 16

1. Parties agree not to hold the Centre, its officers, employees, agents and committees responsible or liable for anything done or omitted to be done in the discharge or purported discharge of any power, function or duty under these Rules or in connection with any Arbitral Tribunal or arbitration under these Rules.

EX-PARTE HEARINGS

ARTICLE 17

1. If without sufficient cause a party fails to attend or be represented at any of the oral hearings of which due notice was given or where a party fails after due notice to submit written evidence or lodge written submissions, the Arbitral Tribunal may continue the proceedings in the absence of that party or as the case may be, without any written evidence or written submission on his behalf, and deliver an award on the basis of the evidence before the Arbitral Tribunal.

CONFIDENTIALITY

ARTICLE 18

1. The parties and the Arbitral Tribunal shall at all times treat all matters relating to the arbitration and the award as confidential. A party or any arbitrator shall not, without the prior written consent of the other party or the parties, as the case may be, disclose to a third party any such matter except:

   a) For the purpose of making an application to any competent court;

   b) For the purpose of making an application to the courts of any State to enforce the award;

   c) Pursuant to the order of a court of competent jurisdiction;

   d) In compliance with the provisions of the laws of any State which is binding on the party making the disclosure; or

   e) In compliance with the request or requirement of any regulatory body or other authority which, if not binding nonetheless would be observed customarily by the party making the disclosure.

2. The Centre may however publish any award made under these Rules in any form provided that the names or identities of the parties shall not be disclosed without the consent of all the parties.

ARBITRAL TRIBUNAL'S FEES, DEPOSITS AND PAYMENT

ARTICLE 19

1. The Director of the Centre shall fix the fees of the Arbitral Tribunal either before the arbitral tribunal takes up its duties or as soon as practicable after the appointment of the arbitral tribunal. Before fixing such fees, the Director shall:

   a) Consult with the parties and the members of the Arbitral Tribunal; and

   b) Have regard to but not be bound by the schedule of fees in Appendix A1 (USD scale) or Appendix A2 (Ringgit scale):

      i. As a general rule, the USD scale in Appendix A1 is intended to apply to international arbitration whereas the Ringgit scale in Appendix A2 is intended to apply to domestic arbitration;

      ii. Notwithstanding the above, all the parties and the Arbitral Tribunal are at liberty to agree on the fees and expenses of the arbitral tribunal. In the event that no agreement is reached between all the parties and all the members of the arbitral tribunal, Rules 1(a) and (b) will apply.

2. The fees of the Arbitral Tribunal are inclusive of the Centre's administrative charges. The Centre's administrative charges shall be (7.50%) of the Arbitral Tribunal's Fees. The Centre's administrative charges shall be deducted from (and not added on) the Arbitral Tribunal's fees.

3. The fees of the arbitral tribunal and the Centre's Administrative charges above may, in exceptional or unusual or unforeseen circumstances, be adjusted from time to time at the discretion of the Director of the Centre.

4. For the purpose of calculating the amount in dispute, the value of any counter-claim and/or set-off will be added to the amount of the claim.

5. Where a claim or counter-claim does not state a monetary amount, an appropriate value for the claim or counter-claim shall be settled by the Director of the Centre in consultation with the arbitral tribunal and the parties for the purpose of computing the Arbitral Tribunal's fees.

6. The Arbitral Tribunal shall notify and require the parties, soon after the Director of the Centre has fixed the Arbitral Tribunal's fees pursuant to Article 19 Rule 1 and 2 above and from time to time thereafter, to provide a deposit each or further supplementary towards the applicable fees and administrative charges. The parties shall within fourteen (14) days of receipt of the written request from the Arbitral Tribunal, pay such deposits directly to the Centre, providing that at no time shall the Arbitral Tribunal request for deposits which collectively surpass the fees applicable.

7. The Director may apply the deposits towards the fees and expenses of the Arbitral Tribunal and the Centre's administrative charges in such manner and at such times as the Director thinks fit. Any interest which may accrue on such deposits shall be retained by the Centre.

8. If any party fails or refuses to pay its portion of the deposit or supplementary deposit as requested, the Arbitral Tribunal shall so inform the parties in order that any other party may make the requested payment. If such a payment is then not made by the other party within fourteen (14) days of being informed by the Arbitral Tribunal (and if no payment has been forthcoming from the defaulting party), the Arbitral Tribunal may at his exclusive discretion either:

   a) Proceed with the arbitration and the hearings and exercise a lien over the award until all payments of any outstanding deposit or supplementary deposit has been paid by the defaulting party or by any other party; or

   b) Suspend or terminate the arbitration proceedings or any part thereof until and unless all deposits requested has been paid by the defaulting party or by any other party.

9. Upon any award being published, the Arbitral Tribunal shall submit 5 sealed copies of the award with the Centre and notify the parties that either party may take up the award upon full settlement of the cost of the award.

10. In the event of a mutual settlement of issues or disputes between the parties before the award is made, the parties shall be jointly and severally responsible to pay to the Arbitral Tribunal any outstanding sums towards the applicable fees including if any deposits paid prior to the mutual settlement if any, are found to be insufficient to cover the applicable fees. This rule applies irrespective of whether or not a consent award is required to be made or delivered.

11. If the whole arbitration or any issue is settled at the pre-hearing stage reducing the quantum claimed, then the fee applicable is to be recalculated on the new quantum and 40% of the difference between the new applicable fees and the previous applicable fees becomes payable within fourteen (14) days. If the settlement occurs during the hearing or after the hearing but before the award, 80% of the applicable fee is payable or if an issue is settled reducing the quantum claimed then 80% of the difference between the new applicable fees and the previous applicable fees becomes payable within fourteen (14) days.

12. The parties shall remain jointly and severally liable to the Centre and the Arbitral Tribunal for payment of all fees and expenses until they have been paid in full even if the arbitration is abandoned, suspended or concluded, by agreement or otherwise, before the final award is made.

CORRECTION OF THE AWARD

ARTICLE 20

1. Within fourteen (14) days of receipt of an award, any party upon written notice to the others may request the Arbitral Tribunal to correct any errors of computation, any clerical or typographical errors, slips or omissions in the award and the Arbitral Tribunal may within fourteen (14) days of receipt of the request, make such corrections to the award. Providing that this does not prevent the Arbitral Tribunal of his or her own violation from making such limited corrections to the award within twenty-one (21) days of the delivery of the award to the parties (or any party as the case may be). All corrections to the award shall be in writing and shall form part of the award.

INTERPRETATION OF THE AWARD

ARTICLE 21

1. Within fourteen (14) days of receipt of an award, any party upon written notice to the others may request the Arbitral Tribunal to give an interpretation of the award or any part thereof and the Arbitral Tribunal may provide such an interpretation in writing within fourteen (14) days of receipt of the written notice requesting the same. The written interpretation shall form part of the award.

ADDITIONAL AWARD

ARTICLE 22

1. Where any issue or dispute within the reference is omitted or not covered within the award, any party may within fourteen (14) days of receipt of an award issue a written application to the Arbitral Tribunal copied to the other parties, to deliver an additional award as to the issue or dispute. If the Arbitral Tribunal declines or refuses to make an additional award within fourteen (14) days of such a written application, the Arbitral Tribunal shall be deemed to have decided that an additional award on the issue or dispute is not necessary. If the Arbitral Tribunal is inclined to deliver an additional award, the Arbitral Tribunal shall only do so if it is just and convenient and the omission or failure to cover the issue or dispute in the award can be rectified without further hearing or evidence providing that such an additional award is made within fourteen (14) days of receipt of the written application.

2. If the application for an additional award is made jointly by all the parties, the Arbitral Tribunal shall comply with the request and make an additional award within fourteen (14) days of the receipt of the written application.

3. The additional award shall be made in writing and shall state the reasons on which it is based. The additional award shall form part of the award.

PART II

KUALA LUMPUR REGIONAL CENTRE FOR ARBITRATION (KLRCA)

SCHEDULE OF FEES AND ADMINISTRATION CHARGES

SCHEDULE OF FEES AND ADMINISTRATION CHARGES

ARBITRAL TRIBUNAL'S FEES*

APPENDIX A1 – INTERNATIONAL ARBITRATION

Sum in Dispute (Claim + Counterclaim) = Fixed Sum

Amount In Dispute	Arbitrator's Fees (USD)
Up to 50,000	2,250
From 50,001 to 100,000	2,250 + 5.4% of excess over 50,000
From 100,001 to 500,000	4,950 + 2.475% of excess over 100,000
From 500,001 to 1,000,000	14,850 + 1.8% of excess over 500,000
From 1,000,001 to 2,000,000	23,850 + 0.90% of excess over 1,000,000
From 2,000,001 to 5,000,000	32,850 + 0.45% of excess over 2,000,000
From 5,000,001 to 10,000,000	46,350 + 0.225% of excess over 5,000,000
From 10,000,001 to 50,000,000	57,600 + 0.1125% of excess over 10,000,000
From 50,000,001 to 80,000,000	102,600 + 0.045% of excess over 50,000,000
From 80,000,001 to 100,000,000	116,100 + 0.03375% of excess over 80,000,000

APPENDIX A2 – DOMESTIC ARBITRATION

Sum in Dispute (Claim + Counterclaim) = Fixed Sum

Amount In Dispute	Arbitrator's Fees (RM)
Up to 150,000	7,875
From 150,001 to to 300,000	7,875 + 3.00% of excess over 150,000
From 300,001 to 1,500,000	12,375 + 1.50% of excess over 300,000
From 1,500,001 to 3,000,000	30,375 + 0.75% of excess over 1,500,000
From 3,000,001 to 6,000,000	41,625 + 0.60% of excess over 3,000,000
From 6,000,001 to 15,000,000	59,625 + 0.375% of excess over 6,000,000
From 15,000,001 to 30,000,000	93,375 + 0.225% of excess over 15,000,000
From 30,000,001 to 150,000,000	127,125 + 0.1125% of excess over 30,000,000
From 150,000,001 to 300,000,000	262,125 + 0.06% of excess over 150,000,000
Over 300,000,000	352 125 + 0.0375% of excess over 300,000,000

* *The Arbitral Tribunal's Fees are inclusive of the Centre's administrative charges. The Centre's administrative charges shall be **7.50%** of the Arbitral Tribunal's Fees.*

No.	Item	Charges
1.	Non-Refundable Registration Fee (Article 4 Rule 6 – payable immediately upon delivery of Notice of arbitration)	RM250.00 / USD100.00
2.	Appointment Fee (Payable upon delivery of request for appointment of an Arbitral Tribunal)	RM400.00 / USD150.00

PART III

KUALA LUMPUR REGIONAL CENTRE FOR ARBITRATION (KLRCA)

KLRCA FAST TRACK MODEL ARBITRATION CLAUSE

FORM OF AGREEMENT

KLRCA FAST TRACK MODEL ARBITRATION CLAUSE

"Any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or invalidity thereof shall be settled by arbitration in accordance with the Kuala Lumpur Regional Centre for Arbitration Fast Track Rules."

FORM OF AGREEMENT

Parties wishing to substitute an existing arbitration clause for one referring the dispute to arbitration under the Kuala Lumpur Regional Centre for Arbitration Fast Track Rules may adopt the following form of agreement:

"The parties hereby agree that the dispute arising out of the contract dated [insert date of contract] shall be settled by arbitration under the Kuala Lumpur Regional Centre for Arbitration Fast Track Rules."

This form may also be used where a contract does not contain an arbitration clause and the parties wish to have an adhoc submission to arbitration.

GUIDE TO
FAST TRACK ARBITRATION

1. WHAT ARE THE FAST TRACK RULES?

The Fast Track Rules are designed for parties who wish to obtain an award in the fastest way with minimal costs. The Rules provide that arbitration (with a substantive oral hearing) must be completed within a maximum of 160 days and tried before a sole arbitrator (unless parties prefer a larger panel). The Rules also caps the Tribunal's fees and recoverable costs to a fixed scale. Other attractive features also include tighter obligations for disclosure so as to avoid surprises and controlled usage of expert evidence to ensure that the parties and Tribunal is focused only on specific issues.

2. WHERE CAN I FIND THE FAST TRACK RULES MODEL CLAUSE?

One of the essential requirements for dispute resolution through arbitration is the existence of an arbitration agreement between the parties. An arbitration agreement must be in the form of an arbitration clause in an agreement or in the form of a supplementary agreement.

KLRCA's Fast Track Rules model clause, which is recognisable and enforceable internationally, is as follows:

" Any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or invalidity thereof shall be settled by arbitration in accordance with the Kuala Lumpur Regional Centre for Arbitration Fast Track Rules."

Any party who wants to substitute an existing arbitration clause for one referring the dispute to arbitration under the Fast Track Rules for Arbitration of the Kuala Lumpur Regional Centre for Arbitration may adopt the following form of agreement:

"The parties hereby agree that the dispute arising out of the contract dated _____ shall be settled by arbitration under the Kuala Lumpur Regional Centre for Arbitration Fast Track Rules."

This form may also be used where a contract does not contain an arbitration clause and parties wish to have an adhoc submission to arbitration.

3. IS THERE A DIFFERENCE BETWEEN THE FAST TRACK RULES AND THE KLRCA RULES?

Yes, there are several areas which differ:

Number of Arbitrators

Unless the parties agree otherwise, an arbitration conducted under KLRCA rules is heard by a panel of three (3) arbitrators whereas arbitration under the Fast Track Rules will be conducted by a sole arbitrator (cf. Article 4).

Documents-only Hearing

Under the Fast Track Rules, claims which are less/unlikely to exceed RM 150 000 (in a domestic arbitration) and USD 75 000 (in an international arbitration) shall immediately proceed as a documents-only arbitration unless a substantive oral hearing is deemed necessary by the arbitrator upon consultation with the parties. Documents-only hearings can be decided by a panel of two arbitrators (cf. Article 4 Rule 3(f) and Rule 3(e)) and as a general rule do not require the physical attendance of parties.

Time Frames

The time frames for submission of statements, hearings and the making of awards differ. Arbitration under the Fast Track Rules must be completed within a maximum of 160 days whereas arbitrations under the KLRCA Rules are estimated to take between a year (365 days) to a year and a half (547 days) to be completed.

Costs

Arbitration under the Fast Track Rules is more cost effective. Furthermore, the rules have been drafted so as to make the assessment of costs more predictable. The Fast Track Rules comprises a schedule of Arbitrator's Fees which arbitrators must have regard for albeit are not bound by while fixing fees. Also, the costs of arbitrations under the Fast Track Rules are capped. For documents-only hearings, costs must not exceed 30% of the total amount of the claim and for an arbitration with substantive oral hearing, costs must not exceed 50% of the total amount claimed. For more information on costs and fees (cf. Articles 14 and 19).

Evidence

In view of expediency, the Fast Track Rules restricts the use of expert evidence or supplementary expert evidence. In order for such evidence to be adduced as evidence, the party wishing to do so must first request for permission or leave from the Arbitral Tribunal within 14 days after the Statement of Reply or service/exchange of expert reports have been delivered.

4. WHAT TYPE OF DISPUTES CAN BE RESOLVED BY ARBITRATION UNDER THE FAST TRACK RULES?

The majority of disputes arise out of construction, commodities, insurance, maritime, energy and commercial disputes.

5. WHAT ARE THE ADVANTAGES IN USING THE FAST TRACK RULES?

If the arbitration clause does not mention the Fast Track Rules, the hearings are conducted according to existing arbitration laws and procedure. Incorporating the Fast Track Rules into your arbitration clause has great benefits. The Rules allow you to consolidate disputes, to avoid compelling arbitration in court, and of course getting a quick award with minimal costs. You would also have the opportunity to be awarded legal fees and your share of the Panel's expenses.

6. HOW MUCH WILL IT COST TO ARBITRATE UNDER THE FAST TRACK RULES?

The Arbitration Fee is divided into two categories – the Administrative Charges and the Tribunal's Fee. The Administrative Charges is 7.50% of the Tribunal's fees and covers KLRCA's cost of administering the arbitration.

The Tribunal's Fee are divided into different scales for International and Domestic Arbitrations. The Schedule of Fees and Administration Charges can be found in Part II on the Fast Track Rules. It is reproduced as follows:

INTERNATIONAL ARBITRATION

Sum in Dispute (Claim + Counterclaim) = Fixed Sum

Amount In Dispute	Arbitrator's Fees (USD)
Up to 50,000	2,250
From 50,001 to 100,000	2,250 + 5.4% of excess over 50,000
From 100,001 to 500,000	4,950 + 2.475% of excess over 100,000
From 500,001 to 1,000,000	14,850 + 1.8% of excess over 500,000
From 1,000,001 to 2,000,000	23,850 + 0.90% of excess over 1,000,000
From 2,000,001 to 5,000,000	32,850 + 0.45% of excess over 2,000,000
From 5,000,001 to 10,000,000	46,350 + 0.225% of excess over 5,000,000
From 10,000,001 to 50,000,000	57,600 + 0.1125% of excess over 10,000,000
From 50,000,001 to 80,000,000	102,600 + 0.045% of excess over 50,000,000
From 80,000,001 to 100,000,000	116,100 + 0.03375% of excess over 80,000,000

DOMESTIC ARBITRATION

Sum in Dispute (Claim + Counterclaim) = Fixed Sum

Amount In Dispute	Arbitrator's Fees (RM)
Up to 150,000	7,875
From 150,001 to to 300,000	7,875 + 3.00% of excess over 150,000
From 300,001 to 1,500,000	12,375 + 1.50% of excess over 300,000
From 1,500,001 to 3,000,000	30,375 + 0.75% of excess over 1,500,000
From 3,000,001 to 6,000,000	41,625 + 0.60% of excess over 3,000,000
From 6,000,001 to 15,000,000	59,625 + 0.375% of excess over 6,000,000
From 15,000,001 to 30,000,000	93,375 + 0.225% of excess over 15,000,000
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* *The Arbitral Tribunal's Fees are inclusive of the Centre's administrative charges. The Centre's administrative charges shall be **7.50%** of the Arbitral Tribunal's Fees.*

No.	Item	Charges
1.	Non-Refundable Registration Fee (Article 4 Rule 6 – payable immediately upon delivery of Notice of arbitration)	RM250.00 / USD100.00
2.	Appointment Fee (Payable upon delivery of request for appointment of an Arbitral Tribunal)	RM400.00 / USD150.00

7. ARE PARTIES RESTRICTED TO APPOINTING ARBITRATORS FROM KLRCA'S PANELS OF ARBITRATORS WHEN ARBITRATING UNDER THE FAST TRACK RULES?

No, there are no restrictions imposed and parties are free to appoint arbitrators of their choice. However, in the event that parties cannot come to an agreement or decide (cf. Article 4), the Director of KLRCA will then refer to KLRCA's panel of arbitrators to make a suitable appointment. KLRCA has a panel of over 700 domestic and international arbitrators. As a pre-requisite, KLRCA requires for its panellist to obtain fellowship of the CIARB. KLRCA's panellists are also veterans in various specialised industries.

8. HOW DO I COMMENCE ARBITRATION PROCEEDINGS UNDER THE FAST TRACK RULES?

Provided there is a prior agreement for reference to arbitration under the Fast Track Rules, parties may refer unresolved disputes to KLRCA for arbitration.

The Claimant shall be required to issue a notice in writing to the Respondent stating its intention to commence an arbitration under these Rules and a copy must be delivered to the Director of KLRCA. It is as simple as that.

9. WHAT IF IT IS DETERMINED MIDWAY THROUGH THE ARBITRATION PROCEEDINGS THAT THE QUANTUM OF CLAIM IS MORE OR LESS THAN THE ORIGINAL ESTIMATION ?

If the quantum of the claim or counterclaim is more than the initial estimation, the Director will direct the Claimant or the Respondent, as the case may be, to pay the additional fees before the case may proceed. However, if the quantum of the claim or counterclaim is less than the initial estimation, the additional Tribunal Fees paid will be refunded to the parties upon issuance of the award, subject to the discretion of the Director.

10. DOES KLRCA HAVE THE EXPERIENCE AND EXPERTISE TO ADMINISTER ARBITRATIONS IN SPECIALISED SECTORS?

Yes, KLRCA has vast experience in administering arbitrations in specialized industries. However, unlike other Centres, KLRCA does not think it is necessary to launch a specialized division to cater to different specialized industries. This is because the Rules were already drafted in consultation with various specialized industries for example, the maritime sector. Its rules of arbitration were tailored to govern not only ordinary commercial disputes but also specialized sectors, taking the nature of the industry into account.

In addition, KLRCA's panel consists of distinguished industry experts, ranging from the construction, energy, maritime and commercial sectors.

KUALA LUMPUR REGIONAL CENTRE
FOR ARBITRATION
(ESTABLISHED UNDER THE AUSPICES OF THE ASIAN-AFRICAN
LEGAL CONSULTATIVE ORGANISATION)

12, Jalan Conlay, 50450 Kuala Lumpur, Malaysia

T +603 2142 0103

F +603 2142 4513

E enquiry@klrca.org.my

www.klrca.org.my