

PREAMBLE

WHEREAS the establishment of the Arbitration & Conciliation Centre – Bengaluru (Domestic & International) is an initiative of the High Court of Karnataka. ¹

AND WHEREAS these Rules are framed and duly approved by the High Court of Karnataka.

PRELIMINARY

1. Title – These Rules shall be called the Arbitration & Conciliation Centre Rules, 2012.²

1.1. These Rules shall come into force on this the 12th day of December, 2012.

2. Definitions – (1) In these rules, unless the context otherwise requires, -

(a) “Act” means the Arbitration and Conciliation Act, 1996 and the amendments thereto or any re-enactment thereof;

(b) “Arbitral Award” includes an interim, a partial or a preliminary award;

1. *Amended w.e.f. 05.07.2016*

2. *Amended w.e.f. 05.07.2016*

(c) "Arbitrator" means a person appointed as an Arbitrator in terms of the Act or under these Rules;

(d) "Arbitral Tribunal" means a Tribunal consisting of one or more odd number of Arbitrators not exceeding five, chosen from the panel of Arbitrators of the Centre.¹

(e) "Board of Governors" means the Governors nominated by the Chief Justice of the High Court of Karnataka under these Rules;

(f) "Centre" means The Arbitration & Conciliation Centre -Bengaluru (Domestic & International) at Bengaluru and such other places where centres may be established.²

(g) "Confirming Party" means a party to an arbitration agreement who has signed the Terms of Reference.

(h) "Conciliator" means a person appointed as a Conciliator in terms of the Act or under these Rules or chosen from the panel of Conciliators of the Centre.³

(i) "Director" and "Deputy Director" means the persons appointed to the Centre under these Rules.⁴

(j) "Directorate" means the body consisting of The Director, The Deputy Directors, The Staff and Research Assistants of the Centre.

(k) "Dispute" includes differences;

(l) "Expert" means a person who is

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2. Amended w.e.f. 05.07.2016

3. Inserted w.e.f. 05.07.2016
4. Amended w.e.f. 05.07.2016

specialized in a particular subject or field, appointed under these Rules to assist the Arbitral Tribunal.

(m) "Joint Memorandum" means a memorandum jointly signed by the parties in the format as provided at Schedule-I or Schedule 1(A), as the case may be.¹

(n) "Panel of Arbitrators" means the Panel of Arbitrators constituted in accordance with these Rules.

(o) "Panel of Conciliators" means a Panel of more than one Conciliator appointed and Conciliators constituted in accordance with these Rules.²

(p) "Party" means a party to a conciliation agreement or who has signed the Joint Memorandum as provided in Schedule – IA.³

(q) "President" means a sitting Judge of the High Court of Karnataka nominated by the Chief Justice of the High Court of Karnataka under these Rules;

(r) "Pro-Bono" Arbitrators' or Conciliators' Services means services rendered by an Arbitrator or Conciliator in an Arbitration or Conciliation proceedings, where the claim does not involve any sum exceeding Rs.5,00,000/- and where one or both the parties are indigent and unable to pay the fees of the Arbitrator or Conciliator, in consonance with the object of providing free legal services as contemplated under the Legal Services Authorities Act, 1987.⁴

1. 'or Schedule 1(A) as case may be' inserted w.e.f. 05.07.2016

2. Inserted w.e.f. 05.07.2016

3. Inserted w.e.f. 05.07.2016

4. Inserted w.e.f. 05.07.2016

(s) “Research Assistant” means a person holding a Degree in Law from a recognized University and enrolled as an advocate under the Advocates Act, 1961 and who has been in practice for not less than three years and chosen to assist the Directorate and the Arbitrators.

(t) “Request” means a written communication to the Centre to initiate arbitration or conciliation proceedings in accordance with these Rules.¹

(u) “Rules” means the Arbitration & Conciliation Centre Rules, 2012.²

(2) The words and phrases not defined in these Rules shall bear the same meaning as defined under the Act.

2A. The Chief Justice of the High Court of Karnataka, Bengaluru shall be the Patron-in-Chief of the Arbitration & Conciliation Centre – Bengaluru (Domestic & International).

PART - I

BOARD OF GOVERNORS

3. Board of Governors:- (1) There shall be a Board of Governors consisting of Members as under:

(a) Five Judges of the Karnataka High Court³ [to be nominated by the Chief Justice of the High Court of Karnataka, of whom, one shall be the President.³

1. Amended w.e.f. 05.07.2016

2. Amended w.e.f. 05.07.2016

3. Amended w.e.f. 05.07.2016

(b) The Director shall be the Member Secretary of the Board of Governors, without any voting rights, and shall convene the meetings of the Board of Governors as may be desired by the President, or the senior most Governor in the absence of the President.

(c) The meetings of the Board of Governors shall be presided over by the President.

(d) The Board of Governors shall meet as and when required but at least once in two months.

4. Powers of the Board of Governors –

(1) To take all such decisions as may be warranted for the smooth and effective functioning of the Centre;

(2) To formulate Rules for the internal management of the Centre, to frame guidelines and generally to monitor and oversee the administration of the Centre.

(3) To recommend any amendment to the Arbitration & Conciliation Centre Rules, 2012.¹

(4) To constitute the Panel of Arbitrators and Conciliators.²

(5) To fix or revise the fees payable to Arbitrators and Conciliators and the administrative and miscellaneous expenses payable in respect of any proceedings.³

1. Amended w.e.f. 05.07.2016

2. Amended w.e.f. 05.07.2016

3. Amended w.e.f. 05.07.2016

(6) To remove an Arbitrator or a Conciliator from the Panel if:¹

(a) any complaint of breach of duty or misconduct is received against him and the Board of Governors is of the opinion that it would be expedient and in the interest of the Centre not to continue such person on its Panel; or

(b) he is declared to be of unsound mind or becomes incapacitated; or

(c) he has incurred any disqualification under the Act; or

(d) he is appointed or nominated to any post or office of profit;² or

(e) for any other reason or reasons as may be assigned by the Board of Governors;³

(7) To appoint as many Research Assistants as may be necessary in order to assist the Directorate and the Arbitrators and to fix their tenure and for valid reasons to terminate their services before the expiry of the tenure and to decide the honorarium to be paid.

(8) To consider the request of any other Arbitration or Conciliation Centre or Institution established under the aegis of the Supreme Court of India or the High Court of any other State, to hold the sittings of arbitration or Conciliation proceedings

1. Amended w.e.f. 05.07.2016

2. Inserted w.e.f. 05.07.2016

3. Amended w.e.f. 05.07.2016

pending before such institutions at the Centre, on such terms and conditions and on a reciprocal basis, without, however, dislocating any prior commitment of the Centre.¹

(9) To appoint persons from the panel of Arbitrators to deal with matters enumerated under sub-Section (4) or sub-Section (5) or sub-Section (6) of Sec.11 of the Act.²

PART – II

THE DIRECTORATE

5. There shall be a Directorate to supervise and manage the day to day affairs of the Centre and shall consist of:³

(a) A serving or retired District Judge of the Karnataka Judicial Service, to be appointed as Director by the Chief Justice of the High Court of Karnataka, Bangalore, who will be in-charge of the Centre and act under the supervision of the Board of Governors⁴

(b) Not more than two serving Judicial Officers of Karnataka Judicial Service in the cadre of Senior Civil Judge or Civil Judge to be appointed by the Chief Justice of the Karnataka High Court as Deputy Directors. They shall work under the supervision of the Director.

(c) Such staff as may be appointed or deputed by the Chief Justice of the High Court of Karnataka.

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2. Inserted w.e.f. 05.07.2016

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(d) Such number of Research Assistants as may be appointed by the Board of Governors to assist the Directorate and the Arbitrators.

6. Duties and responsibilities of the Director:-

(1) The Director shall be responsible for the day to day functioning of the Centre and shall be the custodian of the Centre without prejudice to the generality of the provision in (1), the Director shall undertake the following:

(a) Initiate action in respect of any request for Arbitration or Conciliation of disputes in accordance with the Rules of the Centre.¹

(b) Notify the parties to comply with the requirements of filing of the Request and Reply and the submission and payment of Arbitrators' or Conciliators' fees and miscellaneous expenses, within the prescribed time frame.²

(c) Maintain and update from time to time a profile of each Arbitrator or Conciliator on the Panel of the Centre, and make it available in the public domain.³

(d) Maintain a fact sheet of each arbitration case on the basis of the order sheet maintained by the Arbitral Tribunal.

(e) To call upon the parties to deposit the assessed Arbitrators' or Conciliators' fee and all other costs and expenses of the Centre.⁴

1. Amended w.e.f. 05.07.2016

2. Amended w.e.f. 05.07.2016

3. Amended w.e.f. 05.07.2016

4. Amended w.e.f. 05.07.2016

(f) To assess the cost to be awarded by the Arbitral Tribunal.

(g) To take steps as may be necessary for timely completion of Arbitration or Conciliation proceedings.¹

(h) Carry out any directions given by the Board of Governors from time to time.

(i) To organize workshops, conferences, symposia, seminars, etc., in the field of Alternative Dispute Resolution Mechanism and to promote the use of the Centre for resolution of the disputes on the directions of the Board of Governors.

(j) Such other functions as may be assigned by the Board of Governors.²

(2) The Director is hereby authorised to sue or be sued on behalf of the Centre.

(3) All correspondence and communications to the Centre shall be addressed to the Director and all correspondence and communications on behalf of the Centre shall be made by the Director.

7. Duties of Research Assistants:

(1) Research Assistants shall carry out the duties as may be fixed by the Board of Governors of the Arbitration & Conciliation Centre.³

1. Amended w.e.f. 05.07.2016

2. Inserted w.e.f. 05.07.2016

3. Amended w.e.f. 05.07.2016

(2) The Research Assistants shall work under the supervision of the Director and the Deputy Directors.

PART - III

PANEL OF ARBITRATORS AND CONCILIATORS¹

8. Panel of Arbitrators & Conciliators² –

(1) The Board of Governors to constitute a Panel of Arbitrators and a panel of Conciliators from amongst persons who are eligible and willing to act as Arbitrators or Conciliators. All such persons are required to furnish a full curriculum vitae in the prescribed form.³

(2) The Directorate shall maintain a Panel of Arbitrators and a Panel of Conciliators together with information as to their qualifications, experience and current availability.⁴

(3) The Board of Governors may, at any time, add any new names to the Panel or remove the name of any person from the Panel, either at the request of any such person or for any reasons contemplated in Sub-rule (6) of Rule 4 of these Rules.⁵

PART - IV

ARBITRATION PROCEDURE

9. Reference to Arbitration -

(1) Where parties to a contract have agreed that

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5. Amended w.e.f. 05.07.2016

any dispute or difference which may arise or has arisen, out of or in relation to a contract, shall be referred to Arbitration in accordance with these Rules, the same shall be referred accordingly.

(2) These Rules shall also apply where the parties sign a joint memorandum agreeing that their dispute shall be referred to Arbitration in accordance with these Rules or when the same is so referred through any proceedings in any Court, including:

(a) Under Section 89 of the Code of Civil Procedure, 1908;

or

(b) these Rules shall also apply where Supreme Court or as the case may be, the High Court or any person or institution designated by such court appoints an Arbitral Tribunal and directs that the arbitration shall be conducted under the aegis of the Centre or in accordance with its rules,¹

or

(c) Where parties to any International contract, have agreed to submit their disputes or differences to Arbitration in accordance with these rules.

or

(d) Where any statutory authority refers a dispute to Arbitration to be conducted under the aegis of the Centre in accordance with these Rules.²

1. Amended w.e.f. 05.07.2016

2. Amended w.e.f. 05.07.2016

10. Request for Arbitration:

(1) Any person desirous of initiating arbitration under these rules, shall submit his request to the Directorate with a copy marked to the opponent.

(2) the request shall contain the following information-

(a) name in full, description, contact details and address of each of the parties, complete details including e-mail addresses, if any;

(b) a brief description of the nature and circumstances of the dispute giving rise to the claim;

(c) statement of the relief sought, including an indication of any amount claimed along with supporting documents, if any;

(d) relevant agreements and, in particular, an extract of the written arbitration clause or the deed of arbitration agreement, if separately contained.

(e) provisional Terms of Reference and the issues to be adjudicated;

(f) all relevant particulars concerning the Arbitrators, their number, qualifications, if any, prescribed in the arbitration agreement on which parties have already agreed in writing;

(g) statements as to the applicable Rules or laws, or trade usages applicable to the transaction if any, and the language in which the arbitration is to be conducted, and¹

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(h) the order of the Court, if any, passed in proceedings referred to in these Rules, along with a signed joint memorandum.

(3) The party making such Request, may file his Statement of Claim, along with the Request but in any event, shall do so within Thirty days thereof or within such time, as may be specified by the Director.¹

3(a) Where the Supreme Court or as the case may be, the High Court or any person or institution designated by such court appoints an Arbitrator under Section 11 of the Act and directs the Arbitration to be conducted under the aegis of the Centre, the claimant shall file his statement of claim within Thirty days from the date of receipt of official communication from the Centre under Rule 17 or within such time as may be specified by the Director.²

(4) On receipt of the request of the party, the Directorate shall scrutinize the same and if found in order, shall be treated as the statement of claim.

(5) The claimant shall submit sufficient number of copies of the Request and the Statement of Claim being one copy for the Centre, one copy for each Arbitrator (if the number of Arbitrators is mentioned in the arbitration agreement) and one copy for each Respondent.

(6) The Claimant shall also make a tentative advance payment of his share of the administrative and

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miscellaneous expenses and also the Arbitrator's fee, as the Director may indicate.

(7) In the event the Claimant fails to comply with any of the aforesaid requirements, the Director may fix a time limit within which the Claimant shall comply, failing which, the file shall be deemed to be closed. However, it is open for the Claimant to submit the claim afresh in accordance with law.

(8) The Director shall send a copy of the Request, Statement of Claim and the documents annexed thereto, at the earliest to the respondent for his Reply to the Request.

(9) Any person who is not a party to the Arbitration Agreement shall not be entitled to participate in the proceedings before this Centre, unless he has obtained leave of the court to do so. In that event such a party shall be subject to these Rules.¹

11. Filing of Response:

(1) On receipt of the statement of claim from the Centre, the respondent shall submit his written response to the Centre within 30 (thirty) days along with the following:

(a) his name in full, description, contact details and address;

(b) Confirmation or denial of all or part of the Claim made by the Claimant in the Statement of claim;

(c) comments in response to the nature and circumstances of the dispute giving rise to the Claim contained in the Request;

(d) response to the relief sought in the Request;

(e) statement describing the nature and circumstances giving rise to any Counter-claim, or a set-off, if any, which shall be adjudicated upon by the arbitral tribunal, if such counter claim or set-off falls within the scope of the arbitration agreement;¹

(f) provisional "Terms of Reference" and the issues to be adjudicated;

(g) comments, if any, concerning the number of Arbitrators and their choice in the light of the Claimant's proposals; and

(h) Statements, if any, as to the applicable Rules or law or trade usages applicable to the transaction and the language to be used in conducting the arbitration proceedings;²

(2) The Director may, on sufficient grounds in writing explaining the delay, grant an extension of time for filing the Reply and Counter-claim, if any, to the Respondent, upon payment of such costs as may be deemed appropriate and within such time as may be specified;

Provided, that the request for extension of time shall be entertained only once and such extension shall not exceed thirty days. If the Respondent fails to file his reply and Counter-claim, if any, the Director shall proceed further in accordance with the Rules.

1. *Inserted w.e.f. 05.07.2016*

2. *Amended w.e.f. 05.07.2016*

(3) Failure of the Respondent to file his Reply and Counter-claim, if any, within the time stipulated or the extended time shall constitute a waiver of the Respondent's opportunity to file the Reply.

(4) copies of the Reply and Counter-claim, if any, shall be supplied to the Directorate in sufficient number, namely, one copy for the Centre, one copy to each Arbitrator (if the number of Arbitrators is mentioned in the arbitration agreement) and one copy to each of the other party or parties;

(5) In the event of Respondent making a Counter-claim, he shall make an advance payment of his share of Arbitrator's fee and administrative and miscellaneous expenses, as the Director may determine.

(6) A copy of the Reply and Counter-claim, if any, and the documents annexed thereto shall be communicated by the Director to the claimant.

(7) The Claimant shall file a Reply to the Counter-claim or set-off, if any, within 30 (thirty) days from the date of receipt of the Counter-claim or the claim for set-off.¹

(8) The Director may, for reasons assigned, grant extension of time to the claimant to file a Reply and on payment of such costs as may be deemed appropriate; Provided, that the request for extension of time shall be entertained only once and such extension shall not be beyond 30 (thirty) days.

1. Amended w.e.f. 05.07.2016

(9) Failure of the Claimant to file any Reply to the Counter-claim within the time stipulated or the extended time shall constitute a waiver of the claimant's opportunity to file the same.

12. Discovery and Inspection of Documents:

The parties are entitled to seek discovery and inspection of documents by making an application at the earliest to the Director and on such application being filed, the Director may call upon the other party to produce such document for inspection which shall be done within 15 (fifteen) days from the date of the receipt of such direction unless the party has a good reason for non-production of the document. The time prescribed for filing of pleadings as provided herein above shall stand extended by the time taken for discovery and inspection.

13. Authority to represent and assist the party –

(1) Each party shall advise, in writing, the other party and the Director of –

(a) the name and address of the person who will represent or assist him or her, and

(b) the capacity in which such person will act.

(2) Once the Arbitral Tribunal has been established, the parties or their representatives shall communicate in writing directly with the Arbitral Tribunal, with a copy of the communication addressed to the Directorate, for information, wherever necessary.

14. Notices and Communications – All notices or communications from the Director and the Arbitral Tribunal shall be in writing and deemed to have been duly delivered when sent to the last known address of the party or the duly notified representative of the parties. Such notice or communication may be made by any one of the following modes, namely, delivery against receipt, registered post, courier, facsimile transmission, telex, telegram or any other means of electronic communication that provides a record of such communication.

COMPOSITION OF ARBITRAL TRIBUNAL

15. Appointment of Arbitrators – (1) The parties to a dispute are free to determine the number of Arbitrators, provided that such number shall not be an even number.

(2) Failing the determination referred to in sub-rule (1) above, the reference shall be to a sole Arbitrator.

(3) Where the agreement provides for the appointment of a sole Arbitrator, the parties shall appoint such Arbitrator from amongst the members on the Panel of Arbitrators, within thirty days of intimation of filing of the Request. Where the parties fail to agree upon the sole Arbitrator from the panel within the said period, the President, in consultation with the Board of Governors, shall appoint a sole Arbitrator.

(4) Where the agreement provides for appointment of three Arbitrators, the Claimant and Respondent shall appoint one Arbitrator each, within

thirty days and in the event of their failure to do so, the President, in consultation with the Board of Governors, shall appoint a sole Arbitrator from the Panel and such appointment shall be deemed to be a reference to a sole Arbitrator.

(5) Where the agreement provides for the appointment of three Arbitrators, the Claimant and Respondent shall appoint an Arbitrator each, within thirty days and in the event of either of the parties failing to nominate an Arbitrator, the President, in consultation with the Board of Governors, shall appoint an Arbitrator from the Panel.

(6) Where the agreement provides for appointment of three Arbitrators, and in the event of there being no unanimity amongst the two named Arbitrators, in respect of appointment of the third Arbitrator, the President, in consultation with the Board of Governors, shall appoint such third Arbitrator from the Panel.

(7) The parties shall have the choice of Arbitrators, from the Panel. The appointment, however, is subject to the consent and availability of such Arbitrator. In no case shall an Arbitrator on the Panel be available if he is already acting as an Arbitrator, in six matters pending adjudication and which are referred under these Rules.

(8) The Sub –Rules (3) to (6) shall *mutatis mutandis* applicable for the appointment of Arbitrators in a dispute referred by any authority.¹

1. Inserted w.e.f. 05.07.2016

16. Multi-party arbitration – Where disputes involve more than two parties and involve a series of inter-connected contracts, the parties may agree for arbitration by an Arbitral Tribunal consisting of three or more odd number of Arbitrators, the parties may, by mutual agreement, decide as to the appointment of Arbitrators, failing which, the President in consultation with the Board of Governors shall appoint the desired number of Arbitrators.

17. Consent of Arbitrators – (1) Soon after the selection of Arbitrators, the Director shall send an official communication to that effect to the parties and to the Arbitrators. The Arbitrators so chosen shall give their consent in writing to the Centre and the Centre in turn shall communicate it to the parties.¹

(2) In the event of any party having an objection to the nomination of the Arbitrator or Arbitrators made by the President, any such objection shall be lodged, in writing, with the Directorate within seven days from the date of receipt of such intimation of nomination and the Board of Governors, shall consider the same and may pass appropriate orders.

(3) In the event of any circumstance not being provided for herein above, the President, in consultation with the Board of Governors, shall have the power to determine number of Arbitrators and the Arbitrators to be appointed from the panel of Arbitrators in order to expedite the arbitration

1. Amended w.e.f. 05.07.2016

proceedings. The parties, however, shall be heard before any such orders are passed by the President.

18. Terms of Reference and Arbitration Schedule –

(1) On appointment of Arbitral Tribunal, the Directorate shall compile the documents and pleadings (i.e., Claims statement, reply and rejoinder, counter claim, reply to counter claim and rejoinder) and provisional Terms of Reference, if any, furnished by the parties, and submit it to the Arbitral Tribunal (one copy to each arbitrator, where there are more than one arbitrator) and within fifteen days from the date of the receipt of the same, the Arbitral Tribunal shall conduct a preliminary meeting with the parties and pass an procedural order fixing the timeline of Arbitration having due regard to Sec 29A of the 'Act'. The timetable shall specify:-¹

(a) the period within which the parties would file statement of Admissions and denials on allegations of fact as are made in the pleadings or in any documents.

(b) the period within which the parties would agree to dispense with formal proof of documents, except in case of questioned documents.²

(c) the period within which (after recording the admissions and denials if any) the terms of reference or points for consideration have to be determined.³

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2. Inserted w.e.f. 05.07.2016

(d) the period within which the parties would file statement of witnesses by way of affidavit which shall be treated as their depositions made in examination-in-chief.

(e) the dates when the Arbitral Tribunal shall record oral evidence to be adduced by the parties by way of cross-examination of the witnesses who have tendered their affidavit evidence (treated as their deposition in examination-in-chief deposition) and such other oral depositions as the Arbitral Tribunal may permit.

(f) the dates when the parties would address their arguments before the Arbitral Tribunal.

(2) The time-table so fixed shall remain firm and binding on all concerned.

(3) The Arbitral Tribunal shall communicate the time-table through the Director and also the time period for publication of the Award.

(4) In the absence of any specific provision in these Rules, the parties are free to agree on the procedure to be followed by the Arbitral Tribunal in conducting its proceedings.

(5) Failing any agreement between the parties about the procedure to be followed, the Arbitral Tribunal may conduct the proceedings in the manner it considers appropriate.

(6) The power of the Arbitral Tribunal includes the power to determine the admissibility and relevancy of any evidence.

(7) The Arbitral Tribunal may, where necessary, secure agreement of parties to dispense with formal proof of documents, except in case of questioned documents.

19. Consolidation of proceedings – On the date fixed for framing of the Terms of Reference, the Arbitral Tribunal may, with the consent of the parties, direct consolidation of two or more arbitral proceedings before it, if the disputes or differences therein are identical and between the same parties or between parties having commonality of interest or where such disputes arise out of separate contracts but relate to the same transaction.

20. Additional Claims or Counter-claims - After the Terms of Reference have been approved by the Arbitral Tribunal, no party shall make any Additional claim or Counter-claim which falls outside the limits of the Terms of Reference unless it has obtained authority to do so from the Arbitral Tribunal and it shall consider the nature of such new Claim or Counter-claims, having due regard to the stage of the arbitration and other relevant circumstances and issue necessary orders.

21. Hearing Procedure - (1) Unless agreed between the parties in writing, the Arbitral Tribunal shall hold oral hearings.

Provided, that if the parties to an arbitration agreement agree in writing to have their dispute resolved by fast track procedure as specified in Sec 29B of the 'Act', the Arbitral Tribunal shall conduct

arbitration proceedings as contemplated in sub-sec 3 of Sec 29B of the 'Act'.¹

Provided, further that the Arbitral Tribunal shall, as far as possible, conduct arbitral proceedings for the presentation of evidence or for oral argument on day-to-day basis, and not grant any adjournments unless sufficient cause is made out, and may impose costs, including exemplary costs, on the party seeking adjournment without any sufficient cause.²

(2) Unless the Arbitral Tribunal decides to undertake site inspection or holds hearings in such other place for any reason as it may deem necessary, all hearings shall take place in the Centre at Bengaluru or any other Centre established as per these Rules.³

(3) All meetings and hearings shall be in camera unless the parties desire otherwise or the Arbitral Tribunal directs otherwise.

(4) After the conclusion of evidence and hearing, the Arbitral Tribunal shall Publish the award on a date which shall be intimated through the Directorate.⁴

22. Settlement of dispute – (1) The Arbitral Tribunal may encourage settlement of the dispute with the agreement of the parties.

(2) The parties are free to opt for either mediation or conciliation at any time during the pendency of the proceedings before the Arbitral Tribunal. In such an

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3. *Amended w.e.f. 05.07.2016*
4. *Amended w.e.f. 05.07.2016*

event, the matter may be referred to mediation or conciliation at the discretion of the Arbitrators.

(3) If, during the arbitration proceedings, the parties settle the dispute, the Arbitral Tribunal shall terminate the proceedings, but if requested by the parties and at their discretion, record the settlement in the form of an Arbitral Award on agreed terms.

PART - V

TIME SCHEDULE FOR THE ARBITRATION

23. Duration of arbitral proceedings – (1) The award shall be made within a period of twelve months from the date on which the arbitrator or all the arbitrators, as the case may be, have received notice, in writing, of their appointment by fixing time line procedure as prescribed in Rule 18.¹

(2) The procedure as to incentives to the Arbitral Tribunal and extension of time shall be in accordance with sub-sec's (3) to (9) of Sec 29A of the 'Act'.²

Provided, that the parties to an Arbitration Agreement may choose to adopt fast track procedure contemplated under Sec. 29B of the Act.³

PART - VI

RULES OF PROCEDURE

24. Default of parties – (1) If any party to an arbitration agreement fails to participate at any stage

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2. *Inserted w.e.f. 05.07.2016*

3. *Inserted w.e.f. 05.07.2016*

before the signing of terms of reference, then such party shall be set ex-parte and a notice to this effect shall be sent to the defaulting party along with a copy to the other party or parties.

(2) If any confirming party refuses or fails to take part in the arbitration proceedings, such party shall be placed ex-parte by the Arbitral Tribunal and a notice to this effect shall be issued to such party. However, this shall not preclude such party from participating in any subsequent proceedings of the Arbitration with the leave of the Tribunal, on such terms as it may impose.

25. Default of Arbitrators – When, after the constitution of the Arbitral Tribunal, an Arbitrator fails to participate in two hearings, without sufficient cause, his mandate to act as an Arbitrator shall stand terminated and the Board of Governors shall appoint another Arbitrator in consultation with the parties and the newly appointed Arbitrator shall continue the proceedings from the stage at which it stood prior to substitution of the Arbitrator.

26. Appointment of Experts - (1) The Arbitral Tribunal may, unless otherwise agreed by the parties in writing:

(a) appoint one or more experts to report to it on specific issues to be determined by the Arbitral Tribunal, and

(b) require a party to give the expert any relevant information or to produce, or to provide access

to, any relevant documents, goods or other property for inspection.

(2) If party so requests or if the Arbitral Tribunal deems it necessary, the expert shall, after delivery of his written or oral report, participate in an oral hearing where the parties have the opportunity to examine the witness as regards his or her report.

(3) The expert shall, on the request of a party, make available to that party, for examination all documents, goods or other property in the possession of the expert with which he was provided in order to prepare his report.

(4) The fees and costs of any expert appointed by a party shall be borne by the party appointing him. If the expert is appointed by the Arbitral Tribunal, the fees and costs of such appointment, unless otherwise directed by the Arbitral Tribunal, shall be shared equally by all the parties.

27. Application for adjournment – (1) Any party including the Union or the State Government or its instrumentalities seeking adjournment or change in the time-table fixed for the arbitration proceedings shall file a written request, supported by reasons and documents, if any, and the Arbitral Tribunal may grant the same after recording its reasons in writing and subject to payment of costs at the rate of a minimum of Rs. 3,000/- (Rupees Three Thousand only) per day, which shall be payable by such party to the Arbitration Centre.

(2) The Arbitral Tribunal shall however keep in view the time schedule fixed for completion of the Arbitration Proceedings while considering the prayer for adjournment.

(3) For removal of doubts, it is clarified that the Arbitral Tribunal may, in addition to the above costs payable to the Centre, may also determine costs payable, by the party seeking adjournment, to the opposite party or parties.

28. Deposits – (1) The Director may require the parties, before referring the case to the Arbitral Tribunal, to deposit in advance in one or more installments, such sums of money as he deems necessary to defray miscellaneous expenses and the Arbitrator's fee.

(2) The deposits shall be called for in equal share from the Claimants and the Respondents. The Director may, during the course of the arbitration proceedings, require further sums to be deposited by the Parties or anyone of them to meet the costs of the arbitration.

(3) When one of the parties neglects or refuses to make the deposit, the Director may require such deposit, whether in relation to a Claim or a Counter-claim, to be made by the other Party to the dispute (Claimant or Respondent as the case may be) and costs so deposited shall follow the cause. In default, the consequences as provided in second proviso to Sec 38 (2) of the 'Act' shall follow.¹

1. Amended w.e.f. 05.07.2016

3(a) When the respondent fails to deposit such sums of money towards arbitrators' fee, administrative expenses, miscellaneous expenses, etc., either by remaining ex-parte or fails to participate at any stage of the proceedings, it is deemed that the respondent has waived his right to contest the proceedings further.¹

(4) The Arbitral Tribunal shall proceed only in respect of those Claims or Counter-claims for which the deposits have been duly paid to the Centre and otherwise may order the suspension or termination of the arbitral proceedings.

(5) All deposits towards administrative expenses, miscellaneous expenses and Arbitrator's fee shall be made through the Centre and no payment shall be made directly to the Arbitrators, by the parties. The deposit made by the parties shall be taken into account by the Arbitral Tribunal in apportioning the costs while making the Arbitral Award. Any deposit made in excess shall be refunded to such party as the Arbitral Tribunal may direct.

(6) The Centre shall have a lien on the Arbitral Award for any unpaid costs and fees of the arbitration.

(7) All the deposits towards the Administrative Expenses, other expenses and the Arbitrator's fee shall be paid by the parties in the form of Demand draft or Bankers Cheque or Pay Order or in any Electronic mode drawn in favour of the Director, Arbitration & Conciliation Centre –Bengaluru²

1. Inserted w.e.f. 05.07.2016

2. Amended w.e.f. 05.07.2016

(8) The Director shall decide any dispute, as between the parties, regarding the quantum; the liability or any other issue regarding the deposit of the Arbitrators fee, administrative and miscellaneous expenses and such decision shall be final.²

29. Arbitrator's Fee:

Sum in dispute	Fee
Upto Rs.10,00,000/- (Rupees Ten Lakh only)	Rs. 50,000/- (Rupees fifty thousand only)
Above Rs.10,00,001/- (Rupees Ten Lakh and One only) upto Rs.40,00,000/- (Rupees Forty Lakh only)	Rs.1,10,000/- (Rupees one lakh ten thousand only) ¹
Above Rs.40,00,001/- (Rupees Forty Lakh and One only) upto Rs.1,00,00,000/- (Rupees One Crore only)	Rs.1,10,000/- (Rupees one lakh ten thousand only) plus 1% of claim amount over and above Rs.40,00,000/- (Rupees forty lakh only) subject to ceiling cap of Rs.1,45,000/- (Rupees one lakh forty five thousand only) ²
Above Rs.1,00,00,001/- (Rupees One Crore and One only) upto Rs.10,00,00,000/- (Rupees Ten Crore only)	Rs. 1,45,000/- (Rupees one lakh forty five thousand only) plus 1% of claim amount over and above Rs.1,00,00,000/- (Rupees one Crore only) subject to ceiling cap of Rs.5,80,000/- (Rupees five lakh eighty thousand only) ³

1. Amended w.e.f. 05.07.2016
2. Amended w.e.f. 05.07.2016

3. Amended w.e.f. 05.07.2016

Sum in dispute	Fee
Above Rs.10,00,00,001/- (Rupees Ten Crore and One only) upto Rs.20,00,00,000/- (Rupees Twenty Crore only)	Rs.5,80,000/- (Rupees five lakh eighty thousand only) plus 1% of claim amount over and above Rs.10,00,00,000/- (Rupees ten crore only) subject to ceiling cap of Rs.8,70,000/- (Rupees eight lakh seventy thousand only) ⁴
Above Rs.20,00,00,001/- (Rupees Twenty Crore and One only)	Rs.8,70,000/- (Rupees eight lakh seventy thousand only) plus 1% of claim amount over and above Rs.20,00,00,000/- (Rupees twenty crore only) subject to ceiling cap of Rs.12,00,000/- (Rupees twelve lakh only) ⁵

Note: 1) Any Claim or dispute which is not valued in terms of money, shall attract a minimum fee of Rs.1,00,000/- (Rupees One Lakh only), any fee in excess of the same shall be as agreed upon by the parties.

2) In the event of claim and counter-claim, the Arbitrator's fee shall be calculated on the aggregate of the claim and counter-claim.

3) The fee fixed above is in respect of a single Arbitrator. The fee at the same rate shall be payable to any additional Arbitrator.

1. Amended w.e.f. 05.07.2016
2. Amended w.e.f. 05.07.2016

4) In the event of an Arbitrator chosen from the Panel of Arbitrators or nominated, who is not in the panel is from a place other than Bengaluru the party nominating such Arbitrator, shall alone bear all expenses of such Arbitrator, apart from the fee payable as per the schedule, for his participation in the Arbitration proceedings.¹

5) In the event of claim or counter claim having more than one relief the arbitrator’s fee shall be calculated as follows:

(a) In any claim or counter claim, in which separate and distinct reliefs based on the same cause of action are sought, the arbitrator’s fee shall be determined on the aggregate value of the reliefs.

Provided that, if any relief is sought only as ancillary to the main relief the arbitrator fee shall be determined on the value of the main relief.²

(b) Where reliefs are sought in the alternative in any claim/Counter claim, the arbitrator’s fee shall be determined with the highest of the fees on the reliefs.³

6) In the event of termination of Arbitral proceedings;

(a) Before filing of written response, the Arbitrator’s shall be paid 30% of the fee calculated as above.

1. Amended w.e.f. 05.07.2016
2. Inserted w.e.f. 05.07.2016

3. Inserted w.e.f. 05.07.2016

(b) After framing of issues or terms of reference and before cross examination of any witness (including the parties), the Arbitrator’s shall be paid 50% of the fee calculated as above.¹

30. Administrative Expenses-

The parties shall deposit Administrative Expenses as indicated below, before the dispute is referred to the Arbitral Tribunal:

If the value of the claims/ disputes does not exceed Rs.50,00,000/- (Rupees Fifty Lakh only)	Rs.20,000/- (Rupees Twenty Thousand only) ²
If the value of the claims/ disputes is between Rs.50,00,001/- (Rupees Fifty Lakh and One only) and Rs.5,00,00,000/- (Rupees Five Crore only)	Rs.30,000/- (Rupees Thirty Thousand only) ³
If the value of the claims/ disputes exceeds Rs.5,00,00,000/- (Rupees Five Crores only)	Rs.40,000/- (Rupees Forty Thousand only) ⁴

NOTE: Any claim or dispute which is not valued in terms of money, shall attract a minimum deposit of Rs.30,000/- (Rupees Thirty Thousand only)

1. Inserted w.e.f. 05.07.2016
2. Amended w.e.f. 05.07.2016

3. Amended w.e.f. 05.07.2016
4. Amended w.e.f. 05.07.2016

In addition to the Administrative Expenses as above, the parties shall also pay a sum of Rs.3,000/- (Rupees Three Thousand only) per day (irrespective of the duration of the sitting on a given day) for the use of the facilities of the Centre on the days the Arbitral Tribunal holds its sittings. The above expenses shall be shared by all the parties, equally.

The Government of India and the Government of Karnataka are exempted from payment of Administrative Expenses and Other Miscellaneous Expenses. The Board of Governors, at their discretion, may exempt such other entity from payment of the above expenses.

Pro-Bono Arbitrator¹

In the event of availment of Pro-Bono Arbitrator's service, the parties are exempted from paying Arbitrator's fee. However, the Administrative and miscellaneous expenses are minimized by fixing the consolidated sum as hereunder;

If the value of the claim or dispute does not exceed Rs.3,00,000/- (Rupees Three Lakh Only)	Rs.3,000/- (Rupees Three Thousand Only)
If the value of the claim or dispute is between Rs.3,00,001/- (Rupees Three Lakh One Rupee only) to Rs.5,00,000 (Rupees Five Lakh only)	Rs.5,000/- (Rupees Five Thousand Only)

1. *Inserted w.e.f. 05.07.2016*

31. Additional Fees and Expenses – The Arbitral Tribunal shall be entitled to allow fees and expenses of witnesses, carriage of sample and examination of goods, if required, conveyance, hire, cost of legal or technical advice or proceedings in respect of any matter arising out of the arbitration incurred by the Arbitral Tribunal, and any other incidental expenses and charges in connection with or arising out of the reference or award as the Arbitral Tribunal shall, in its absolute discretion, think fit and the same shall form part of the Arbitral Award.

In the event of any party to the arbitration proceedings seeking reliefs as provided under Sec. 17 of the Act, after passing of the award and before its enforcement, the fee and expenses payable in respect of such additional proceedings shall be as determined by the Board on a case to case basis.¹

32. Form and contents of Arbitral Award – (1) An arbitral award shall be made in writing and shall be signed by the members of the Arbitral Tribunal.

(2) For the purposes of sub-rule (1), in arbitral proceeding with more than one Arbitrator, the signatures of the majority of all the members of the Arbitral Tribunal shall be sufficient so long as the reason for any omitted signature is stated.

(3) The Arbitral Award shall state the reasons upon which it is based, unless –

(a) The parties have agreed that no reasons are to be given, or

1. *Amended w.e.f. 05.07.2016*

(b) The award is an Arbitral Award on agreed terms of these Rules.

(4) The Arbitral Award shall state its date and the place of arbitration and the award shall be deemed to have been made at that place.

(5) After the Arbitral Award is made, a signed copy shall be delivered to each party, by the Directorate.

(6) The Arbitral Tribunal may, at any time during the arbitral proceedings, make an interim Arbitral Award on any matter with respect to which it may make a final Arbitral Award.

(7) In case of monetary claims the award shall specify the amount awarded.

(8) The costs of Arbitration shall be determined by the Arbitral Tribunal in accordance with Sec 31A of the 'Act'.¹

33. Termination of proceedings –

(1) The arbitral proceeding shall be terminated by the final Arbitral Award or by order of the Arbitral Tribunal under sub-rule(2)

(2) The Arbitral Tribunal shall issue an order for the termination of the arbitral proceedings where –

(a) The claimant withdraws his claim unless the Respondent objects to the order and the Arbitral

1. Amended w.e.f. 05.07.2016

Tribunal recognizes a legitimate interest on his part in obtaining a final settlement of the dispute; or

(b) The parties agree on the termination of the proceedings,

or

(c) The Arbitral Tribunal finds that the continuation of the proceedings has for any other reason become unnecessary or impossible.

PART – VII

INTERNATIONAL ARBITRATIONS

¹[34. Laws applicable to the substance of the dispute

The Arbitral Tribunal shall decide the dispute in accordance with the rules of 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 which it determines to be appropriate.

35. Laws applicable to the arbitration proceedings

Unless otherwise agreed by the parties the law governing the arbitration proceedings shall be the laws in force in India.

36. Language

(1) The parties are free to agree upon the language or languages to be used in the arbitration proceedings.

1. Inserted w.e.f. 05.07.2016

(2) Failing any agreements referred to in sub rule (1), the arbitral tribunal shall determine the language or languages to be used in the arbitration proceedings.

(3) The agreement or determination, unless otherwise specified, shall apply to any written statement by a party, any hearing or any Arbitral Award, decision or other communication by the Arbitral Tribunal.

The arbitral tribunal may order that any pleadings or other documentary evidence shall be accompanied by a translation into the language or languages agreed upon by the parties or determined by Arbitral Tribunal.

37. Seat of Arbitration

The parties may agree on the seat of arbitration. Failing such an agreement, the seat of arbitration shall be at Bengaluru, unless the Tribunal determines, having regard to all the circumstances of the case, that another seat is more appropriate.

The Tribunal may hold hearings and meetings by any means it considers expedient or appropriate and at any location it considers convenient or appropriate.

38. Arbitrators' fee in International Arbitration

Sum in Dispute (US \$ or equivalent in Rupees)	Arbitrator's fees
Upto \$50,000 or equivalent in Rupees	Rs.2,00,000/-
From \$ 50,001 to 1,00,000 or equivalent in Rupees	Rs.2,00,000/- plus 6% of the fee over & above \$50,000 or equivalent in Rupees
From \$ 1,00,001 to 5,00,000 or equivalent in Rupees	Rs.4,01,000/- plus 6% of the fee over & above \$1,00,000 or equivalent in Rupees
From \$ 5,00,001 to 10,00,000 or equivalent in Rupees	Rs.20,09,000/- plus 4% of the fee over & above \$5,00,000 or equivalent in Rupees
From \$ 10,00,001 to 20,00,000 or equivalent in Rupees	Rs.33,49,000/- plus 2% of the fee over & above \$10,00,000 or equivalent in Rupees
From \$ 20,00,001 to 50,00,000 or equivalent in Rupees	Rs.53,59,000/ plus 1% of the fee over & above \$20,00,000 or equivalent in Rupees
From \$ 50,00,001 to 1,00,00,000 or equivalent in Rupees	Rs.70,34,000/- plus 0.50% of the fee over & above \$50,00,000 or equivalent in Rupees
From \$ 1,00,00,001 to 5,00,00,000 or equivalent in Rupees	Rs.1,37,34,000/- plus 0.25% of the fee over & above \$1,00,00,000 or equivalent in Rupees
From \$ 5,00,00,001 to 8,00,00,000 or equivalent in Rupees	Rs.1,87,59,000/- plus 0.25% of the fee over & above \$5,00,00,000 or equivalent in Rupees
Above \$ 8,00,00,001 or equivalent in Rupees	Rs.2,07,69,000/- plus 0.1% of the fee over & above \$8,00,00,000 or equivalent in Rupees subject to a ceiling of Rs.2,20,00,000/-

Note: 1) Any Claim or dispute which is not valued in terms of money, shall attract a minimum fee of Rs.5,00,000/- (Rupees Five Lakh only), any fee in excess of the same shall be as agreed upon by the parties.

2) In the event of claim and counter-claim, the Arbitrator's fee shall be calculated on the aggregate of the claim and counter-claim.

3) The fee fixed above is in respect of a single Arbitrator. The fee at the same rate shall be payable to any additional Arbitrator.

4) In the event of an Arbitrator chosen from the Panel of Arbitrators or nominated, who is not in the panel is from a place other than Bengaluru the party nominating such Arbitrator, shall alone bear all expenses of such Arbitrator, apart from the fee payable as per the schedule, for his participation in the Arbitration proceedings.

5) In the event of claim or counter claim having more than one relief the arbitrator's fee shall be calculated as follows:

(a) In any claim or counter claim, in which separate and distinct reliefs based on the same cause of action are sought, the arbitrator's fee shall be determined on the aggregate value of the reliefs.

Provided that, if any relief is sought only as ancillary to the main relief the arbitrator fee shall be determined on the value of the main relief.

(b) Where reliefs are sought in the alternative in any claim/Counter claim, the arbitrator's

fee shall be determined with the highest of the fees on the reliefs.

6) In the event of termination of Arbitral proceedings;

(a) Before filing of written response, the Arbitrator's shall be paid 30% of the fee calculated as above.

(b) After framing of issues or terms of reference and before cross examination of any witness (including the parties), the Arbitrator's shall be paid 50% of the fee calculated as above.

39. Administrative Expenses in International Arbitration

The parties shall deposit Administrative Expenses as indicated below, before the dispute is referred to the Arbitral Tribunal:

Sum in Dispute (in Rupees or equivalent in US \$)	Administrative Expenses
If the value of the claims/disputes does not exceed \$1,00,000/- or equivalent in Rupees	Rs.20,000/- (Rupees Twenty Thousand only) or equivalent in US \$
If the value of the claims/disputes is between \$2,00,001/- to \$5,00,000/- or equivalent in Rupees	Rs.30,000/- Rupees Thirty Thousand only) or equivalent in US \$
If the value of the claims/disputes exceeds \$5,00,001/- or equivalent in Rupees	Rs.40,000/- (Rupees Fourty Thousand only) or equivalent in US \$ f the value of the claims/disputes does not exceed \$1,00,000/- or equivalent in Rupees

Note: Any Claim or dispute which is not valued in terms of money, shall attract a minimum deposit of Rs.30,000/- (Rupees Thirty Thousand only) or equivalent in US \$

In addition to the Administrative Expenses as above, the parties shall also pay a sum of Rs.3,000/- (Rupees Three Thousand only) or equivalent in US \$ per day (irrespective of the duration of the sitting on a given day) for the use of the facilities of the Centre on the days the Arbitral Tribunal holds its sittings. The above expenses shall be shared by all the parties, equally.

The Government of India and the Government of Karnataka are exempted from payment of Administrative Expenses and Other Miscellaneous Expenses. The Board of Governors, at their discretion, may exempt such other entity from payment of the above expenses]¹.

PART - VIII

CONCILIATION PROCEEDURE

²[40. Commencement of Conciliation Proceedings –

(1) The party initiating conciliation shall send to the other party a written invitation to conciliate under these Rules, briefly identifying the subject of the dispute.

(2) Conciliation proceedings shall commence

1. *Inserted w.e.f. 05.07.2016*

2. *Inserted w.e.f. 05.07.2016*

when the other party accepts in writing the invitation to conciliate.

(3) If the other party rejects the invitation, there will be no conciliation proceedings.

(4) If the party initiating conciliation does not receive a reply within thirty days from the date on which he sends the invitation, or within such other period of time as specified in the invitation, he may elect to treat this as a rejection of the invitation to conciliate and if he so elects, he shall inform in writing the other party accordingly.

(5) Where parties to a contract have agreed that any dispute or difference which may arise or has arisen, out of or in relation to a contract, shall be referred to Conciliation in accordance with these Rules, the same shall be referred accordingly.

(6) These Rules shall also apply where the parties sign a joint memorandum agreeing that their dispute shall be referred to Conciliation in accordance with these Rules or when the same is so referred through any proceedings including:

(a) under Section 89 of the Code of Civil Procedure, 1908;

or

(b) Where parties to any International contract, have agreed to submit their disputes or differences to Conciliation in accordance with these rules.

41. Request for Conciliation:

(1) Any person desirous of initiating conciliation under these Rules at the Centre shall submit his request to the Directorate with a copy marked to the opponent briefly identifying the subject of the dispute.

(2) the request shall contain the following information-

(a) name in full, description, contact details and address of each of the parties, complete details including e-mail addresses, if any;

(b) a brief description of the nature and circumstances of the dispute giving rise to the claim;

(c) statement of the relief sought, including an indication of any amount claimed along with supporting documents, if any;

(d) relevant agreements and, in particular, an extract of the written conciliation clause or the deed of conciliation agreement, if separately contained.

(e) provisional terms of proposed settlement identifying the subject of dispute and the issues to be conciliated;

(f) all relevant particulars concerning the Conciliators, their number, qualifications, if any, prescribed in the conciliation agreement on which parties have already agreed in writing;

(g) the order of the Court, if any, passed in proceedings referred to in these Rules, along with a signed joint memorandum.

(3) The party initiating conciliation shall submit sufficient number of copies of the request being one copy for the Centre, one copy for each conciliator (if the number of conciliators is mentioned in the conciliation agreement) and one copy for each of the other party.

42. Number of conciliators - (1) There shall be one conciliator unless the parties agree that there shall be two or three conciliators.

(2) Where there is more than one conciliator, they ought, as a general rule, to act jointly.

43. Appointment of conciliators - (1) Subject to sub – rule (2)

(a) in conciliation proceedings with one conciliator, the parties may agree on the name of a sole conciliator;

(b) in conciliation proceedings with two conciliators, each party may appoint one conciliator;

(c) in conciliation proceedings with three conciliators, each party may appoint one conciliator and the parties may agree on the name of the third conciliator who shall act as the presiding conciliator.

(2) The parties may agree to enlist the assistance of the Centre and request the Centre to recommend the names of suitable individuals to act as Conciliator(s)

or

The parties may agree that the appointment of one or more conciliator(s) be made directly by the Centre.

44. Consent of Conciliators – (1) Soon after the selection of Conciliators, the Director shall send an official communication to that effect to the parties and to the Conciliators. The Conciliators so chosen shall give their consent in writing to the Centre in a prescribed form as provided in Schedule – VIII. Copy of such consent shall be sent to the parties by the Directorate.

(2) In the event of any circumstance not provided for herein above, the President, in consultation with the Board of Governors, shall have the power to determine the number of Conciliators and the Conciliators to be appointed from the panel of Conciliators in order to expedite the conciliation proceedings. The parties, however, shall be heard before any such orders are passed by the President.

45. Submission of statement to conciliator- (1) The conciliator, upon his appointment, may request each party to submit to the Centre a brief statement describing the general nature of the dispute and the points at issue. Each party shall furnish a copy of such statement to the other party.

(2) The Conciliator may request each party to submit to the Centre a further statement of his position and the facts and grounds in support thereof, supplemented by any documents and other evidence that such party deems appropriate. The party shall send a copy of such statement, documents and other evidence to the other party.

(3) During the conciliation proceedings, the conciliator may request a party to submit to him such additional information as he deems appropriate.

46. Representation and assistance.— Each party shall advise, in writing, the other party and the conciliator of -

(a) the name and address of any person who will represent or assist him, and

(b) the capacity in which the person will represent.

47. Role of conciliator.- (1) The conciliator shall assist the parties in an independent and impartial manner in their attempt to reach an amicable settlement of their dispute.

(2) The conciliator shall be guided by principles of objectivity, fairness and justice, giving consideration to, among other things, the rights and obligations of the parties, the usages of the trade concerned and the circumstances surrounding the dispute, including any previous business practices between the parties.

(3) The conciliator may conduct the conciliation proceedings in such a manner as he considers appropriate, taking into account the circumstances of the case, the wishes the parties may express, including any request by a party that the conciliator hear oral statements, and the need for a speedy settlement of the dispute.

(4) The conciliator may, at any stage of the conciliation proceedings, make proposals for a settlement of the dispute. Such proposals need not be in writing and need not be accompanied by a statement of the reasons therefor.

48. Communication between conciliator and parties-

(1) The conciliator may invite the parties to meet him or may communicate with them orally or in writing. He may meet or communicate with the parties together or with each of them separately. Such meeting shall be at the Centre only.

49. Disclosure of information-

When the conciliator receives factual information concerning the dispute from a party, he shall disclose the substance of that information to the other party in order that the other party may have the opportunity to present any explanation which he considers appropriate

Provided that when a party gives any information to the conciliator subject to a specific condition that it be kept confidential, conciliator shall not disclose that information to the other party.

50. Co-operation of parties with conciliator-

The parties shall in good faith co-operate with the conciliator and, in particular, shall comply with requests by the conciliator to submit written materials, provide evidence and attend meetings.

51. Suggestions by parties for settlement of dispute-

Each party may, on his own initiative or at the invitation of the conciliator, submit to the conciliator suggestions for the settlement of the dispute.

52. Settlement agreement- (1) when it appears to the conciliator that there exist elements of a settlement

which may be acceptable to the parties, he shall formulate the terms of a possible settlement and submit them to the parties for their observations. After receiving the observations of the parties, the conciliator may reformulate the terms of a possible settlement in the light of such observations.

(2) If the parties reach agreement on a settlement of the dispute, they may draw up and sign a written settlement agreement. If requested by the parties, the conciliator may draw up, or assist the parties in drawing up, the settlement agreement.

(3) Settlement agreement shall bear the date and place of settlement.

(4) The conciliator shall authenticate the settlement agreement and furnish a copy thereof to each of the parties.

53. Termination of conciliation proceedings.- The conciliation proceedings shall be terminated (a) by the signing of the settlement agreement by the parties; on the date of the agreement; or

(b) by a written declaration of the conciliator, after consultation with the parties, in the effect that further efforts at conciliation are no longer justified, on the date of the declaration; or

(c) by a written declaration of the parties addressed to the conciliator to the effect that the conciliation proceedings are terminated , on the date of the declaration; or

(d) by a written declaration of a party to the other party and the conciliator, if appointed, to the effect that the conciliation proceedings are terminated, on the date of the declaration.

54. Costs.- (1) Upon termination of the conciliation proceedings, the Director shall assess the costs of the conciliation and give written notice thereof to the parties.

(2) For the purpose of sub-section (1) "costs" means reasonable costs relating to—

(a) the fee and expenses of the conciliator and witnesses requested by the conciliator, with the consent of the parties;

(b) any expert advice requested by the conciliator with the consent of the parties;

(c) any assistance provided pursuant to clause (b) of sub-section (2) of section 64 and section 68.

(d) any other expenses incurred in connection with the conciliation proceedings and the settlement agreement.

(3) The costs shall be borne equally by the parties unless the settlement agreement provides for a different apportionment. All other expenses incurred by a party shall be borne by that party.

55. Deposits – (1) The Director may require the parties, before referring the case to the Conciliator, to deposit in advance in one or more installments, such sum of money as he deems necessary to defray miscellaneous expenses and the Conciliator's fee.

(2) The deposits shall be called for in equal share from the parties unless the conciliation agreement provides for a different apportionment. The Director may, during the course of the conciliation proceedings, require further sums to be deposited by the parties or anyone of them to meet the costs of the conciliation.

(3) All deposits towards administrative expenses, miscellaneous expenses and Conciliator(s) fee shall be made through the Centre and no payment shall be made directly to the Conciliator(s), by the parties. The deposit made by the parties shall be taken into account by the Conciliator in apportioning the costs while accepting the terms of agreement. Any deposit made in excess shall be refunded to such party as the Conciliator may direct.

(4) The Centre shall have a lien on the settlement agreement or terms of agreement for any unpaid costs and fees of the conciliation.

(5) All the deposits towards the Administrative Expenses, other expenses and the Conciliator's fee shall be paid by the parties in the form of Demand draft or Bankers Cheque or Pay Order or any electronic mode drawn in favour of the Director, Arbitration and Conciliation Centre –Bengaluru.

(6) The Director shall decide any dispute, as between the parties, regarding the quantum, the liability or any other issue regarding the deposit of the conciliators fee; administrative and miscellaneous expenses and such decision shall be final.

56. Notices and Communications in conciliation proceedings -All notices or communications from the Director and the Conciliator shall be in writing and deemed to have been duly delivered when sent to the last known address of the party or the duly notified representative of the parties. Such notice or communication may be made by any one of the following modes, namely, delivery against receipt, registered post, courier, facsimile transmission, telex, telegram or any other means of electronic communication that provides a record of such communication.

57. Hearing Procedure in conciliation proceedings -

(1) Unless agreed between the parties in writing, the Conciliator shall hold oral hearings.

(2) Unless the Conciliator decides to undertake site inspection or holds hearings in such other place for any reason as it may deem necessary, all hearings shall take place in the Centre at Bengaluru or any other Centre established as per these Rules.

(3) All meetings and hearings shall be in camera]¹.

PART - IX

TIME SCHEDULE FOR CONCILIATION

²[58. **Duration of conciliation proceedings** – (1) Normally, all conciliation proceedings through the medium of the Centre shall be concluded within a period of 90 (Ninety) days from the date of first meeting

1. *Inserted w.e.f. 05.07.2016*

2. *Inserted w.e.f. 05.07.2016*

of the conciliator and the parties concerned. Except that in cases involving complicated and contentious issues, the period may stand extended by the Conciliator for a period not exceeding 30 (thirty) days, by mutual consent of the parties.

(2) In exceptional circumstances, the Board of Governors, on the request of the parties and the Conciliator, shall have the powers to extend the time, if any such occasion arises]¹.

PART – X

RULES OF PROCEDURE

²[59. **Default of parties** – If any party to a conciliation proceedings fails to participate at any stage of the same, the proceedings shall be closed. However, this shall not preclude such party from participating in any subsequent proceedings of the Conciliation with the leave of the Conciliator, on such terms as it may impose.

60. Default of Conciliators – When, after appointment of the Conciliator, a Conciliator fails to participate in two hearings, without sufficient cause, his mandate to act as a Conciliator shall stand terminated and the Board of Governors shall appoint another Conciliator in consultation with the parties and the newly appointed Conciliator shall continue the proceedings from the stage at which it stood prior to substitution of the Conciliator.

1. *Inserted w.e.f. 05.07.2016*

2.

61. Conciliator's Fee:**Conciliator's Fee**

Amount in Dispute	Fees
Upto Rs.10,00,000/- (Rupees Ten Lakh only)	Rs.30,000/-
Above Rs.10,00,001/- (Rupees Ten Lakh and One only) upto Rs.40,00,000/- (Rupees Forty Lakh only)	Rs.30,000/- (Rupees Thirty thousand) plus 1.5% of the fee over and above Rs.10,00,000/- subject to a maximum fee of Rs.60,000/-
Above Rs.40,00,001/- (Rupees Forty Lakh and One only) upto Rs.1,00,00,000/- (Rupees One Crore only)	Rs.60,000/- (Rupees Sixty thousand) plus 1.5% of the fee over and above Rs.40,00,000/- subject to a maximum fee of Rs.1,50,000/-
Above Rs.1,00,00,001/- (Rupees One Crore and One only) upto Rs.10,00,00,000/- (Rupees Ten Crore only)	Rs.1,50,000 (Rupees One lakh fifty thousand) plus 1.5% of the fee over and above Rs.1,00,00,000/- subject to a maximum fee of Rs.2,40,000/-
Above Rs.10,00,00,001/- (Rupees Ten Crore and One only) upto Rs.20,00,00,000/- (Rupees Twenty Crore only)	Rs.2,40,000/- (Rupees two lakh forty thousand) plus 1.5% of the fee over and above Rs.10,00,00,000/- subject to a maximum fee of Rs.3,15,000/-
Above Rs.20,00,00,001/- (Rupees Twenty Crore and One only)	Rs.3,15,000/- (Rupees three lakh fifteen thousand) plus 1.5% of the fee over and above Rs.20,00,00,000/- subject to a maximum fee of Rs.5,00,000/-

Note: 1) Any Claim or dispute which is not valued in terms of money, shall attract a minimum fee of Rs.60,000/- (Rupees Sixty thousand only), any fee in excess of the same shall be as agreed upon by the parties.

(2) The fee fixed above is in respect of a single Conciliator. The fee at the same rate shall be payable to any additional Conciliator. In the event of termination of conciliation proceedings in less than three sittings the fee payable by the parties to the conciliator is 30% of the fee assessed as per Rule 55.

(3) In the event of an Conciliator chosen from the Panel of Conciliators is from a place other than Bangalore, the party nominating such Conciliator, shall alone bear all expenses of such Conciliator, apart from the fee payable as per the schedule, for his participation in the conciliation proceedings.

62. Administrative Expenses-

The parties shall deposit Administrative Expenses as indicated below, before the dispute is referred to the Conciliator:

If the value of the claims/disputes does not exceed Rs.50,00,000/- (Rupees Fifty Lakh only)	Rs.5,000/- (Rupees Five Thousand only)
If the value of the claims/disputes is between Rs.50,00,001/- (Rupees Fifty Lakh and One only) and Rs.5,00,00,000/- (Rupees Five Crore only)	Rs.10,000/- (Rupees Ten Thousand only)
If the value of the claims/disputes exceeds Rs.5,00,00,000/- (Rupees Five Crores only)	Rs.15,000/- (Rupees Fifteen Thousand only)

Note: Any Claim or dispute which is not valued in terms of money, shall attract a minimum deposit of Rs.10,000/- (Rupees Ten Thousand only).

In addition to the Administrative Expenses as above, the parties shall also pay a sum of Rs.3,000/- (Rupees Three Thousand only) per day (irrespective of the duration of the sitting on a given day) for the use of the facilities of the Centre on the days the Conciliator holds its sittings. The above expenses shall be shared by all the parties, equally.

The Government of India and the Government of Karnataka are exempted from payment of Administrative Expenses and other Miscellaneous Expenses. The Board of Governors, at their discretion, may exempt such other entity from payment of the above expenses.

In the event of availment of Pro-Bono Conciliator's service, the parties are exempted from paying Conciliators fee. However the Administrative and Miscellaneous Expenses are minimized by fixing the consolidated sum as hereunder;

If the value of the claims/disputes does not exceed Rs.3,00,000/- (Rupees Three Lakh Only)	Rs.3,000/- (Rupees Three Thousand Only)
If the value of the claims/disputes is between Rs.3,00,001/- (Rupees Three Lakh One Rupee only) to Rs.5,00,000 (Rupees Five Lakh only)	Rs.5,000/- (Rupees Five Thousand Only)

63. Additional Fees and Expenses – The Conciliator shall be entitled to allow fees and expenses of witnesses, cost of legal or technical advice or proceedings in respect of any matter arising out of the conciliation and any other incidental expenses and charges in connection with or arising out of the reference as the Conciliator shall, in his absolute discretion, think fit and the same shall form part of cost]¹

PART – XI

GENERAL PROVISIONS

64. Accounts of the Centre – Accounts of the Centre shall be maintained as per the Income Tax Act, 1961 as amended from time to time and Rules and Circulars issued there-under and by the Government.

65. Interpretation and Scope of these Rules- In the event of any doubt arising with regard to interpretation of these Rules, the decision of the Board of Governors shall be final.

66. Amendment of Rules - These Rules may be amended by the High Court of Karnataka from time to time.

1. *Inserted w.e.f. 05.07.2016*

SCHEDULE - I

**JOINT MEMORANDUM OF THE PARTIES TO
THE ARBITRATION**

We hereby agree that the dispute, which has arisen between us in respect of our contract _____ (give details) dated _____ is hereby referred to arbitration in accordance with the Arbitration & Conciliation Centre Rules, 2012.¹

In Witness Whereof, this Agreement has been signed on this _____ Day of _____ Month of _____ (year) at _____ by:

Parties:

1. _____
2. _____¹

1. Amended w.e.f. 05.07.2016

SCHEDULE - IA¹

**JOINT MEMORANDUM OF THE PARTIES TO
THE CONCILIATION**

We hereby agree that the dispute, which has arisen between us in respect of our contract _____ (give details) dated _____ is hereby referred to conciliation in accordance with the Arbitration & Conciliation Centre Rules, 2012.

In Witness Whereof, this Agreement has been signed on this _____ Day of _____ Month of _____ (year) at _____ by:

Parties:

1. _____
2. _____

1. Inserted w.e.f. 05.07.2016

SCHEDULE - II

ARBITRATOR’S CONSENT TO NOMINATION

I,.....hereby accept the nomination as Arbitrator and to enter upon the reference to adjudicate the dispute in case No. _____ of the Arbitration & Conciliation Centre – Bengaluru (Domestic & International) and to abide by the Rules of the Centre.¹

Place:-----

Date : _____ Signature : _____]¹

1. Amended w.e.f. 05.07.2016

SCHEDULE - III

CURRICULUM VITAE

(Arbitrator)

For use of Arbitration & Conciliation Centre – Bengaluru (Domestic & International).¹

Mr. Mrs. Ms.

Last Name : _____

First Name : _____

Date of birth: _____

Personal Address : _____

Telephone : _____

Telefax : _____

E-Mail : _____

1. Amended w.e.f. 05.07.2016

Office Address (including company or firm name where applicable):

Telephone : _____

Tele-fax : _____

E-Mail : _____

Please indicate the address preferred for correspondence

Personal Office

Qualification and Experience:

(Please indicate if any assistance of a translator or an interpreter is required during the course of arbitration.)

Date : _____

Signature : _____

SCHEDULE - IV
CURRICULUM VITAE
(RESEARCH ASSISTANT)



(Stamp Size Photograph)

For use of Arbitration & Conciliation Centre – Bengaluru (Domestic & International).¹

Mr. Mrs. Ms.

Last Name : _____

First Name : _____

Date of birth : _____

Personal Address : _____

Telephone : _____

Telefax : _____

E-Mail : _____

1. Amended w.e.f. 05.07.2016

Office Address (including company or firm name where applicable):

Telephone : _____

Tele-fax : _____

E-Mail : _____

Please indicate the address preferred for correspondence

Personal Office

Qualification and Experience:

- 1.
- 2.
- 3.
- 4.

(Additional Information, if any, may be supplemented)

Place : _____

Date : _____

Signature : _____

SCHEDULE – V
CURRICULAM VITAE
(EXPERT)



(Stamp Size Photograph)

For use of Arbitration & Conciliation Centre – Bengaluru (Domestic & International).¹

Mr. Mrs. Ms.

Last Name : _____

First Name : _____

Date of birth : _____

Personal Address : _____

Telephone : _____

Telefax : _____

E-Mail : _____

1. Amended w.e.f. 05.07.2016

Office Address (including company or firm name where applicable):

Telephone : _____

Tele-fax : _____

E-Mail : _____

Please indicate the address preferred for correspondence

Personal Office

Qualification and Experience:

- 1. Area of Expertise
- 2. Qualification and Experience:
- 3. Academic Degrees:
- 4. Present Professional Activities:

(Additional Information, if any, may be supplemented)

Place : _____

Date : _____

Signature : _____

SCHEDULE – VI

MODEL ARBITRATION CLAUSE¹

Any dispute or difference or claim arising out of, or in connection with, or relating to the present contract or the breach, termination or invalidity thereof, shall be referred and settled under the Arbitration & Conciliation Centre Rules, 2012 by one or more arbitrators appointed in accordance with its rules.

Note: Parties may add the following:

- a) The number of arbitrator(s) shall be.....
- b) The language of the Arbitration Proceedings shall be.....
- c) Specific qualifications of the arbitrator(s) including language, technical qualifications and experience, if any.
- d) Laws applicable to the substance of the dispute.

1. Inserted w.e.f. 05.07.2016

SCHEDULE – VII
CURRICULUM VITAE
(Conciliator)¹

For use of Arbitration & Conciliation Centre –
Bengaluru (Domestic & International).

Mr. Mrs. Ms.

Last Name : _____

First Name : _____

Date of birth : _____

Personal Address : _____

Telephone : _____

Telefax : _____

E-Mail : _____

1. Inserted w.e.f. 05.07.2016

Office Address (including company or firm name
where applicable):

Telephone : _____

Tele-fax : _____

E-Mail : _____

Please indicate the address preferred for
correspondence

Personal Office

Qualification and Experience:

(Please indicate if any assistance of a translator
or an interpreter is required during the course of
conciliation.)

Date : _____

Signature : _____

SCHEDULE – VIII

**CONCILIATOR’S CONSENT TO
NOMINATION ¹**

I,.....hereby accept the nomination as Conciliator and to enter upon the reference to conciliate the dispute in case No. of the Arbitration & Conciliation Centre – Bengaluru (Domestic & International) and to abide by the Rules of the Centre.

Place: _____

Date : _____ Signature : _____

1. Inserted w.e.f. 05.07.2016

SCHEDULE – IX

MODEL CONCILIATION CLAUSE ¹

Where, in the event of dispute or difference or claim arising out of, or in connection with, or relating to the present contract or the breach, termination or invalidity thereof, the parties wish to seek an amicable settlement of such dispute by conciliation, the conciliation shall take place in accordance with the Arbitration & Conciliation Centre Rules, 2012 by one or more conciliators appointed in accordance with its rules.

Note: Parties may add the following:

- a) The number of conciliator(s) shall be.....
- b) The language of the Conciliation Proceedings shall be.....
- c) Specific qualifications of the conciliator(s) including language, technical qualifications and experience, if any.

1. Inserted w.e.f. 05.07.2016

