

Arbitration Center of Iran Chamber (ACIC)

The Rules of Arbitration

Arbitration Rules of the Arbitration Center of Iran Chamber

Chapter 1 – Generalities

Article 1 – Definitions

The terms used in these Rules have the following meanings:

- A. "Rules on Arbitration Services of the Arbitration Center of the Iran Chamber of Commerce for Settlement of Domestic and International Commercial Disputes," hereinafter referred to as "Arbitration Rules", are the present Rules and arbitration in all domestic and international commercial disputes referred to the Arbitration Centre of Iran Chamber of Commerce shall be conducted in accordance with the present Rules.
- B. "Internal Regulations of the Arbitration Center concerning Arbitration Services" are those rules and regulation that are approved by the 'Board of Representatives' of Iran Chamber of Commerce pursuant to the authority granted to that Board in accordance with Article 6 of the Law on Statute of the Arbitration Centre of the Iran Chamber.
- C. The terms "Claimant" or "Defendant" mean more than one Claimant or Defendant.
- D. "Domestic Commercial Arbitration" means arbitration of disputes and claims relating to commercial relations and transactions between the parties, natural or legal persons, who at the time of conclusion of the arbitration agreement are nationals of Iran under the laws of Iran. And "International Commercial Arbitration" means when one of parties is not at the time of conclusion of the arbitration agreement, national of Iran under the laws of Iran.
- E. "Arbitrator" means a Sole Arbitrator or a panel of Arbitrators unless in view of the context of these Rules or the arbitration agreement, the term 'Arbitrator' refers to a member of the panel of arbitrators.
- F. "Arbitration Court of the Arbitration Center" is a board which is established in accordance with the provisions of Chapter Five of the "Internal Regulations of the Arbitration Center concerning Organization of ACIC", and its duties and functions are specified in those regulation and in these Arbitration Rules.
- G. "Terms of Reference" means a document that is drawn up in accordance with Article 39 of the present Rules.
- H. " Arbitration Center" means the Arbitration Center of Iran Chamber of Commerce and Industries and Mines (ACIC) that is established in accordance with the Law on Statute of the Arbitration Centre of Iran Chamber, dated 14. 11. 1380 (3 February 2002) and pursuant to clause "H" of Article 5 of the Law of Iran Chamber of Commerce, Industries and Mines as amended in 25. 09. 1373 (16 December 1994). The Arbitration Centre shall be administered in accordance with its Statute and also its Internal Rules and regulation and shall apply them in the arbitrations which are referred to it.
- I. "Arbitration Agreement" is an agreement between the parties by which settlement of all or part of disputes which have arisen or may arise in future from a defined legal relationship whether contractual or non-contractual, is referred to the Arbitration Centre. Arbitration Agreement may be in the form of an arbitration clause contained in a contract or a separate agreement.

Article 2 – The Arbitration Centre

The Arbitration Centre performs its duties and functions through coordination, organization, supervision and management of arbitration process and does not itself arbitrate the disputes.

Article 3- Scope of Application

- A. All persons, natural or legal, that have a capacity to institute a suit may by mutual consent, refer their disputes to the Arbitration Centre, whether the dispute has been filed with the judicial authority or not. The said consent includes the consent arising out from Arbitration Agreement and also from submission by one party to the Centre with an offer of arbitration and acceptance of same by the other party.
- B. Arbitration of all claims and disputes referred to the Centre shall be conducted in accordance with these Rules. In domestic arbitration the provisions of Chapter Seven of the Civil Procedure Act dated 2000 and in international arbitration the provisions of the Law on International Commercial Arbitration dated 1997 shall also apply, respectively.

Note- In small claims where the value of the relief sought is less than IR Rials 500,000,000 or its equivalent in other currencies, the parties may agree on summary arbitration proceedings in which case the provisions of Articles 39, 40 and 53 of the present Rules shall not apply, and/or may agree to shorten the time limits under these Rules.

Article 4- Acceptance of the Arbitration Rules of the Arbitration Centre

The agreement to refer disputes to the Arbitration Centre entails an undertaking by the parties to be bound by these Rules and other Internal rules and Regulations of the Centre concerning Arbitration Services.

Article 5- Waiver of the Right to Object

If a party after becoming aware of non-compliance with these Rules or with non-mandatory provisions of the Arbitration Agreement remains silent and continues with the arbitration without making any objection in a timely manner, he will be deemed to have waived the right to object.

Chapter 2- Arbitral Proceedings

Article 6- Request for Arbitration

A. Claimant or the applicant for arbitration shall submit his request for arbitration to the Secretariat of the Arbitration Centre. The Secretariat shall acknowledge receipt of the request, including the date of receipt to the claimant and the defendant.

B. The Request for Arbitration shall include the following information:

1. Full specification of the parties, including their postal and electronic addresses, and evidence of representation if the claim is submitted by a representative or an attorney.
2. Explanation on the nature of the transaction or the contract or the facts giving rise to dispute and of the origin of the claim and the evidence thereof.
3. Specification of the relief sought and amount claimed, unless the relief sought is non-pecuniary.
4. Explanation on the Arbitration Agreement.
5. To the extent possible, specifications on the number of arbitrators, the mode of their appointment in light of the Arbitration Agreement and when necessary, nomination of the co-arbitrator in the arbitration panel.
6. In case of international arbitration, explanations as to the place of arbitration, the language of arbitration, and applicable law and legal rules.

Note- Submission of an incomplete request for arbitration to the Secretariat of the Arbitration Centre, unless completed, does not create any obligation for the Centre to proceed.

C. In the event the request for arbitration relates to a transaction, contract or a legal relationship, concerning which the arbitration proceedings have been already initiated between the same parties in the Arbitration Centre, at the request of either party, the new request for arbitration will be included in the earlier proceedings, provided that in the earlier arbitration the Terms of Reference has not yet been signed or has not been approved by the Centre and further that there are no legal impediments for consolidation.

In the event that the new request for arbitration has been submitted after the signature or approval of the Terms of Reference in the earlier arbitration, consolidation is subject to authorization by the Arbitrator in the earlier arbitration with due consideration the nature of the claims in the new arbitration, the stage of the earlier proceedings and other relevant circumstances.

Article 7- Defendant's Answer ; Counterclaim

A. The Secretariat of the Arbitration Centre shall serve a copy of the request for arbitration and its attached documents on the defendant with a view to receiving the defendant's answer. The defendant shall submit his answer to the Secretariat of Arbitration Centre, within 10 days in domestic arbitration and within 30 days in international arbitration, from the date of service of the request on the defendant. The answer shall contain the following information:

1. Full description of the defendant including his postal and electronic addresses, and evidence of representation if the answer is submitted by a representative or an attorney.
2. Answer to the request and to the relief sought, including any objections or defenses and any evidence thereof.
3. To the extent possible, specification on the number of arbitrators and their mode of appointment in view of the Arbitration Agreement and also nomination of a co-arbitrator in the arbitral tribunal.
4. If the arbitration is international, specification of the place and language of arbitration and the applicable legal rules.

B. The Secretariat of the Arbitration Centre shall serve on the claimant a copy of defendant's answer to the request for arbitration and its attachments.

C. A counterclaim(s) by the defendant, if any, shall be submitted to the Secretariat, together with his answer to the request for arbitration. The counterclaim shall contain the following information:

1. A statement of the counterclaim, its origin and supporting evidence;
2. The relief sought under the counterclaim and its amount, unless the relief sought is non-pecuniary.

D. The Secretariat shall serve the defendant's counterclaim on the claimant and the claimant shall submit his reply to the Secretariat of the Arbitration Centre within 10 days in domestic arbitration and within 30 days in international arbitration, from the date of the service of the answer on the claimant.

Article 8- As soon as the exchange of the preliminary pleadings as mentioned above is closed, the file is complete and after appointment of Arbitrator in accordance with these Arbitration Rules and his declaration of acceptance, the Secretariat shall transmit the file to the Arbitrator. The arbitration proceedings shall commence from the date of notification of the matter to the parties and Arbitrator.

Note 1- When the Arbitrator has been already appointed by the parties and he has declared his acceptance, the Secretariat of the Arbitration Centre shall transmit the file to the Arbitrator without exchanging the preliminary pleadings. In this case the exchange of pleadings shall be made under the direction of the appointed Arbitrator.

Note 2- The Secretariat of the Arbitration Centre may extend the time limits foreseen in this Article at the request of claimant or defendant, provided that the applicant of time extension has nominated his co-arbitrator or has stated his views on the number of arbitrators and the manner of their choice, as the case may be.

Article 9- Effects of the Arbitration Agreement

A. In all cases where arbitration of a dispute is referred to the Arbitration Centre, the arbitration shall be conducted in accordance with the Arbitration Rules in force at the time of submission of the request for arbitration, unless the parties have agreed to submit to the Rules in force on the date of their Arbitration Agreement.

B. In the event that the defendant refuses to answer the request for arbitration as provided by Article 7 of these Arbitration Rules, if the Arbitration Court of the Arbitration Centre decides on a *prima facie* basis that an Arbitration Agreement is concluded between the parties, the arbitration shall proceed. This decision on the *prima facie* existence of an Arbitration Agreement shall not preclude raising objections as to the existence or validity of the Arbitration Agreement before the Arbitrator.

C. In the event that the Arbitration Court of the Arbitration Centre is not satisfied with *prima facie* existence of the Arbitration Agreement, the

Secretariat shall notify the parties that the arbitration proceedings cannot proceed. In such case, any party may request from the competent court to decide on existence or non-existence of an Arbitration Agreement.

D. If before the appointment of the Arbitrator, either party raises any objection as to the existence, validity or scope of the Arbitration Agreement, the Arbitration Court of the Centre shall decide on the matter, without prejudice to the possibility of raising the same objection before the Arbitrator when he is appointed. In the event the Arbitration Court sustains the objection, the Secretariat shall notify the parties that the arbitration proceedings cannot proceed and the file will be closed. In such event either party may refer to the competent court.

E. If any of the parties do not participate in the arbitration hearings or any stages of the proceedings this will not be an obstacle for continuation of the arbitration proceedings, and the Arbitrator may continue the proceedings and issue award in accordance with the existing documents and evidences.

F. An objection as to the existence or validity of the underlying contract shall not cease the Arbitrator to have jurisdiction to decide on such objection, provided that the Arbitrator upholds the validity of Arbitration Agreement. Even though the main contract does not exist or is null and void, the Arbitrator shall have jurisdiction to determine on the issue and make a decision concerning the parties' claims and objections, and the arbitration agreement is independent under from the contract.

Article 10- Number of Arbitrators and their Appointment

A. The parties may agree in the Arbitration Agreement or in a separate agreement on the number of Arbitrator and the procedure of their selection. In the absence of such an agreement and if there is a difference between them on this matter, the following arrangements and procedure shall apply and the submission by the parties to the Arbitration Centre shall entail their acceptance of the following arrangements:

1. The Arbitration Centre shall, upon due consideration of the subject-matter of the claim, nominate an Arbitrator and introduce him to the parties so that if any party has any objection against the said arbitrator he may submit the same to the Secretariat of the Centre within fifteen (15) days after notification of the introduction of the Arbitrator.

2. If any party raises any justified objection against the nominated Arbitrator and the objection is accepted by the Arbitration Centre, the Centre will introduce another person as Arbitrator; otherwise, the Arbitration Centre shall transmit the file to the nominated Arbitrator as soon as he declares his acceptance.

B. In cases where the parties agreed to appoint a panel of Arbitrators the following procedure shall apply:

1. Either party shall nominate a co-arbitrator within the time limit fixed by the Centre. Thereafter the parties, or their co-arbitrators if the parties so agree, shall within 10 days jointly select the presiding arbitrator.

2. If the parties do not nominate their co-arbitrator or the presiding arbitrator within the relevant time limit, the Centre shall nominate, as the case may be, the defaulting party's co-arbitrator or the presiding arbitrator (or both) and introduce him to the parties so that if any party has any objection against the said arbitrator(s) he may submit the same to the Secretariat of the Centre within fifteen (15) days after notification of nomination of the co-arbitrator or the presiding arbitrator.

Note: Decision on the objection against a co-arbitrator or a presiding arbitrator raised at this stage rests with the Arbitration Centre and such decision shall be final. In the event the objection is accepted to be justified, the Arbitration Centre shall select another person(s) in accordance with the above procedure.

Article 11- In addition to the above cases, in the following instances the Arbitration Centre shall appoint the Arbitrator:

1. If in accordance with the Arbitration Agreement the appointment of the Arbitrator, the members of the arbitration panel or the presiding arbitrator is assigned to a third person and that person does not make an appointment within the required time limit.

2. If the third person of the parties' choice delegates the nomination of the Arbitrator, the members of the arbitration panel or the presiding arbitrator to the Arbitration Centre.

3. If the Arbitrator(s) or the presiding arbitrator reject the appointment, or refrain to declare their acceptance or they cannot be accessed.

Article 12- If in the Arbitration Agreement the parties have undertaken that in case a dispute arises, a specified person or persons will act as Arbitrator(s) and such person or persons do not declare his/their acceptance or reject his/their appointment or he/they cannot be accessed, or if, for whatsoever reason, he/they cannot or do not want to act as Arbitrator, the Arbitration Centre shall declare the arbitration as terminated and shall notify the parties of same, unless the parties agree on a different procedure for selection of a substitute Arbitrator or delegate his selection to the Arbitration Centre.

Article 13- Selection and appointment by the parties or the Arbitration Centre of the Arbitrator or the members of the arbitration panel shall always be made from amongst the list of arbitrators of the Arbitration Centre.

However, the parties may appoint the Arbitrator from outside the said list, provided that the person so selected has the necessary qualifications and the Board of Directors of the Arbitration Centre approves to include his name in the list of the arbitrators of the Centre.

Note- In appointing the Arbitrator, the Arbitration Centre shall observe the provisions agreed upon by the parties in the Arbitration Agreement, and shall appoint a qualified Arbitrator with due consideration of the subject-matter of the arbitration.

Article 14- In international arbitrations the sole arbitrator or the presiding arbitrator shall not be of the same nationality as that of the parties to the arbitration, unless the parties have agreed otherwise.

Article 15- Multi-party Arbitration

Where there are more than two parties to arbitration, the following procedure shall apply unless otherwise agreed by the parties:

1. For a single claimant, one arbitrator shall be appointed and in the event of multiplicity of the claimants, they shall jointly appoint one arbitrator. Likewise, a single or multiple defendants shall appoint their arbitrator.

2. If multiple claimants or defendants do not agree on appointing a joint arbitrator within the relevant time limit, the Arbitration Centre shall appoint the co-arbitrators for the multiple parties (be it claimants or defendants).

3. In multi-party arbitrations the appointment of the presiding arbitrator rests with the co-arbitrators of the parties, and if they fail to agree thereon within 15 days as of the date fixed by the Arbitration Centre, the presiding arbitrator shall be appointed by the Arbitration Centre.

4. In case of a controversy on whether a party or parties are claimant or defendant, a panel of three arbitrators shall be appointed by

Arbitration Centre and with due regard to the subject-matter of the arbitration and the provisions of the Arbitration Agreement concerning the qualifications of the arbitrators.

5. Other matters in multi-party arbitrations, including replacement or challenge of the Arbitrator shall be governed by the rules applicable in two-party arbitrations.

Article 16- Place of Arbitration

A. In domestic arbitrations the place of arbitration shall be in the headquarters of the Arbitration Centre, unless the parties expressly agree on another place of arbitration.

B. In international arbitrations, the place of arbitration shall be agreed on by the parties and if they fail to agree, the Arbitration Centre shall designate the place, taking into account the circumstances of the case and the convenience for the access of the parties.

C. In international arbitrations, unless otherwise agreed by the parties, the Arbitrator may meet at any place he considers appropriate for deliberation, hearing the parties, the witnesses, or the experts or for inspection of goods or documents and evidences. However, the award shall be rendered in the place of arbitration.

Article 17- Language of Arbitration

A. In domestic arbitration, the language of arbitration is Persian language and if the evidence and documents relied upon are in another language, the party who submitted and invoked such documents shall provide the Persian translation of them, unless the Arbitrator requires that an official translation is necessary.

B. In international arbitrations, the parties may agree on the language of arbitration and if they fail to agree thereon, the Arbitrator shall designate the language of arbitration, taking into account the language of the contract and the circumstances of the case.

Article 18- Service of the Documents and Notices, Time Limits

A. The parties shall submit to the Secretariat of the Arbitration Centre, all the pleadings and communications with each other and with the Arbitrator, including the exhibits enclosed, in the number of the parties and of the Arbitrator(s) plus one copy for the record of the Arbitration Centre.

B. All communications, orders, requests, decisions and procedural rulings which the Arbitrator adopts or issues during the proceeding and also the arbitral award shall be served on the parties by and through the Arbitration Centre.

C. Unless the parties have agreed on another method for the service of the process, in all arbitrations which are referred to the Arbitration Centre the service of the process and also of the arbitration award shall be made by and through the Secretariat of the Arbitration Centre.

D. The service of process, communications and notices shall be made to the addresses of the parties as declared in the Arbitration Agreement or to any other address which the parties have declared later on. If none of the above addresses is accessible or there is no possibility for service in such addresses, the service to the last place of business or residence of the party to the arbitration or to any other place which may have a record of service on file, shall be considered as valid.

E. The service of process may be made by physical delivery against receipt, registered mail, facsimile, telex, telegram and email which include a record of dispatch and receipt by the addressee. In the following instances the service is deemed to be validly served and received:

1. Receipt by the addressee is established for the Arbitrator or for the Arbitration Centre;
2. The addressee has taken action in accordance with the contents of the service;
3. The addressee has replied in affirmative or negative;
4. The service is made to a place which has a record of service;
5. The service is made at the arbitration session.

Article 19- The date of service is the date at which the addressee or his representative received the relevant communication or notice, or the date at which the relevant communications are served in accordance with sub-sections c), d), or e) above, or are ordinarily and customarily deemed as received and the record thereof is kept at the Secretariat of the Arbitration Centre.

Article 20- The time limits provided for in these Arbitration Rules are calculated excluding the day of the service and the day of action. If the last day of the time limit is an official holiday or a non-working day in the place of service, then the first further working day will be the last day of the time limit. The holidays and non-working days which fall within the time limit shall be considered as part of the time limit. With respect to the persons residing abroad, a period of one month shall be added to the above time limits.

Article 21- If the circumstances so require, the Arbitrator may extend the time limits foreseen in these Rules so that each party may perform its duties and responsibilities during the proceedings.

Chapter 3 – Qualifications of the Arbitrator, Challenge Procedure

Article 22- Independence and Impartiality of the Arbitrator

A. The Arbitrator must be and remain independent and impartial, at the date of appointment, commencement of arbitration and during the proceedings until the issuance of the award. Also, the Arbitrator must not have any interest in the matter under arbitration.

B. The Arbitrator shall, simultaneously with acceptance of his appointment, sign and submit a declaration confirming his independence and impartiality to the Secretariat of the Arbitration Centre and shall disclose any fact or circumstances that may call into question his independence and impartiality in the eyes of the parties. If the said declaration includes such information, the Secretariat shall communicate the matter to the parties and shall fix a time limit for their comment. After receiving the parties' comments, the Arbitration Court of the Centre shall consider the matter and make an appropriate decision.

C. After the arbitration commences the Arbitrator is also obliged to immediately disclose in writing any facts or circumstances which may arise during the arbitration proceedings and may call into question his independence and impartiality, to the Secretariat of the Centre and to the parties.

Article 23- Challenge of the Arbitrator

The Arbitrator may be challenged if the circumstances exist that give rise to a reasonable doubt on his impartiality and independence, or if he does not have the qualifications required by the parties. A party may challenge an arbitrator that he appointed or participated in his appointment only on the ground of circumstances of which he becomes aware after the appointment.

A. In domestic arbitrations, the following persons cannot be appointed as Arbitrator even with agreement of the parties, and it will be a ground for rejection and challenge of the Arbitrator, if so appointed :

1. A person whose impartiality and independence for arbitration of the dispute is doubted ;
2. A person who does not have legal capacity;
3. A person who pursuant to a final judgment, is precluded to act as arbitrator;
4. Judges and officers of the courts working in the judiciary;

B. In domestic arbitrations, the following persons may not be appointed as Arbitrator, unless with the agreement of the parties:

1. Persons under 25 years of age;
2. Persons having an interest in the matter under arbitration ;
3. Persons that have a relation either by blood or marriage with one of the parties up to the second degree from third class;
4. A Person who is custodian, surety, attorney or supervisor of one of the parties, or one of the parties is his supervisor
5. Persons who themselves or their spouses are an heir to one of the parties;
6. Persons who themselves or their spouses have presently or had in the past a criminal case with one of the parties or with his relative (by blood or marriage) up to the second degree from third class;
7. Persons who themselves or their spouses or one of their relatives (by blood or marriage) up to the second degree from third class have a civil case with one of the parties or his wife or one of his relatives (by blood or marriage) up to the second degree from third class;
8. The government employees in the territorial jurisdiction of their assignment.

Article 24- The Procedure of Challenge, Replacement of Arbitrator due to Failure or Impossibility to act as Arbitrator

A. The parties may agree on the procedure for challenge of the Arbitrator. Otherwise, the party who intends to challenge the Arbitrator shall, within 15 days from the receipt of declaration of acceptance of the Arbitrator concerned, or if the ground for challenge occurs during the arbitration proceedings, within 15 days after becoming aware of any circumstances mentioned in Article 23 of the present Rules, submit a written brief of the reasons for the challenge together with the evidence and supporting documents, to the Secretariat of the Arbitration Centre, the challenged arbitrator concerned, the other arbitrators (if a panel of arbitrators is constituted) and the other party (ies) to the arbitration.

B. The Arbitrator shall decide on the challenge within 10 days after the receipt of the challenge and shall send his decision to the parties and the Centre. In the event the challenged Arbitrator does not accept the challenge, the challenging party may within 20 days of notification of the said decision refer the matter to the Arbitration Court of the centre subject matter of Chapter Five of the Internal Regulations concerning the Organization of the Centre) and request a decision from that Court.

C. The Arbitration Court of the Centre before making any decision on the challenge shall inform the challenged Arbitrator, the other party and other arbitrators through the Secretariat and shall fix a reasonable time for them to comment. The written comments of each of the parties and arbitrator (s) on the challenge shall be notified to the parties and the other arbitrators.

Article 25- If the Arbitrator refuses to make an award or fails to participate in the hearings twice consecutively, or fails to perform his functions, and also if the Arbitrator for reasons such as travel, long absence, non-accessibility, preoccupation or illness and like reasons is not able to perform his functions, either party may inform the matter to the Secretariat of the Arbitration Centre, the Arbitrator concerned, the other arbitrators (if a panel of arbitrators is constituted) and the other parties and make a request to replace him.

Note- If there is a controversy between the parties concerning the above issues; the Arbitration Court of the Centre shall make a decision on the matter.

Article 26- The decision of the Arbitration Court of the Centre on the challenge or replacement of Arbitrator is final and the Court is not bound to declare its reasons.

Article 27- The challenge of an arbitrator or a request for his replacement due to failure or inability to perform his functions, while pending a decision does not prevent the Arbitrator to continue the arbitration and make an award.

Article 28- Appointment of Substitute Arbitrator

If the mandate of the Arbitrator is terminated by virtue of any of the grounds mentioned in Article 23 or Article 25 above, or due to his resignation with the agreement of the parties or any other legal reasons, or due to his death or insanity; the substitute Arbitrator shall be appointed in accordance with the laws applicable to the arbitration and also in accordance with these Rules concerning appointment of Arbitrator.

Note- The substitute Arbitrator shall continue the arbitration proceedings in the light of the pleadings made by the parties and the hearings conducted so far, unless he decides based on reasonable grounds that the renewal of part or all of the previous proceedings is necessary.

Chapter 4 –Jurisdiction of Arbitrator

Article 29- Decision on Jurisdiction

A. The Arbitrator may decide, affirmatively or negatively on his jurisdiction, and also on existence or validity of the Arbitration Agreement. The

submission of disputes and claims to the Arbitration Centre shall entail the parties' agreement of this authority of the Arbitrator.

B. The arbitration clause which is part of a contract shall be considered as an independent agreement and the decision of the Arbitrator on the invalidity or unenforceability of the main contract does not adversely affect the arbitration clause and does not entail *per se* the invalidity or nullity of the arbitration clause.

Article 30- Objection to jurisdiction of the Arbitrator shall be made concurrent with the submission of the first answer and statement of defense. The mere fact that a party has appointed or participated in the appointment of Arbitrator does not preclude him from objection to the jurisdiction of the Arbitrator. An objection as to excess of jurisdiction by the Arbitrator during the proceedings shall be raised soon after it is obvious and known. However, the Arbitrator may admit a belated objection, if he considers that there are justifiable reasons for the delay in making the objection.

Article 31- Unless otherwise agreed by the parties, the Arbitrator shall decide, as a preliminary matter and before dealing with the merits, on any objection to the jurisdiction or concerning the existence and/or validity of the Arbitration Agreement, unless in view of the subject-matter of the objection and the evidence thereof he decides to postpone the decision on the objection to determination of the merits.

Article 32- Decision on an objection concerning excess of jurisdiction by the Arbitrator the cause of which objection has occurred during the arbitration proceedings, may be made together with the award on the merits.

Article 33- If the Arbitrator rejects the objection and affirm his jurisdiction, any appeal or challenge to such decision shall not preclude continuation of the arbitration and making of an award.

Article 34- If the parties have agreed otherwise on the issues dealt with in this Chapter, the matter shall be conducted as they have agreed.

Article 35- Interim Measure

A. The Arbitrator may, at the request of a party order interim measure with respect to the subject matter of the dispute which requires an urgent decision. The interim measures order should be reasoned. The ground or grounds necessitating an immediate decision shall be specified in the interim measure order.

B. Any claim or dispute of the parties concerning damages arising from enforcement of such order shall be referred to the arbitration by the Centre. If the order for interim measure is issued before starting the arbitration, the applicant must institute the main claim on the merits within 10 days after notification of the order; otherwise the interim order shall be vacated.

C. The Arbitrator may require the applicant of an interim measure to deposit a suitable security with the Arbitration Centre such as cash, securities or a bank guarantee for the purpose of remedying any damages arising from execution of the interim order. If the other party provides a security appropriate to the subject matter of the interim measure, the Arbitrator will vacate the interim order.

D. The application to the courts in exceptional cases for the purpose of obtaining an interim measure order before or during the arbitration process, shall not be deemed to be a breach or a waiver of the Arbitration Agreement and does not preclude the arbitration from proceeding. The application by a party to the courts of justice for an interim measure order and the issuance of such order should be notified by the applicant party to the Secretariat of the Arbitration Centre without delay.

Note- The submission by the parties to the Arbitration Centre entails their acceptance of the power of Arbitrator to order interim measure and to require the deposit of suitable security and the parties are obliged to observe the content of the interim order.

Chapter 5 – The Arbitration Proceedings

Article 36- Submission of the File to the Arbitrator

Soon after appointment of the sole arbitrator or constitution of the arbitration panel and receipt of their acceptance, the Secretariat of the Arbitration Centre shall transmit the file to him/them, provided that the costs of arbitration requested by the Secretariat at that stage have been paid.

Article 37- Conduct of Arbitration

A. The conduct of arbitration rests with the sole arbitrator and in case of constitution of the arbitration panel, with the presiding arbitrator.

B. The Arbitration Centre and the Arbitrator shall treat the parties with due observance of the principles of equality, impartiality and fairness, and each party shall be given adequate opportunity to present his claim or defense and to submit his evidence, taking into account the time limit for of the arbitration.

Article 38- Appointment of Representative or an Attorney

Either party may appoint and introduce in writing a representative, an attorney, agent or an adviser.

Article 39- Terms of Reference and the Time Schedule

After receiving the file from the Arbitration Centre, the Arbitrator shall draw up within 15 days the Terms of Reference on the basis of the last submissions of the parties and if necessary in their presence. The Secretariat may extent this time limit at a reasoned request of the Arbitrator.

A. The Terms of Reference shall include the following particulars:

1. The full name and specifications of the parties;

2. The address of domicile of the parties to which service of the process in the course of arbitration shall be made;
3. A summary of the parties' claims and replies and the relief sought by each party, and to the extent possible at this stage, specification of the amount of the principal claim and the counterclaim;
4. If it is possible, specification of the issues to be determined;
5. The name, specifications and the address of the domicile of the Arbitrator;
6. The place and the language of arbitration (in international arbitrations);
7. The applicable laws and legal rules .
8. Specification of the powers and authorities conferred upon the Arbitrator, such as fixing the time limits of the arbitration and the extension thereof, the procedure for appointment of experts, hearing of the experts and witnesses, the power to act as *amiable compositeur* or to decide *ex aequo et bono*, and the procedure for ordering interim measures and for requiring appropriate security for the purpose of such orders;
9. Specification of any other power or issue which is necessary for settlement of dispute by arbitration;

B. The Terms of Reference shall be signed by the parties and the Arbitrator.

C. If any of the parties refuses to participate in the drawing up or to sign the Terms of Reference, or if he is not accessible, the Arbitrator shall sign the Terms of Reference and submit the same to the Arbitration Centre for approval. Upon signature of the Terms of Reference in accordance with this Article or its confirmation by Arbitration Centre, the arbitration shall proceed.

Article 40- In international arbitrations, the Arbitrator shall at the time of drawing up the Terms of Reference or as soon as possible thereafter, prepare in consultation with the parties a Time Schedule that he intends to follow for the conduct the arbitration and shall communicate the same to the parties and the Arbitration Centre. Any changes or modifications in the Time Schedule shall be notified to the parties and the Centre.

Article 41- Amendment of the Claim or the Defense

Unless otherwise agreed by the parties, neither party may introduce a new claim which falls outside the limits specified in the Terms of Reference. However, amendment or supplementing the claim after the Terms of Reference is authorized if in view of the nature of the new claim and other circumstances, the Arbitrator considers that it does not delay the proceedings or it does not prejudice the other party. In any case, in the event of amendment or supplementing the claim or the defense, the other party should be given an opportunity to respond.

Article 42- Applicable Law

- A. The Arbitrator shall decide on the basis of law and the legal rules applicable.
- B. In international arbitrations the Arbitrator shall apply the law chosen by the parties, and in the absence of such a choice he shall decide in accordance with such law that he finds applicable pursuant to the conflict of laws rules that he considers appropriate.
- C. The choice of law of a country made by any manner shall be construed as referring to the substantive law of that country and does not include the conflict of law rules of that law, unless the parties have agreed otherwise.
- D. The Arbitrator is obliged to decide in accordance with the provisions of the contract and shall take into account the relevant trade usage.
- E. The Arbitrator may decide *ex aequo et bono* if the parties have expressly authorized him to do so.

Article 43- The Hearing

- A. After transmission of the file to the Arbitrator, the exchange of pleadings shall be conducted under the authority of the Arbitrator. However, if the Arbitrator determines that considering the subject-matter of the case, there is no need for further exchange of pleadings, he may decide on the basis of the pleadings, documents and evidence already existing in the file.
- B. If in view of the subject-matter of the case, the Arbitrator finds it necessary to hear the parties or examine the originals of the documents and evidence, he may order a hearing and notify the same to the parties. Nevertheless, if a party requests a hearing in due course, the Arbitrator shall convene a hearing.
For the purpose of facilitating the hearing, the Arbitrator may specify the issue or the questions that will have to be answered at the hearing and send the same to the parties.
- C. If the Arbitrator determines that a hearing is necessary for inspection of the goods or other property or evidence, he shall notify the time and place of the hearing to the parties and other persons he considers necessary to be present.
- D. The Arbitrator may after consultation with the parties, conduct the hearings, inspection of goods, evidences or for deliberations at any place he finds appropriate, unless otherwise agreed by the parties.
- E. The arbitration sessions for the hearing and consideration of the case shall be in camera, unless the parties have agreed otherwise in writing. In any case, the Arbitrator shall take necessary measures for protection of trade secrets and confidential information.
- F. The hearing shall be convened with participation of the parties or their attorneys and representatives and each party may be assisted by his adviser.
- G. At any time during the proceeding, the Arbitrator may summon the parties to submit additional pleadings and evidence or invite them to provide explanations.

Article 44- Default of a Party

- A. If the claimant with no justified excuse fails to submit his pleadings and documents within the relevant time limit and the Arbitrator cannot decide on the matter even by obtaining comments from the defendant, the Arbitrator shall issue an order for nullification of the request for arbitration, or shall make an award for nullification of the claim, as the case may be.
- B. If the defendant with no justified excuse fails to submit his statement of defense, and also if the claimant fails to submit his reply to the counterclaim, the Arbitrator shall continue the proceedings and shall make appropriate decision on the basis of documents existing in the file, without treating such failures itself as an admission of the claimant's allegations or of the defendant's counterclaims.
- C. If any party though duly summoned, fails to appear at the hearing or to produce within the time fixed the documents and evidence relied upon by him, the Arbitrator may continue the proceedings and make an appropriate decision on the basis of the existing documents and evidence. If neither party though duly summoned, appears in order to provide explanations, if the Arbitrator cannot make an award without such explanations, the Arbitrator shall issue an order for nullification of the request for arbitration.

Article 45- Witnesses

- A. If any party introduces witnesses as proof of his claim or defense, he shall submit in writing before the hearing, the names and

specifications of the witnesses, the subject-matter of their testimony, and its relevance to the arbitration. If the Arbitrator recognizes the subject of testimony of effects and relevance he shall conduct a witness hearing and shall notify the party concerned to appear his witnesses at the hearing. If the witnesses fail without a reasonable excuse, to appear, the witness testimony shall be discarded from the evidence.

B. Testimonies of the witnesses may be submitted in the form of a written witness statement signed by the witness provided that the witness signature can be ascertained.

C. Each party may under the control of the Arbitrator at the witnesses hearing poses relevant questions to his witness or to the witness introduced by the other party. The Arbitrator may also at his own determination pose questions to the witnesses.

D. In domestic arbitrations, the qualifications of the witnesses and the grounds for their challenge are the same as specified in the Civil Procedure Act dated 2000, and in international arbitrations they are subject to the law applicable to the arbitration. Assessment of probative value of the witness testimonies or the written witness statement rests with the Arbitrator.

Article 46- Appointment of Expert

A. The Arbitrator may, when he deems necessary at his own initiative or at the request of either party, refer the issues for expert opinion by one or more experts and require that each party shall make available any relevant information and access to any relevant documents, goods or other property and places for expert examination and inspection. The fees of expert and its expenses shall be paid by the applicant of the expert opinion and if he does not pay the costs of the expert within the time fixed, the expert opinion shall be discarded from among his evidence.

B. When the order for an expert opinion is made on the Arbitrator's initiative and the Arbitrator cannot decide the case without an expert opinion, payment of the expert fees and expenses shall rest jointly on the parties. If the parties refrain to pay such fees and expenses, and if the Arbitrator cannot decide without an expert opinion, he shall issue an order for nullification of the request for arbitration.

C. If the Arbitrator considers it necessary, he may order a supplementary opinion by the expert. If a party requests or the Arbitrator considers it necessary, the expert shall appear at the hearing for clarification on his expert opinion and to respond to the questions.

D. The expert opinion shall be notified to the parties and they may submit within ten days their comments.

E. To substantiate his allegations any party, may at his cost obtain and submit an expert opinion and introduce his own expert for a hearing. Assessment of the probative value of party expert opinion rests with the Arbitrator.

F. The fees and expenses of the expert shall be determined in accordance with applicable tariffs and shall be considered as part of arbitration costs in the award.

Article 47- Third Party Intervention

If a third party considers that he has independently an interest in the subject-matter of the arbitration or an interest that may be adversely affected by the decision in favor of any of the parties to the arbitration, he may intervene before the proceedings is closed, provided that he accepts the arbitration agreement, the appointed Arbitrator and the Arbitration Rules, and that his intervention is not objected to by neither party. If a party objects to the intervention of a third party, the Arbitrator shall first decide on the matter and his decision is final.

Chapter 6 – Closure of the Proceedings and Issuance of the Award

Article 48- Closure of the Proceedings

A. When satisfied that the parties have had enough and reasonable opportunity to present their case, the Arbitrator shall declare the proceedings closed and shall render the award with due consideration of the provisions of Article 49 of these Rules. After closure of proceedings no further submission, document or evidence may be produced and admitted.

B. In the event the arbitration involves different claims (whether principal or derivative) the Arbitrator may bifurcate the case and declare closure of the proceedings on that claim(s) which is/are ripe for decision and issue an award on such claim(s), and continue the proceedings with respect to other claim or claims.

C. The Arbitrator shall at a maximum of 20 days after closure of the proceedings, submit the draft of the award before its signature to the Secretariat of the Arbitration Centre for the purpose of application of Article 53 of these Rules. In the event that the Arbitrator requires more time to prepare the draft award he may, by advancing reasons for the delay, extend the time limit only once.

Article 49- Time Limit for the Award

A. In domestic arbitrations the time limit of the arbitration referred to the Arbitration Centre is three month from the date of acceptance of the Arbitrator and notice to the parties thereof, unless the parties have agreed otherwise. The extension of the said time limit, even repeatedly is possible with the agreement of the parties, provided that a new time limit is fixed. The parties may confer the right to extend the time limit of arbitration to the Arbitrator or delegate such right to the Arbitration Centre.

B. In international arbitration the Arbitrator shall issue the award within 6 months from the date of finalization of the Terms of Reference in accordance with Article 39 of these Rules. If the circumstances of the case so require that time limit may be extended, the Arbitrator shall communicate the matter of extension to the parties and the Arbitration Centre.

Article 50- Award on Agreed Terms

A. If during the proceeding the parties settle their disputes by agreement, the Arbitrator shall at the request of the parties record the settlement agreement, including the terms of the settlement and method of resolving the dispute in the form of an award on agreed terms and terminate the proceedings.

B. The award on agreed terms which is made in accordance with the above procedure is final and binding on the parties.

Article 51- Decision-making by a Panel of Arbitrators

A. When the proceedings are conducted by a panel of arbitrators, the members of the panel shall be informed of the date and place at which the proceedings are convened for the hearing, deliberations or for making an award.

B. Any decision by the panel is valid with a majority vote, unless the parties have agreed otherwise. If there is no majority the award shall be made by presiding arbitrator alone.

Note- In the event that a member of the panel of arbitrators resigns or does not participate at the hearings for two consecutive times or refrains to make a decision, the two other members shall examine the case and make an award and if there is no agreement of votes between the two members, the Arbitration Centre shall in accordance with these Rules appoint an arbitrator instead of the resigning, absent or withdrawing arbitrator, unless the parties have agreed otherwise.

Article 52- The Form and Content of the Award

A. The arbitration award shall be in writing and shall be signed by the Arbitrator. If there is more than one arbitrator, signature by a majority is sufficient, provided that the reasons for absence of the signature of any other member(s) are stated in the award. The dissenting or concurring opinion of any arbitrator shall be enclosed to the arbitration award, unless otherwise agreed by the parties.

B. The arbitration award includes an introduction, a summary of the proceedings, the award and the operative part of the award.

1. The 'introduction' includes the case number, the date and number of award and the place of proceedings, the specifications and address of the parties, the name of Arbitrator and the relief sought.

2. The "summary of proceeding" includes a short statement of the parties' positions and arguments, the hearing, and also measures taken for establishment of the facts and assessment of evidence;

3. The "award" shall state a statement on the subject-matter of the claim or claims, the relief sought and also state all reasons upon which the award is based, unless the parties have agreed that the reasons for the award should not be mentioned or that the award is made on agreed terms under Article 50 above or it is made *ex aequo et bono*.

4. The "operative part" of the award contains the specific finding of the Arbitrator concerning the relief sought and concerning the parties' presentations and also an order concerning the actions and the obligations that the relevant parties must execute in compliance with operative part of the award.

5. The award shall state the date and place of arbitration as indicated in Article 16 of these Rules

Article 53- Scrutiny of the Draft Award and Notification of the Arbitral Award

A. To ensure the due application of the legal procedures and also these Rules, the Arbitrator shall before signing the award submit the draft of the award to the Secretariat of the Arbitration Centre. The Secretariat shall with due regard to the provisions of Chapter Five of the Internal Regulations on Arbitration Services dated 23.12.1384 (13March 2006) transmit the draft to the next session of the Court of Arbitration of the Centre. The Arbitration Court of the Centre may without interference with the freedom and authority of Arbitrator, draw his attention to matters of form or substance. The Arbitrator is free to accept or reject the points of substance, but shall observe the views of the Arbitration Court as to the form. The Arbitrator shall be authorized to sign and render the award, when it is approved by the Arbitration Court of ACIC as to its form.

B. The arbitration award when signed and rendered as above shall be registered with specific number and date of issuance in the registry book of the Secretariat of the Centre and all pages shall be stamped by the Arbitration Centre. The original copy of the award shall be kept in the file and certified copies, which have the authority of the original, will be notified to the parties, provided that all the arbitration costs have been fully paid.

Article 54- The Finality and Binding Effect of the Award

A. The arbitration award is final and after it is notified in accordance with applicable laws, it shall be binding.

B. By their submission to arbitration by the Centre, the parties undertake to treat the award as final and binding and to comply with the contents of the award without delay.

C. Enforcement of the arbitration award in domestic arbitrations shall be subject to the provisions of the Civil Procedure Act dated 2000 and other relevant laws concerning enforcement of the arbitration awards, and in international arbitrations to the provisions of the International Commercial Arbitration Law dated 1997, or of the New York Convention on Enforcement of Foreign Arbitral Awards Approved in 2001, as the case may be.

D. If the losing party, being a member of the Chamber of Commerce, Industries and Mines fails without justification to comply with the award within 20 days of due notification thereof, the other party may apply to the disciplinary committee of the Chamber of Commerce of Iran for due consideration and decision.

Article 55- Termination of Arbitration

The arbitration proceedings conclude or terminate by an award or a decision of the Arbitrator in the following cases:

A. Withdrawal of the claim by the claimant, unless the defendant objects by providing justifiable reasons and the Arbitrator decides that he has a justified legal interest in continuation of the case;

B. Impossibility or lack of necessity of continuation of the proceedings for any reasons;

C. Agreement of the parties to terminate the arbitration;

D. Death or insanity of either party in the case of a natural person;

E. In domestic arbitrations, in the event of bankruptcy of either party in the case of a legal entity in accordance with Articles 418 and 419 of the Commercial Code, the arbitration will be suspended until an administrator is appointed. In international arbitrations, the issue is subject to the laws applicable to the matter.

Article 56- The Notification of the Award

A. The arbitration award, when duly signed shall be notified to the parties by the Secretariat of the Arbitration Centre, provided that the arbitration costs have been paid to the Arbitration Centre.

B. If so requested, the Secretary General provides additional certified copies of the award only to the parties or their representatives.

C. With notification of the award in accordance with the above arrangements, the parties waive any right to be notified by any other means

Article 57- Amendment and Interpretation of the Award

A. In domestic arbitrations each of the parties may, with due observance of Article 487 of the Civil Procedure Act 2000 request for an amendment or interpretation of the award or for a supplementary award. The Arbitrator is obliged to make a decision within 20 days from the date of the said request.

B. In international arbitrations each of the parties may within 30 days after the service of the award request for correction of any clerical,

typographical, computation errors in the Award or request for an interpretation and clarification of the award, or issuance of a supplementary award with respect to a matter which are submitted but remains undecided.

The Arbitrator shall decide on request for correction or interpretation of the award within 30 days after the receipt of the request, and on a request for supplementary award within 60 days extendable if necessary, after receipt of such request, if he considers such request justified. If the Arbitrator on his own initiative considers that correction or clarification of the award is necessary, he shall issue a correction or interpretation award within 30 days.

C. A request for correction or interpretation or for issuance of a supplementary award shall be submitted in the required copies and in accordance with these Rules to the Secretariat of the Arbitration Centre and the Secretariat shall notify one copy to the other party by giving a reasonable time for its comments.

D. Articles 51, 52, 53, 54 and 56 of these Arbitration Rules are applicable to an amendment, interpretation of the award or to a supplementary award.

Chapter 7- The Arbitration Costs

Article 58- Arbitration Costs

A. Submission to the Arbitration Centre and use of its services for settlement of disputes in any case is subject to payment of costs of arbitration which shall be calculated and received in accordance with the rules on Arbitration costs and the relevant tariffs in force at the time of submission of the claim.

B. After receiving the request for arbitration and concurrent with the exchange of preliminary pleadings in accordance with these Rules, the Secretary General shall determine the arbitration costs based on the amounts and the nature of the claim and in accordance with the tariffs attached to the Internal Rules on Costs for the Arbitration and shall notify the same to the parties, and at the same time invites the claimant to pay an advance payment within 15 days. The advance paid by the claimant shall be considered on account of his share of the final costs of arbitration.

C. The Arbitration Centre may adjust the costs in the light of changes in the nature and the amount of the claim in the course of the proceedings.

D. If apart from the claims, a counterclaim is submitted the Secretary General may fix the costs for the claim and the counterclaim separately. In this case each party shall pay the costs of his claim to the Secretariat of the Centre.

Article 59- Unless otherwise agreed by the parties, payment of the arbitration costs (administrative costs and the arbitrators' fees) shall be paid by the parties to the Arbitration Centre in equal shares and prior to the issuance of the award. If any party fails to pay all or part of its share of the arbitration costs, the other party may substitute for the defaulting party in order to prevent a suspension of the proceedings.

Article 60- If the parties refuse to pay the costs within the relevant time limit, the Secretary General may after consultation with the Arbitrator, suspend the proceeding. In such event, the Secretary General shall afford a period of at least 15 days to the parties for payment of the costs. Non-payment of the costs within this period shall be deemed as withdrawal of the request for arbitration of the claim or the counterclaim for which the costs were requested but remained unpaid, without prejudice to the relevant party's right to reintroduce such claim or counterclaim as a new proceeding.

Article 61- The decision of the Centre in such cases is subject to appeal within 20 days to the Arbitration Court of the Centre.

Article 62- Decision on the Costs

A The arbitration costs include the Arbitrator fees, the administrative costs of the Centre, the fees and expenses of the expert and other customary legal expenses which may be required for the arbitration proceedings.

B The Arbitrator shall fix in the award the arbitration costs and the proportion of them between the parties. If the parties have agreed on the apportionment of the costs, the Arbitrator is bound to observe it.

Chapter 8- Miscellaneous Rules

Article 63- When necessary, the Arbitration Centre shall provide every assistance and cooperation so that the award is enforced smoothly.

Article 64- Unless otherwise stipulated in these Rules , in all cases where powers or duties have been foreseen for the Arbitration Centre, the Secretary General is responsible to exercise such powers or perform such duties, unless in accordance with these Rules they fall within the jurisdiction of Arbitration Court of the Centre.

Article 65- In all cases where the Chamber of Commerce, Industries and Mines of Iran or the Chamber of Commerce of provinces is nominated to act as arbitrator, the arbitration shall be conducted by the Arbitration Centre of Iran Chamber in accordance with these Rules of Arbitration.

Article 66- Exemption from Liability

The responsibility of the Secretary General, staff of the Arbitration Centre and the Arbitrator in respect of application of these Rules and the Rules on Costs is the same as stipulated by relevant laws, and they have no liability beyond such laws.

Article 67- General Rule

With respect to all issues not expressly dealt with in these Rules, the Arbitration Centre, the Arbitration Court and the Arbitrator will conduct, as the case may require, in accordance with the spirit of the Law on the Statute of the Arbitration Centre dated 2002, the provisions of Chapter 7 of the Civil Procedure Act dated 2000, the International Commercial Arbitration Law dated 1997 the spirit of the present Arbitration Rules.

These Rules of Arbitration prepared in 67 Articles and 10 Notes were ratified pursuant to Article 6 of the Law on the Statute of the Arbitration Centre of the Iran Chamber by the Board of Directors of the Centre on 5. 06. 1386 (26 August 2007) and were approved. by the Board of Representatives of the Iran Chamber of Commerce, and Industries and Mine at its session dated 27.08.1386 (17.November 2007)