LIAC BBA

LEBANESE & INTERNATIONAL ARBITRATION CENTER

ARBITRATION RULES 2015

INTRODUCTION

A. Overview of the Center

The Beirut Bar Association has established a domestic and international arbitration center – the Lebanese and International Arbitration Center of the Beirut Bar Association. [hereinafter the "**Center"**] in accordance with the Center's statutes approved by the Council of the Beirut Bar Association in its session held on 11 October 2014 as well as the arbitration rules and annexes and supplementing administrative and financial regulations.

B. The Center as an appointing authority

The parties may choose the Center as an appointing authority for one or more members of the arbitral tribunal. In this event, the Center shall merely be deemed as an appointing authority, while the arbitration remains *ad hoc* for all other purposes, since, in this case, the Center does not organize or supervise the arbitral process, but rather interferes exclusively in the appointment process. This agreement shall be valid and binding upon the parties even if the arbitration takes place in a state other than the Lebanese State.

In this case, the Center shall appoint one or more arbitrators among the arbitrators mentioned on the Center's list of arbitrators. The schedule of costs adopted by the Center shall apply.

C. The Center as an administrative authority

The Center may- if the parties so choose- administer an arbitration case in accordance with arbitration rules other than those of the Center, subject to the approval of the higher arbitration council of the Center. The conditions required in such cases shall be determined in a special annex to these rules to be adopted by the administrative committee of the Center.

CHAPTER I
INTRODUCTORY PROVISIONS

Definitions:
The Arbitral Tribunal: refers to a sole arbitrator or a panel of arbitrators
The Center or the LIAC-BBA: refers to the Lebanese and International Arbitration Center of the Beirut Bar Association
The Higher Council: refers to the higher arbitration council of the International Arbitration Center of the Beirut Bar Association
The Advisory
Committee: refers to the advisory committee of the International Arbitration Center of the Beirut Bar Association
The Administrative
Committee: refers to the administrative committee of the International Arbitration Center of the Beirut Bar Association
The Scientific
Committee: refers to the scientific committee of the International Arbitration Center of the Beirut Bar Association
The Claimant: refers to one or more claimants
The Respondent: refers to one or more respondent
The Party or Parties: refers to one or more parties involved in the arbitration (Claimant, Respondent or both)
The Claim: refers to any claim by any party against any other party
The Award or Decision: refers to all awards or decisions, whether preliminary or final, issued by the arbitral tribunal
The Rules: refers to the rules of arbitration of the Lebanese International Arbitration Center of the Beirut Bar Association

Article 1: Scope of Application
Where the Parties have agreed to refer disputes arising between them to arbitration under the Rules, such disputes shall be settled in accordance with the Rules as well as the regulations of the center.

Article 2: Notification and time-limits
1- Notifications shall include any notification made to the parties, including notification of documents, dates of hearings as well as awards and decisions issued by the Arbitral Tribunal
2- A notification shall be deemed to have been made.
   a) If delivered to the addressee in person, at the address indicated in the request for arbitration or in the statements of defense and counterclaim;
   b) If delivered to the addressee in person at his place of business or residence or to one of his employees or the persons living with him;
   c) The parties may agree on a notification procedure by way of e-mail or facsimile, provided a proof of transmission is preserved. In this case, the parties shall designate the addresses and the phone numbers required for this

purpose. The notification is deemed to have been made by e-mail when its receipt on the addressee's electronic address has been proven. The notification is deemed to have been made by facsimile when its receipt at the indicated facsimile number has been proven.

3- If, after reasonable efforts, to be determined at the discretion of the arbitral tribunal, notification in accordance with paragraphs 1 and 2 above has proven impossible, the arbitral tribunal may, in this case, decide that notifications shall be made by other means that provide a proof of delivery to the addressee's place of residence, place of business or mailing address as designated in the arbitration documents. The arbitral tribunal shall, in this case, fix a time limit after which the notification shall be deemed to have been received.
4- Time limits fixed under these Rules shall start to run on the day following the date a notification has been made in accordance with paragraphs 1 and 2 of this article or on the day following the time limit decided by the arbitral tribunal in accordance with paragraph 3 of the same. If the last day of such time limit is a Sunday or an official holiday at the addressee's residence or place of business, the time limit is extended until the first business day which follows. Official holidays occurring within a time limit are included in calculating the time limit.
5- Parties may choose a domicile for notification purposes.

Article 3: Request for arbitration

1- A party wishing to have recourse to arbitration shall submit a request for arbitration to the Center. The Director shall examine the request and supporting documents and shall take the appropriate measures pursuant to the Rules.
2- The arbitration proceedings shall be deemed to have commenced on the date the request is received by the Center.
3- The request shall include the following:
   a) The parties' names, nationalities, addresses and other contact details as well as those of their representatives;
   b) The agreement to arbitrate on which the request is based (an arbitration agreement or an arbitration clause);
   c) The contract or the legal act giving rise or relating to the dispute, as well as a summary statement of the facts, the legal arguments and the reliefs sought;
   d) The number of arbitrators and the arbitration language if not mentioned in the arbitration agreement.
4- The request for arbitration may also include the following:
   a) A Proposal for the appointment of a sole arbitrator as per article 8 of the Rules; or
   b) A request for the appointment of arbitrators as per articles 9 or 10 of the Rules.
5- If the request for arbitration does not include any of the above-mentioned information, the Director may request the claimant to complete it within a reasonable time limit.
6- Disputes regarding the extent of the completion of the request for arbitration shall not prevent the constitution of the arbitral tribunal.
7- The claimant shall submit the request for arbitration along with all supporting documents in as many copies as the number of respondents

8- The Claimant shall pay the relevant fees as per the Rules.
9- The Administrative Committee shall notify the request to the Respondent (s).

Article 4: Answer to the request for arbitration and counterclaims

1- The respondent shall submit to the Center an answer to the request for arbitration within thirty days from the date of receipt of the request as per the procedure of article 2 of the Rules.
2- The Administrative Committee shall notify the answer to the other party (s) according to the same above-mentioned procedure.
3- The answer to the request for arbitration shall include the following:
   a) The name and address of the respondent, the names and contact details of its representative, a copy of the power of attorney given to the representative expressly authorizing it to represent the respondent in arbitration proceedings;
   b) A reply to the request for arbitration in accordance with items (c) and (d) of article 3 (3);
4- The answer to the request for arbitration may also include the following:
   a) Any challenges to the jurisdiction of the arbitral tribunal to be constituted in accordance with the Rules;
   b) A proposal for the appointment of a sole arbitrator as per article 8 of these Rules;
   c) A request for the appointment of arbitrators as per articles 9 and 10 of the Rules;
   d) A brief description of any counterclaims or set-off claims, if any, and where appropriate, an indication of the amounts involved and the relief sought, provided that it is within the jurisdiction of the Tribunal;
   In case counterclaims are submitted by virtue of different arbitration agreements, a reference to the arbitration agreement under which each counterclaim has been submitted.
5- If a party refuses or fails to participate in any stage of arbitration proceedings that were duly initiated, the proceedings shall continue notwithstanding such refusal or failure. The award shall be deemed rendered against the defaulting party provided it has been duly notified.
6- The claimant may submit an answer to the counterclaims and the set-off claims within fifteen days from the date of receipt thereof in accordance with the procedure for in the Rules.

Article 5: Party Representation

Each party may choose to appear in person or be represented during the arbitration proceedings. The names and addresses of party representatives must be communicated to the arbitral that shall notify them to the other parties. Where a person is to act as a representative of a party, the arbitral tribunal may, on its own initiative or at the request of a party, the arbitral tribunal may, on its own initiative or at the request of a party, require, at any time, proof of the authority granted to the representative, subject to what has been mentioned in the Rules concerning the inclusion of an express authorization to represent the party in arbitration proceedings.

Article 6: Decision not to proceed with the arbitration
The Director may, after consulting the Higher Council in writing, decide not to proceed with the arbitration if the considers, upon *prima facie* review of the case file, that the Center lacks jurisdiction over the dispute.

Article 7: Joinder of additional parties
The arbitral tribunal may, at the request of a party, authorize the joinder of one or more third parties to the arbitration, unless, after giving all the parties including the person or the persons whose joinder is requested, the opportunity to be heard, il considers that such joinder would cause prejudice to any of the Parties. The arbitral tribunal may render one or more awards concerning all the parties to the arbitration.

CHAPTER II
THE ARBITRAL TRIBUNAL

Article 8: Number of arbitrators
The dispute may be resolved by one arbitrator or three arbitrators. A reference to " arbitrator" includes, in the following articles, reference to a sole arbitrator or an arbitral tribunal.

Article 9: Appointment of a sole arbitrator
Where the parties have agreed that the dispute shall be resolved by a sole arbitrator, the latter shall be nominated jointly by parties subject to the confirmation of the Higher Council, upon referral by the Director. If the parties fail to agree on an arbitrator within thirty days from the date of receipt of the request for arbitration by the respondent, the Director shall appoint the arbitrator and refer it to the Higher Council for confirmation.

Article 10: Appointment of a panel of arbitrators
1- Where the parties have agreed that the dispute shall be resolved by three arbitrators, each party shall nominate an arbitrator, in the request for arbitration referred to under Article 3 of the Rules or in the answer to the request respectively. The nomination shall be submitted to the Director who shall refer it to the Higher Council for confirmation. The prospective arbitrator shall be independent of the party that has nominated him. If any of the parties fails to nominate an arbitrator, the Director shall appoint the arbitrator on behalf of that party subject to confirmation by the Higher Council.
The Director shall appoint the third presiding arbitrator- unless the parties have agreed to give such power to the party-appointed arbitrators- within thirty days from the confirmation of the party-appointed arbitrators. In this case, the party-appointed arbitrators shall communicate the agreed nomination to the Director who shall refer it to the Higher Council for confirmation. If, the party-appointed arbitrators have failed, within the prescribed period of time, to agree on the presiding arbitrator, the Director shall make the appointment and refer it to the Higher Council for confirmation.

2- Where the parties have not agreed on the number of arbitrators, the Director shall appoint a sole arbitrator, save where it considers that the dispute is such as to require the appointment of three arbitrators. In this case, the provisions of paragraph (1) of this article shall apply.

3- Where the Center is required in an international arbitration to appoint a sole arbitrator or the president of the arbitral tribunal, the Director shall appoint the sole arbitrator or the president of the tribunal from a country other than that of the Parties. The Director may, when necessary, in view of the circumstances of the case, choose the arbitrator from the country of one of the parties. I, this case, the Parties may object to the appointment within thirty days from the date of receipt of the appointment notification, provided that they mention the reasons upon which the objection is based. In the event no objection is duly made, the appointment made by the Director shall be referred to the Higher Council for confirmation. In the event an objection is duly made, the appointment decision along with the objection shall be referred to the Higher Council for scrutiny and final ruling. In this case, the Higher Council shall appoint the suitable arbitrator or the presiding arbitrator and confirm the latter in a final decision which is not subject to any recourse.

The Director shall appoint an arbitrator where a party fails to do so, and refer such decision to the Higher Council for confirmation.

Article 11: Confirmation of arbitrators

The Higher Council shall confirm the arbitrators' nominations referred to it by the Director, in accordance with the following provisions, unless otherwise agreed by the parties. In so doing, the Higher Council shall take into consideration the arbitrators' nationality or place of residence in light of the parties' or the other arbitrator's residence.

Article 12: Requirements for the appointment of arbitrators

1- As of his appointment and throughout the proceedings, the arbitrator shall be and remain impartial and independent and shall disclose any information that may call into question his impartiality or independence.

2- The arbitrator's appointment procedure shall only begin once he accepts his appointment and expresses such acceptance in writing. In this case, he shall sign a written declaration confirming his impartiality and independence.

3- (a) The arbitrator shall avoid any ex parte communications in relation the case. If a communication is made, the arbitrator shall inform the other Parties and arbitrators of its content.

(b) In all cases, the arbitrator shall inform the Director in writing, of all facts and circumstances likely to call into question his independence or impartiality. In this case, the Administrative Committee shall notify the parties of such circumstances and fix a time limit for their observations.

The arbitrator shall also immediately inform the Director and the Parties, in writing: of any fact and circumstance that have occurred during the arbitration proceedings and which may call into question his impartiality or independence.

4- The arbitrator shall avoid any conduct or attitude likely to prevent deliberations or that may hinder the resolution of the dispute.
5- The decisions duly taken by the Higher Council regarding confirmation, challenge or replacement of an arbitrator are final and thus not subject to any means recourse.
6- By accepting their appointment, the arbitrators become bound by the provisions of the Rules and the regulations of the Center.

7- In the event of a conflict between the standards adopted in the Rules as to the arbitrators' impartiality and independence and other international standards adopted by the parties, precedence shall be given to the standards of the Rules.
8- The appointment of an arbitrator from the Center's list of arbitrators shall not prejudice the arbitrator's independence or impartiality even if the latter holds a position in the Administrative or Scientific Committees or the position of Director.

Article 13: Removal of arbitrators

In the event an arbitrator fails to perform his duties or deliberately delays the commencement or the continuation of the proceedings, he may be removed, at the request of a party to the Higher Council through the Director. The Higher Council shall take the appropriate decision in this respect in accordance with the Rules, after inviting the other Parties and the arbitrators to provide their observations on the request.

Article 14: Resignation and challenge of arbitrators

First: Resignation of arbitrators:

1- The arbitrator may submit his resignation to the Higher Council through the Director while stating the reasons thereof.
2- The Higher Council shall rule on the resignation in accordance with the Rules in a final decision that is not subject to recourse.

Second: Challenge of arbitrators:

1- Any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to his impartiality or independence.
2- A party may not challenge the arbitrator it has appointed except for circumstances it has become aware of after the appointment and the confirmation has been made.
3- A party that intends to challenge an arbitrator shall submit the request for challenge to the Administrative Committee within fifteen days from the date of notification of the arbitrator's appointment, or within fifteen days from the date it had become aware of the circumstances justifying the challenge. The request for challenge shall state the reasons for the challenge.
4- The Administrative Committee shall communicate the challenge to the other Parties, the challenged arbitrator and the other arbitrators and invite them to

provide their observations within fifteen days as of the date of their receipt of the challenge.

5- When a party challenges an arbitrator, the other Parties may agree on the challenge. The challenged arbitrator may also resign. Such resignation shall not be considered as an implicit approval of the validity of the grounds of challenge. In this case, a substitute arbitrator shall be appointed in accordance with the procedure under the Rules.
6- If, within fifteen days from the date of notification of the challenge, the parties do not agree to remove the challenged arbitrator or the latter does not resign, the challenging party may proceed with the challenge. In this case, the Director shall refer the challenge along with the comments made by the arbitrators and the other Parties, to the Higher Council for ruling in accordance with the procedure adopted in the Rules. The Center's decision is final and not subject to any means of recourse.

Article 15: Vacancy

If an arbitrator passes away or is prevented de *facto or de jure* from performing his duties by reason of force majeure, a substitute arbitrator shall be appointed in accordance with the same procedure by which the former arbitrator has been appointed as per articles 8, 9 and 10 of the Rules.

Article 16: Resumption of proceedings

If an arbitrator is replaced, removed or his challenge accepted, or in case of vacancy, the proceedings shall resume from the stage where they have reached prior to the occurrence of any of these events.

Article 17: Exclusion of liability

The Beirut Bar Association, the Higher Council, the Advisory Committee, the arbitrators, any person appointed by the arbitral tribunal, the Center, the Director, the members of the Administrative and Scientific Committees, the employees, and any other Committees of the Center shall not be liable to any person based on any act or omission in connection with the arbitration.

CHAPTER III
ARBITRATION PROCEDINGS

Article 18: General provisions

1- (a) In the event the Rules are silent on certain matters relating to the proceedings, the arbitral tribunal may conduct the arbitration in such manner as it considers appropriate, subject to the provisions of the Arbitration Rules;
(b) The arbitral tribunal shall give the parties an equal treatment and a full opportunity to present their case at all stages of the proceedings.
2- The arbitral tribunal may decide to hold, upon the request of party, an evidentiary hearing or a hearing for oral pleadings at any stage of the proceedings.

3- In the absence of such a request, the arbitral tribunal shall decide, on its own initiative, whether to hold such hearings or to proceed on the basis of written memorials and other submitted documents.
4- Any memorials, communications and supporting documents shall be submitted in a number of copies that would ensure a copy is received by each arbitrator and each of the other parties and two copies are received by the Center.
5- (a) The Parties shall directly submit all memorials and pleadings to the arbitral tribunal once it is constituted.
6- (b) The arbitral tribunal shall ensure that these memorials and submissions are notified to the parties in accordance with the Rules.
7- In exercising it discretionary powers, the arbitral tribunal shall efficiently conduct the proceedings so as to avoid unnecessary delay and expenses that are likely to increase the costs of arbitration in an unjustified manner.

Article 19: Place of arbitration

1- If the parties have not previously agreed on the legal place of arbitration, the arbitral tribunal shall determine said place, having regards to the circumstances of the case. The award shall be deemed duly rendered at the legal place of arbitration.
2- The arbitral tribunal may meet at any location it considers appropriate for any purpose, including for hearings.

Article 20: Language

If the parties have not agreed on the language of arbitration, the arbitral tribunal shall, promptly after its constitution, determine the language(s) to be used in the proceedings in light of the circumstances of the case.

Article 21: Terms of Reference

1- Upon receipt of the file of the case from the Center, the arbitral tribunal shall draw up, on the basis of the documents submitted by the Parties or in their presence and in light of their most recent submissions, the terms of reference that shall include the following:
   a) The full names, description, addresses and other contact details of the parties;
   b) The addresses to which the communications and other documents submitted in the course of the arbitration shall be sent;
   c) A summary of the parties' claims, together with the claimed amounts;
   d) A list of issues to be determined, unless the arbitral tribunal considers it inappropriate;
   e) The full names, addresses and other contact details of the arbitrators;
   f) The place of the arbitration;
   g) Any particulars regarding the applicable procedural rules.

2- The Terms of Reference shall be signed by the arbitral tribunal and the parties as per the procedure directed by the Tribunal. If a party refuses to sign the Terms of Reference, it shall be submitted to the Higher Arbitration Council for approval.

Once approved, the Higher Council shall send it to the arbitral tribunal which shall proceed with the arbitration accordingly.

3- After the Terms of Reference have been signed or approved by the Higher Council, no party make new claims which fall outside the limits of the Terms of Reference unless it has been authorized to do so by the arbitral tribunal. In this case, the arbitral tribunal shall consider the nature of the new claims, the stage of the arbitration and any other relevant circumstances.

4- After drawing up the Terms of Reference, the arbitral tribunal shall establish the provisional timetable after consulting the parties. The arbitral tribunal may, at any time, after soliciting the Parties' views, extend or reduce any period of time adopted in the provisional timetable.

Article 22: Pleas as to the jurisdiction of the arbitral tribunal

1- The arbitral tribunal shall have the power to rule on its own jurisdiction, including any objection as to the existence or the validity of the arbitration agreement. For this purpose, an arbitration clause that forms part of a contract, shall be treated as an agreement independent from the other terms of the contract. A decision by the arbitral tribunal that the contract is null shall not entail automatically the invalidity of the arbitration clause.

2- (a) A plea that the arbitral tribunal does not have jurisdiction shall be raised before any defense on the merits. A party is not precluded from raising such a plea by the fact that it has appointed or participated in the appointment of an arbitrator. A plea that the arbitral is exceeding the scope of its authority shall be raised as soon as the matter alleged to be outside the scope of authority is raised during the proceedings.

(b) If a plea as to the jurisdiction has not been timely raised, the parties shall be deemed to have implicitly accepted the jurisdiction of the arbitral tribunal in this respect.

3- The arbitral tribunal may rule on any of the pleas referred to in paragraph 2 above either as a separate preliminary question or in an award on the merits. The arbitral tribunal may proceed with the arbitration and render an award, notwithstanding any pending challenge to its jurisdiction before a state court.

Article 23: Interim measures

1- Upon receipt of the file and unless the parties have otherwise agreed, the arbitral tribunal may, at the request of a party, take any interim measures it deems appropriate. For this purpose, the arbitral tribunal may require the applicant to provide an appropriate security. These measures shall be granted by a reasoned decision.

2- Before transmitting the file to the arbitral tribunal, and thereafter in the event that justifying circumstances exist, the Parties may have recourse to any judicial authority for the purpose of an interim measures. Such recourse as well as that aiming at enforcing interim measures taken by the arbitral tribunal shall not be deemed a violation or a waiver of the arbitration agreement and shall not affect the jurisdiction of the arbitral tribunal. Any request submitted to a judicial authority as well as any measures taken by the latter in this respect shall

immediately be notified to the Center, which shall then notify them to arbitral tribunal.

Article 24: Evidence

1- Each party shall bear the burden of proving the facts it relies upon in support of its claim or defense.
2- The arbitral tribunal may decide to examine the parties.
3- Any party may submit a list of the names of the persons it wishes to hear as witnesses, including expert witnesses. The arbitral tribunal shall take the decision it considers appropriate in this respect.
4- The parties shall be entitled to submit any written testimonies issued by any person having a connection with the matter submitted to arbitration, whether they are ordinary persons or experts. The arbitral tribunal shall determine the importance and the impact of such testimonies on the dispute.

Article 25: Hearings

1- When a hearing is to be held, the arbitral tribunal shall notify the Parties, at least fifteen days in advance, of the date, time and place thereof.
2- The hearings shall not be public unless otherwise agreed by the Parties. The arbitral tribunal may decide, in exceptional circumstances, to hold the hearings through videoconference without requiring physical presence.
3- Witnesses, including expert witnesses, may be heard and examined according to the procedure determined by the arbitral tribunal. The arbitral tribunal may require witnesses to exit the hearing room during the testimony of any other witnesses.
4- The arbitral tribunal may decide to examine witnesses, including experts, by way of means that do not require their physical presence at the hearing (such as videoconference) .

Article 26: Appointment of experts

1- The arbitral tribunal may, on its own initiative or at the request of a party, appoint one or more experts to carry out a mission to be determined in the decision of appointment. The Parties shall be notified of such decision in accordance with the procedure of the Rules.
2- Before accepting the mission, the expert, shall submit to the arbitral tribunal and to the parties a description of this qualifications and a statement confirming his impartiality and independence. Within the time prescribed by the arbitral tribunal, the parties shall submit any objections as to the expert's qualifications, impartiality or independence. Once the Tribunal has ruled on the objections, the parties may only object to the expert's qualifications, impartiality or independence for reasons that have occurred following the Tribunal's ruling on the previous objections.
3- The Parties shall give the expert any relevant information or produce for his inspection any relevant document or asset he may request. Any dispute between a party and the expert as to the relevance of the requested information, documents or assets shall be referred to the arbitral tribunal for ruling.

4- The expert shall submit his report to the arbitral tribunal within the time limit specified in the decision of appointment.
5- The arbitral tribunal shall communicate a copy of the expert's report to the parties for their comments in writing. Each party shall be entitled to examine any document relied upon by the expert in his report.
6- The parties may request clarifications from the expert regarding the content of his report. The arbitral tribunal shall decide on such request after notifying it to the other parties.
The arbitral tribunal may, on its own initiative, decide to request clarifications from the expert.

Article 27: Default

1- If the claimant fails, without showing sufficient cause, to submit its memorials, or if the respondent fails, without showing sufficient cause, to communicate its answers thereto, the arbitral tribunal may decide to proceed with the arbitration or give the parties a new time limit to submit shall proceed as it deems appropriate.
2- If a party, duly summoned, fails to appear at a hearing without showing sufficient cause, the arbitral tribunal may decide to proceed with the arbitration.
3- If a party, duly invited by the arbitral tribunal to produce documents, exhibits or other evidence, fails, without showing sufficient cause, to do so within the prescribed time limit, the arbitral tribunal may render the award based on the evidence before it.

Article 28: Closure of the proceedings

1- Upon completion of the arbitration proceedings in accordance with the Rules, the arbitral tribunal shall declare the closure of the proceedings, and consider the case under scrutiny and deliberation for the purpose of rendering the final award.
2- After the closure of the proceedings, the parties may not submit any further submissions or documents.
3- The arbitral may decide to re-open the proceedings at any time before the rendering of the final award if it deems it is necessary in order to supplement incomplete documents or other issues likely to affect the outcome of the arbitration.

Article 29: Waiver of the right to object

A failure by any party to object promptly to any non-compliance with these Rules or with any requirement of the arbitration agreement shall be deemed to be a waiver of the right of that party to make such an objection, unless it can prove that, under the circumstances, its failure to object was justified.

Article 30: Applicable Rules of Law

1- The Parties shall be free to agree upon the rules of law to be applied by the arbitral tribunal to the merits of the dispute. An agreement to apply the law of a certain

state shall be construed as a reference to the substantive rules without the rules of conflict of laws.

2- In the absence of an agreement as to the rules of law to be applied to the merits of the dispute, the arbitral tribunal shall apply the substantive rules of the law it considers to have the closest connection with the dispute.
3- In all cases, the arbitral tribunal shall take account of the provisions of the contract, if any, between the parties and of any relevant trade usages.
4- The arbitral tribunal shall assume the powers of an *amiable compositeur* or decide *ex aequo et bono,* without observing the rules of law, only if the parties have agreed to give it such powers.

Article 31: Incidental matters

If, during the arbitration proceedings, a question of law falling outside the scope of the arbitral tribunal's jurisdictions is raised before the arbitral tribunal, or a plea of forgery is raised regarding a document that has been submitted to it, and criminal measures were pursued, the arbitral tribunal may proceed if it considers that a ruling on such matters would not affect the outcome of the case. Otherwise, it shall stay the proceedings until a final decision is issued in this respect. This shall result in suspending the date fixed for the rendering of the final award as well as the time limit of the arbitration until a final decision is issued by the relevant authority.

CHAPTER IV
THE AWARD

Article 32:

The arbitral tribunal shall render the award resolving the dispute within the time limit agreed by the parties. In the absence of such agreement, the award shall be issued within six months from the date the arbitration proceedings were commenced. In all cases, the arbitral tribunal may request the Higher Council to extend such time limit for similar periods unless the parties have agreed on additional time limit.

Article 33:

If the arbitral tribunal is composed of more than one arbitrator, the decisions of the arbitral tribunal, including the final award, shall be made unanimously or by the majority of its members.

Article 34:

If, during the proceedings, the Parties agree on a settlement that ends the dispute, they may request that the terms of the settlement be recorded in writing by the arbitral tribunal. In this case, the arbitral tribunal shall render a decision recording the terms of the settlement and declaring the end of the proceedings.

Article 35:

The arbitral tribunal may render decisions or interim and conservatory measures or any urgent measure before the issuance of its final award.

Article 36:

1- The arbitral award shall be made in writing and signed by the sole arbitrator or the members of the arbitral tribunal. In the event there was more than one arbitrator, the signature of the majority of arbitrators shall be sufficient, provided that the award mentions the name of the dissenting member and the reasons thereof. The award shall have the same effect as if it were signed by all arbitrators.
2- The award shall be reasoned.
3- The award shall mention the Center's name, the Parties' names, titles, description and addresses, the arbitrators' names, addresses, nationalities and description, a summary of the arbitration agreement, a summary of the claims and defenses, a summary of the evidence and legal arguments relied upon by the Parties as well as the award's reasoning and rulings and date and place of issuance. The award shall also determine the fees of the arbitrator(s) and the allocation of the costs of arbitration between the parties.
4- Before its issuance, the award shall be submitted to the Higher Council in accordance with the provisions of article 57 (c) of the Rules.
5- The Award shall be final and binding on the Parties.

Article 37:

1- The Tribunal shall communicate to each of the Parties an original copy of the award. An original copy shall also be kept in the case's file.
2- The award may only be published with the consent of the Parties.

Article 38:

When the final award is rendered, the arbitral tribunal ceases to have jurisdiction over the dispute. It shall however retain the power to interpret the award and correct clerical errors by virtue of a decision issued on its own initiative or at the request of a party. In this case, the Parties shall be requested, as per the procedure prescribed in these Rules, to submit their observations unless the award has been challenged by any of the legal means of recourse. The arbitral tribunal shall precede with the correction within thirty days from the date of the award or the date the submission of the relevant request.

Article 39:

The decision on the correction shall be issued in writing and notified to the Parties within thirty days following the date of its issuance. If the Tribunal exceeds its powers in the correction, the annulment of such decision may be raised through the challenge by way of annulment.

Article 40:

1- The arbitral decisions issued in accordance with these Rules shall not be subject to any means of recourse unless the parties have so agreed.
2- The Parties' agreement to conduct the arbitration proceeding under these Rules shall be deemed a waiver to their right to appeal the Award before the competent court.

CHAPTER V
COSTS OF THE ARBITRATION

Article 41: The definition of costs

1- The costs of arbitration shall include the administrative expenses, the arbitrators' fees and the arbitration expenses as follows:
   a) The filing fee to be determined in accordance with article 41 of the Rules;
   b) The administrative expenses to be determined in accordance with article 42 of the Rules;
   c) The fees of the arbitral tribunal to be determined in accordance with article 43 of the Rules;
   d) Travel and accommodation expenses as well as any other necessary expenses required by the arbitral tribunal;
   e) The fees of experts and translators;
   f) The expenses incurred for witness testimony;
   g) The miscellaneous expenses incurred during the arbitration proceeding (such as the notification expenses and others);
   h) Expenses and arbitrator's fees due to the Center as appointing authority of the arbitral tribunal pursuant to the provisions of article 54 of the Rules.
2- The Tribunal may terminate the proceedings under article 33 of the Rules before the rendering of the final award. In this case, the Director shall fix the costs of arbitration in light of the tasks already performed by the arbitral tribunal.
3- The parties shall pay the costs of arbitration to the Center in cash, or by virtue of a check drawn to the order of the Beirut Bar Association or by transferring the amount to the account of the Beirut Bar association held for the benefit of the Center. In this case, the transfer shall indicate the reference of the arbitration case.

Article 42: The Filling fee

The filing fee amounts to 70 USD (seven hundred and fifty American Dollars) that should be disbursed along with the request for arbitration. An equivalent amount shall be disbursed upon filing any counterclaim. In this case, the Center shall issue a payment receipt thereof.

The filing fees for the claim and the counterclaim are non-refundable.

Article 43: Administrative expenses

The administrative expenses shall be determined based on the amount in dispute in accordance with appendix (1) of the Rules.

The amount in dispute shall be the aggregate value of all claims, counterclaims and set-off claims.

Where the amount in dispute cannot be ascertained, the Center shall determine the administrative expenses in light of the circumstances of each case.

The administrative expenses may not exceed the amount of 50 000 USD (fifty thousand American Dollars)

In exceptional circumstances, the Center may deviate from the amounts set out at appendix (1) after consulting the Higher Council upon referral by the Director.

Article 44: Fees of the arbitral tribunal

The arbitrator's fees shall be determined based on the amount in dispute in accordance with appendix N° (1) of these Rules.

The amount in dispute shall be the aggregate value of all claims, counterclaims and set-off claims.

Where the sum in dispute cannot be ascertained, the Center shall determine the fees of the tribunal in light of the circumstances of each case.

Upon deducting 10 percent from the total fees of the arbitrators to the account of the Center, as per the provisions of a special addendum to be issued by the Administrative Committee for this purpose, the arbitral tribunal's fees shall be allocated as follows:

-40 percent for the president of the arbitral tribunal and 30 percent for each member, unless otherwise agreed upon by the members of the arbitral tribunal;

- The entirety of the remaining fees of the sole arbitrator.

By accepting their appointment, the arbitrators are deemed to have approved the tribunal's fees. The Center's determination of these fees as per appendix N° (1) shall be final unless additional fees are determined in light of the circumstances of the case.

An advance of at least half of the fees as determined by the Center shall be disbursed within a period of time not exceeding the date of the signature of the terms of reference. The Director may determine other payment terms prior or subsequent to the said time limit.

In all cases, 90 percent of the fees shall be paid before the rendering of the final award.

The Center, in consultation with the remaining arbitrators, shall determine the fees of an arbitrator who would have passed away after accepting the mission and before the rendering the final award, having regards to the tasks he has performed, the circumstances of the case and the stage of the proceedings.

An arbitrator that had been removed under article 12 or challenged under article13 shall not be entitled to any fees.

The arbitral tribunal shall not enter into agreements with the Parties or their representatives regarding the fees or costs of arbitration.

The center may, after consultation with the Higher Arbitration Council, determine the fees of the Tribunal at a figure higher or lower than that decided in accordance with appendix N° (1) of to the Rules, taking into account the devoted time, the speed of the proceeding and the complexity of the dispute.

Article 45: Allocation of costs

The tribunal may order that the costs be equally borne between the Parties if it deems it reasonable in light of the circumstances of the case.

The tribunal shall, in the final award or in any other award, as it deems appropriate, determine any amount that a party may have to pay to another party or parties as a result of the decision on allocation of costs.

Article 46: Payment of the administrative fees and expenses

The Director may require the Parties to pay of the advance on costs before the signature terms of reference. Consequently, the terms of reference shall have no effect and the parties' claims shall not be submitted to the arbitral tribunal unless the total advance on costs as decided by the tribunal has been fully paid.

Article 47: Travel and other expenses

The Center shall determine the amounts that are necessary to cover the travel and accommodation expenses as well as any other expenses indicated at article 42 of these Rules.

Article 48: Failure to pay the costs of arbitration

1- The Parties shall be jointly and severally liable for the payment of the costs of arbitration to the Center. If a party fails to settle its part, the Director may compel the other party to pay the unsettled part provided it is given the right to have recourse to the defaulting party for compensation thereof.
2- In any case, the terms of reference shall not become effective and the parties' claims shall not be submitted to the arbitral tribunal unless the Parties have settled the total advances as per articles 43 and 45 of the Rules.
3- If the parties fail to pay the costs of arbitration, the Center may decide to stay the proceedings temporarily or permanently in case the arbitral tribunal has not yet been constituted, or it has not proceeded yet with the arbitration.
4- The Parties shall pay the remaining fees and administrative expenses as well as arbitration fees in the event a final award is issued or an amicable settlement has been reached or in the event the parties have neglected the arbitration case.

Article 49: Modification of arbitration costs

A request may be submitted to the center for the nomination of once or more arbitrators for the purpose of an arbitration which is not governed by the Rules of the Center. Such service of the Center is subject to the payment of a non-refundable amount fixed in accordance with paragraph (a) of this Article:

a) An amount of 500 USD (five hundred American Dollars), or its equivalent in Lebanese Pounds, shall be paid for a request for appointment of one or more arbitrators in arbitration not conducted under the Rules of the Center.
b) The fees of the arbitrator(s) appointed by the Center from the Center's list shall be determined in accordance with appendix N° 1), unless the Parties and the arbitrator or arbitrators have not agreed otherwise.

Article 50: Modification of some provisions relating to administrative expenses, arbitration's costs and arbitrators' fees

The Administrative Committee may amend the provisions relating to the administrative expenses, costs of the arbitration, arbitrator's fees and its accompaniments when it deems it necessary for the proper functioning of the works.

Article 51: General Translation
In matters not expressly provided for in the Rules, the Center, the arbitral tribunal and the Parties shall act in the spirit of the Rules and make all reasonable efforts to render an enforceable arbitral award in accordance with the law.

Article 52: Currency
The costs provided for in these Rules shall be determined in the United States Dollars or their equivalent in Lebanese Pounds as at the date of payment to the Center.

Article 53: General rule
The Center shall issue a translation of the Rules into several languages. However, the Arabic original shall be deemed the only official version thereof.

CHAPTER VI
HIGHER ARBITRATION COUNCIL

Article 54:
The Arbitration Center of the Beirut Bar Association shall have a committee called the Higher Arbitration Council, the function of which is to be determined in the Rules, especially with regards to the review of the draft final award before the rendering thereof.

Article 55 (as amended by the decision of the Administrative Committee dated 14 June 2024).
The Higher Arbitration Council shall be composed of five to nine members appointed by the President of the Bar Association upon the proposal of the Director. Such appointment shall be confirmed by the Administrative Committee for a period of three renewable years.

Article 56:
The Higher Arbitration Council' sessions shall be held upon an invitation of the Director by way of any means of communication.
The Director shall assign a member of the Administrative Committee with the mission to take the minutes of the sessions of the Higher Arbitration Council for a period that should be determined in the assignment decision.

Article 57:
The Council's sessions and decisions shall be deemed legal in the presence of at least three of its members and the decisions shall be taken by a majority vote of the present members.

Article 58:

1- The Higher Council shall be entrusted with the functions provided for in these Rules, notably at articles 6, 8, 9, 10, 11, 12, 13, 14, 16, 20, 31, 35 in addition to any other relevant provisions.
2- The Higher Council shall provide its views on any matter referred to it by the President of the Bar Association, the Director of the Center, the Scientific Committee or the Administrative Committee, even if not provided for in these Rules.

3- Before signing any final decision of award, the Tribunal shall submit it in draft form to the Higher Council, which shall provide its observations, if any, as to the form of the award. The Higher Council may, without affecting the tribunal's freedom of decision, draw its attention to any issues relating to the substance. No decision or award shall be rendered without being approved as to the form by the Higher Council.
4- The Higher Council may also submit any observations it deems appropriate for the proper functioning of the Center both the Scientific and Administrative Committees, each according to its competence, for the purpose of issuing the appropriate decisions relating thereto.
5- In all cases, the Higher Council shall be entitled to supervise the works of the Center and provide the appropriate observations for the promotion of the Center on both the scientific and administrative levels.

Article 59:
The works of the Higher Council shall be confidential and conducted in an impartial manner.

Article 60:
Given the powers entrusted to them by virtue of these Rules, the members of the Higher Council may not act as arbitrators or in cases submitted to the Center.

Article 61:
As an exception to the principle provided for in the previous article, the members of the Higher Council may act as arbitrators or counsel in important and exceptional domestic and international arbitration case submitted to the Center. The Director shall, after consultation with the Administrative Committee, identify these exceptional cases, their importance and mention the needed requirements by way of a reasoned decision. In such cases, the arbitrators shall also be appointed as per the procedure provided for in the Rules.
The members of the Higher Council may also act as arbitrators if they have been expressly so nominated in the arbitration clause.
In both cases, the nominated or appointed member shall not be entitled to perform any of its duties in the Higher Council regarding all the matters relating to the case he is involved in.

Article 62:
Where a member of the Higher Council has an interest in any case submitted to the Center, he shall inform the Council and refrain from any participation in the Council's deliberations and in decisions regarding the case.

CHAPTER VII
ADVISORY COMMITTEE

Article 63:
An advisory committee shall be established within the center. The functions of such committee shall be determined as per these Rules.

Article 64:
The Advisory Committee shall be composed of fifteen members appointed by the Beirut Bar President upon the proposal of the Director and after consultation with the Administrative Committee. Such appointment shall be confirmed by the Council of the Beirut Bar Association for three years which can be renewed. The members of the Advisory Committee shall include a minimum of four prominent lawyers from the field of arbitration and a maximum of two from retired judges specialized in arbitration and nine shall be chosen among presidents of well-established institutions, companies and economic association and from international specialists of Arab or international arbitration Centers.

Article 65:
The Advisory Committee shall promote the Center before national, Arab and international authorities and give the appropriate directions for this purpose. The Advisory Committee shall follow up on the works of the Center and give the appropriate directions for the promotion of the Center on both administrative and scientific levels. It shall coordinate with the Higher Council in this regard. The Advisory Committee as well as each of its members may request a meeting with the Director and the Scientific and Administrative Committees for the purpose of providing appropriate observations that contribute to the promotion and development of the Center. The members of the Advisory Committee may, by virtue of an explicit written authorization given by the Director, communicate with the national, Arab and the international Arbitration Centers and institutions regarding possible cooperation. In all cases, the Advisory Committee may provide observations regarding the impartiality and independences of arbitrations conducted under the auspices of the Center.

Article66:
The Advisory Committee's sessions shall be held upon an invitation to its members by the Director by any means of communication.
The Director shall assign a member of the Administrative Committee with the mission to take the minutes of the sessions of the Advisory Committee for a period that should be determined in the assignment decision.

Article 67:
The sessions of the Advisory Committee shall be legal in the presence of at least six of its members. The decisions are taken by a majority vote of the present members.

CHAPTER VII
ANNEXES

Article 68:
The Administrative Committee shall decide as it deems it appropriate regarding some specialized arbitrations such as those relating to web names with a geographical system "**LB**" or "**Lebanon**" and the possibility of submitting them to the rules of arbitration of the Internet Lebanese Center "**Linc**" or the arbitration relating to the sport disputes governed by special rules and proceedings and the like. The procedure to be adopted shall be determined in special annexes.

APPENDIX N°1
THE CENTER'S ARBITRATION COSTS IN UNITED STATES DOLLARS

	Portion of the Amount in dispute	Administrative expenses	Fees of the Sole Arbitrator	Fees of the three Arbitrators
1	100000	2000	4000	7500
2	200000	3000	5000	8000
3	300000	3500	6000	12000
4	400000	4000	7000	14000
5	600000	4500	8000	14000
6	1000000	8000	10000	18000
7	2000000	12000	14000	26000
8	4000000	20000	35000	70000
9	8000000	30000	45000	9000
10	20000000	40000	60000	150000
11	50000000	50000	100000	180000
12	80000000	50000	125000	230000
13	100000000	50000	150000	250000

The amount in dispute determined in the above-mentioned twelve portions is related to the maximum of the claims by virtue of which the costs are fixed for each amount of an equal or lesser value up to the preceding portion, unless the Center decides otherwise after consulting the Higher Council.

The Council of the Beirut bar Association approved these Rules in its session held on 8 May 2015.