



المركز السعودي للتحكيم التجاري
Saudi Center for Commercial Arbitration

ARBITRATION RULES

MEDIATION RULES

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Saudi Center for Commercial Arbitration

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Introduction

The Saudi Center for Commercial Arbitration (“SCCA”), located in Riyadh, was established by the Cabinet decree number 257 dated 14/6/1435 A.H. - 15/03/2014 A.D. to administer arbitration procedures in civil and commercial disputes where parties agree to refer their disputes to SCCA arbitration or mediation.

The SCCA is governed by an independent Board of Directors composed of nationally respected leaders with diverse backgrounds and experience in business, law and arbitration. All Board members must come from the private sector, and may not hold a government position.

This book introduces the procedural rules that govern the dispute resolution framework at the SCCA, including Arbitration Rules, Mediation Rules, Costs and Fees Appendices and Model Clauses that parties may incorporate into their contracts and agreements.

Arbitration Rules

The SCCA developed its Arbitration Rules through a comprehensive and inclusive process, including:

1. The SCCA Board of Directors decided to adopt the UNCITRAL Arbitration Rules as a basis for the SCCA Arbitration Rules due to the widespread success and acceptance among experts, practitioners and courts of the UNCITRAL Rules;
2. A joint drafting team (the “Team”) was formed with the SCCA and consultants from AAA-ICDR to draft the SCCA Arbitration Rules;
3. The Team studied a number of regional and international arbitration centers’ rules and procedures, along with the Saudi

Introduction

Arbitration Law and the local practices. The Team then defined the main points and features of institutional arbitration to be incorporated in the SCCA Arbitration Rules. The first draft of the SCCA Arbitration Rules provided a systematic and clear framework governing the arbitral proceeding from filing until the issuance of an enforceable arbitral award;

4. The SCCA organized several workshops to discuss its Arbitration Rules draft with lawyers and practitioners, as well as two workshops with the Board of Directors;
5. The Team modified the SCCA Arbitration Rules draft in the light of the discussions that took place during the workshops. The SCCA Board of Directors then approved the Arbitration Rules.

Mediation Rules

The SCCA Mediation Rules were developed as follows:

1. The SCCA Board of Directors decided to adopt the AAA-ICDR Mediation Rules as a basis for the SCCA Mediation Rules due to their flexibility, ease of implementation and international success.
2. A joint drafting team (the “Team”) was formed with the SCCA and consultants from AAA-ICDR to draft the SCCA Mediation Rules;
3. The Team prepared the first draft of the SCCA Mediation Rules taking into account some modifications to articles and terminologies to be more suitable for the local and international market. Thus, creating a systematic, flexible and cost-effective framework. Mediation under the SCCA Mediation Rules is a flexible and party-focused process aimed at facilitating and achieving a negotiated settlement through a neutral third party, without the authority to impose a binding settlement;

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4. The SCCA organized several workshops to discuss its Mediation Rules draft with lawyers as well as two workshops with the Board of Directors;
5. The Team modified the SCCA Mediation Rules draft in the light of the discussion and feedback received during the workshops. The SCCA Board of Directors then approved the SCCA Mediation Rules.

Costs and Fees Appendices (*ad valorem*)

After examining the methods followed by the regional and international arbitration centers, two approaches were generally adopted by the centers with regard to centers' fees and the neutrals' costs. First, defining the costs and fees based on the amount of time worked, whether hourly or daily. Second, defining the costs and fees based on the sum in dispute (*ad valorem*), the lump sum method. After thorough studies and analyses of the pros and cons of the two methods, the lump sum method was determined to be more suitable and appropriate for SCCA clients. It is also the same method followed by many regional and international arbitration centers such as the ICC.

The SCCA has developed a costs and fees calculator to assist parties to calculate their estimated arbitration or mediation costs and fees. To use the calculator, please visit our website at: www.sadr.org

Model Clauses

This book contains a number of arbitration and mediation clauses to assist parties wishing to benefit from settling their existing or potential disputes by arbitration or mediation at the SCCA. These clauses were drafted in a simple and concise manner. Parties are encouraged to consider specifying a few details, such as determining the number of arbitrators, place of arbitration and language. Parties wishing to add details into their contracts and acquaint themselves with what they might consider when incorporating

Introduction

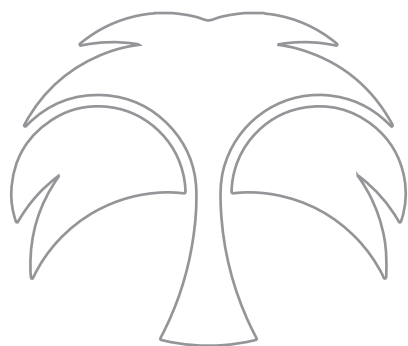
the SCCA clauses into their contracts are encouraged to review the SCCA Guide to Drafting Dispute Resolution Clauses at our website at: www.sadr.org.

For more information, please contact us at:

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Arbitration Rules

Effective 31 July 2016 – 26 Shawwal 1437



Arbitration Rules

Section I

Introductory Rules

Article (1): Definitions

The following words shall have the meanings assigned thereto, unless otherwise required by context:

- Kingdom** : Kingdom of Saudi Arabia.
- Tribunal** : A panel which includes one or more arbitrators which decides arbitral disputes.
- Administrator** : Saudi Center for Commercial Arbitration (the “SCCA”).
- Rules** : SCCA Arbitration Rules.
- Claim(s)** : Any relief or remedy sought by any party.
- Award** : Includes, inter alia, an interim, partial or final award.
- Day(s)** : Means calendar day (s).

Article (2): Scope of Application

1. Where parties have agreed that disputes between them in respect of a defined legal relationship, whether contractual or not, shall be referred to arbitration under these Rules, or have provided for arbitration of a dispute by the SCCA without designating particular rules, then such disputes shall be settled in accordance with these Rules subject to such modification as the parties may agree in writing. They thereby authorize the SCCA to administer the arbitration.

Arbitration Rules

2. These Rules specify the duties and responsibilities of the SCCA, as the Administrator. The Administrator may provide services through any of the SCCA's case management offices or through the facilities of the SCCA or arbitral institutions with which the SCCA has agreements of cooperation. Arbitrations administered under these Rules shall be administered only by the SCCA or by an individual or organization authorized by the SCCA to do so.
3. These Rules shall govern the arbitration except that where any of these Rules is in conflict with a provision of the applicable law to the arbitration from which the parties cannot derogate, that provision shall prevail.

Article (3): Notice and Calculation of Periods of Time

1. A notice, including a notification, communication, proposal or request may be transmitted by any means of communication that provides or allows for a record of its transmission.
2. If an address has been designated by a party specifically for this purpose or authorized by the Tribunal, any notice shall be delivered to that party or its representative(s) at that address, and if so delivered shall be deemed to have been received.
3. In the absence of such designation or authorization, a notice is:
 - (a) Received if it is physically delivered to the addressee; or
 - (b) Deemed to have been received if it is delivered at the place of business, habitual residence or mailing address of the addressee.
4. If, after reasonable efforts, delivery cannot be effected in accordance with paragraphs 2 or 3, a notice is deemed to have been received if it is sent to the addressee's last-known place of business, habitual residence or mailing address by registered letter or any other means that provides a record of delivery or of attempted delivery.

Section I: Introductory Rules

5. A notice shall be deemed to have been received on the day it is delivered in accordance with paragraphs 2, 3 or 4 of this Article or attempted to be delivered in accordance with paragraph 4. A notice transmitted by electronic means is deemed to have been received on the day it is sent, except that a notice of arbitration so transmitted is only deemed to have been received on the day when it reaches the addressee's electronic address.
6. For the purpose of calculating a period of time under these Rules, such period shall begin to run on the day following the day when a notice is made or deemed to have been made in accordance with paragraphs 2, 3 or 4 of this Article. If the last day of such period is an official holiday or a non-business day at the residence or place of business of the addressee, the period is extended until the first business day which follows. Official holidays or non-business days occurring during the running of the period of time are included in calculating the period.

Article (4): Notice of Arbitration

1. The party or parties initiating recourse to arbitration (the "Claimant") shall communicate to the other party or parties (the "Respondent") and to the Administrator a notice of arbitration.
2. Arbitral proceedings shall be deemed to commence on the date on which the Administrator receives the notice of arbitration.
3. The notice of arbitration shall include the following:
 - (a) A demand that the dispute be referred to arbitration;
 - (b) The names and contact details of the parties and, if known, of their representatives;
 - (c) Identification of the arbitration agreement that is invoked;
 - (d) Identification of any contract or other legal instrument out of or in relation to which the dispute arises or, in the absence of such contract or instrument, a brief description of the relevant relationship;

Arbitration Rules

- (e) A description of the Claim and of the facts supporting it;
 - (f) An indication of the relief or remedy sought and any amount claimed;
 - (g) A proposal as to the number of arbitrators, language and place of arbitration, if the parties have not previously agreed thereon.
4. The constitution of the Tribunal shall not be hindered by any controversy with respect to the sufficiency of the notice of arbitration, which shall be finally resolved by the Tribunal.
 5. The notice of arbitration shall be accompanied by the appropriate filing fee.

Article (5): Response to the Notice of Arbitration

1. Within 30 days after the commencement of the arbitration, the Respondent shall communicate to the Claimant a response to the notice of arbitration, which shall include:
 - (a) The name and contact details of each Respondent;
 - (b) A response to the information set forth in the notice of arbitration, pursuant to Article 4.3 (e) to (g).
2. The response to the notice of arbitration may also include:
 - (a) Any plea that an arbitral Tribunal to be constituted under these Rules lacks jurisdiction;
 - (b) A brief description of counterclaims or claims for the purpose of a set-off, if any. A counterclaim or set-off shall contain the same information required of a notice of arbitration under Article 4 (3) and shall be accompanied by the appropriate filing fee;
 - (d) A notice of arbitration in accordance with Article 4 in case the Respondent formulates a Claim against a party to the arbitration agreement other than the Claimant.

Section I: Introductory Rules

3. The Tribunal, or the Administrator if the Tribunal has not yet been constituted, may extend any of the time limits established in this Article if it considers such an extension justified.
4. Failure of Respondent to submit an answer shall not preclude the arbitration from proceeding.
5. In arbitrations with multiple parties, Respondent may make claims or assert set-offs against another Respondent and Claimant may make claims or assert set-offs against another Claimant in accordance with the provisions of this Article.

Article (6): Emergency, Provisional or Precautionary Measures

1. A party may apply for emergency relief before the constitution of the Tribunal by submitting a written notice to the Administrator and to all other parties setting forth the nature of the relief sought, the reasons why such relief is required on an emergency basis, and the reasons why the party is entitled to such relief.
2. A request for emergency measures shall be accompanied by the appropriate filing fee. The notice shall be submitted concurrent with or following the submission of a Notice of Arbitration. Such notice may be given by email, or as otherwise permitted by Article 4, and must include a statement certifying that all parties have been notified or an explanation of the steps taken in good faith to notify all parties.
3. Within one business day of receipt of the notice as provided in paragraph 1 of this Article, the Administrator shall appoint a single emergency arbitrator. Prior to accepting appointment, a prospective emergency arbitrator shall, in accordance with Article 13, disclose to the Administrator any circumstances that may give rise to justifiable doubts as to the arbitrator's impartiality or independence. Any challenge to the appointment of the emergency arbitrator must be made within one business day of the communication by the Administrator to the parties of the appointment of the emergency arbitrator and the circumstances disclosed.

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4. The emergency arbitrator shall as soon as possible, and in any event within two business days of appointment, establish a schedule for consideration of the application for emergency relief. Such schedule shall provide a reasonable opportunity to all parties to be heard and may provide for proceedings by telephone, video, written submissions, or other suitable means, as alternatives to an in-person hearing. The emergency arbitrator shall have the authority vested in the Tribunal under Article 19, including the authority to rule on his own jurisdiction, and shall resolve any disputes over the applicability of this Article.
5. The emergency arbitrator shall have the power to order or award any interim, provisional or precautionary measures that the emergency arbitrator deems necessary, including injunctive relief and measures for the protection or conservation of property. Any such measure may take the form of an interim Award or of an order. The emergency arbitrator shall give reasons in either case. The emergency arbitrator may modify or vacate the interim Award or order. Any interim Award or order shall have the same effect as an interim measure made pursuant to Article 23 and shall be binding on the parties when rendered. The parties shall undertake to comply with such an interim Award or order without delay.
6. The emergency arbitrator shall have no further power to act after the Tribunal is constituted. Once the Tribunal has been constituted, the Tribunal may reconsider, modify, or vacate the interim Award or order of emergency relief issued by the emergency arbitrator. The emergency arbitrator may not serve as a member of the Tribunal unless the parties agree otherwise.
7. Any interim Award or order of emergency relief may be conditioned on provision of appropriate security by the party seeking such relief.

Section I: Introductory Rules

8. A request for interim measures addressed by a party to a judicial authority shall not be deemed incompatible with this Article or with the agreement to arbitrate or a waiver of the right to arbitrate.
9. The costs associated with applications for emergency relief, including arbitrator's fees, shall be addressed by the emergency arbitrator, subject to the power of the Tribunal to determine finally the allocation of such costs.

Article (7): Joinder

1. A party wishing to join an additional party to the arbitration shall submit to the Administrator a notice of arbitration against the additional party. No additional party may be joined after the appointment of any arbitrator, unless all parties, including the additional party, otherwise agree. The party wishing to join the additional party shall, at that same time, submit the notice of arbitration to the additional party and all other parties. The date on which such notice of arbitration is received by the Administrator shall be deemed to be the date of the commencement of arbitration against the additional party. Any joinder shall be subject to the appointment of arbitrators provisions included in these Rules.
2. The request for joinder shall contain the same information required of a notice of arbitration and shall be accompanied by the appropriate filing fee.
3. The additional party shall submit an answer in accordance with the provisions of Article 5.
4. The additional party may make claims, counterclaims, or assert set-offs against any other party in accordance with the provisions of Article 5.

Article (8): Amendments to the Claim or Defense

During the course of the arbitral proceedings, a party may amend or supplement its Claim or defense, including a counterclaim or a Claim for the purpose of a set-off, unless the Tribunal considers

Arbitration Rules

it inappropriate to allow such amendment or supplement having regard to the delay in making it or prejudice to other parties or any other circumstances. However, a Claim or defense, including a counterclaim or a Claim for the purpose of a set-off, may not be amended or supplemented in such a manner that the amended or supplemented Claim or defense falls outside the jurisdiction of the Tribunal. The Tribunal may permit an amendment or supplement subject to an Award of costs and/or the payment of filing fee as determined by the Administrator.

Article (9): Representation and Assistance

Each party may be represented or assisted by persons chosen by it. The names and addresses of such persons must be communicated to all parties and to the Tribunal. Such communication must specify whether the appointment is being made for purposes of representation or assistance. Where a person is to act as a representative of a party, the Tribunal, on its own initiative or at the request of any party, may at any time require proof of authority granted to the representative in such a form as the Tribunal may determine.

Article (10): Administrative Conference

The Administrator may conduct an administrative conference before the Tribunal is constituted to facilitate party discussion and agreement on issues such as arbitrator selection, process efficiencies, and any other administrative matters.



Section II

Composition of the Tribunal

Article (11): Number of Arbitrators

If the parties have not previously agreed on the number of arbitrators, one arbitrator shall be appointed unless the Administrator, after consultation with the parties, determines at its discretion that three arbitrators are appropriate because of the size, complexity, or other circumstances of the case.

Article (12): Appointment of Arbitrators

1. The parties may agree upon any such procedure for appointing arbitrators and shall inform the Administrator as to such procedure. In the absence of parties' agreement as to such procedure, the Administrator may use the SCCA list method as provided in paragraph 6 of this Article.
2. The parties may agree to select arbitrators, with or without the assistance of the Administrator. When such selections are made, the parties shall take into account the arbitrator's availability to serve and shall notify the Administrator so that a notice of appointment can be conveyed to the arbitrators, together with a copy of these Rules.
3. If within 45 days after the commencement of the arbitration, all parties have not agreed on a procedure for appointing the arbitrator(s) or have not agreed on the selection of arbitrator(s), the Administrator shall, at the written request of any party, appoint the arbitrator(s). Where the parties have agreed upon a procedure for selecting the arbitrator(s), but all appointments have not been made within the time limits provided by that procedure, the Administrator shall, at the written request of

Arbitration Rules

any party, perform all functions provided for in that procedure that remain to be performed.

4. In making appointments, the Administrator shall, after inviting consultation with the parties, endeavor to appoint suitable arbitrators, taking into account their availability to serve.
5. If there are more than two parties to an arbitration, the Administrator may appoint all arbitrators unless the parties have agreed otherwise no later than 45 days after the commencement of the arbitration.
6. If the parties have not selected an arbitrator(s) and have not agreed on any other method of appointment, the Administrator, at its discretion, may appoint the arbitrator(s) in the following manner using the SCCA list method:
 - (a) The Administrator shall send simultaneously to each party an identical list of names of persons for consideration as arbitrator(s). The parties are encouraged to agree to an arbitrator from the submitted list and shall advise the Administrator of their agreement;
 - (b) If, after receipt of the list, the parties are unable to agree upon an arbitrator(s), each party shall have 15 days from the transmittal date in which to strike names objected to, number the remaining names in order of preference, and return the list to the Administrator. If a party does not return the list within the time specified, all persons therein shall be deemed acceptable. The parties are not required to exchange selection lists;
 - (c) From among the persons who have been approved on the parties' lists, and in accordance with the designated order of mutual preference, the Administrator shall invite an arbitrator to serve;
 - (d) If the parties fail to agree on any of the persons listed, or if the appointment cannot be made from the submitted lists, the Administrator shall have the power to make the appointment without the submission of additional lists;

Section II: Composition of the Tribunal

(e) The Administrator shall designate the presiding arbitrator.

Article (13): Disclosure

1. Arbitrators acting under these Rules shall be impartial and independent and shall act in accordance with the terms of the Notice of Appointment provided by the Administrator.
2. Upon accepting appointment, an arbitrator shall sign the Notice of Appointment provided by the Administrator affirming that the arbitrator is available to serve and is independent and impartial. The arbitrator shall disclose any circumstances that may give rise to justifiable doubts as to the arbitrator's impartiality or independence.
3. If, at any stage during the arbitration, circumstances arise that may give rise to such doubts, an arbitrator or party shall promptly disclose such information to all parties and to the Administrator. Upon receipt of such information from an arbitrator or a party, the Administrator shall communicate it to all parties.
4. Disclosure by an arbitrator or party does not necessarily indicate belief by the arbitrator or party that the disclosed information gives rise to justifiable doubts as to the arbitrator's impartiality or independence.
5. Failure of a party to disclose any circumstances that may give rise to justifiable doubts as to an arbitrator's impartiality or independence within a reasonable period after the party becomes aware of such information constitutes a waiver of the right to challenge an arbitrator based on those circumstances.
6. Parties, arbitrators, and prospective arbitrators shall avoid ex-parte communications regarding the arbitration. If any such communication is made, other parties and arbitrators shall be informed immediately of its substance and reasons for such communications.

Arbitration Rules

Article (14): Challenge of Arbitrators

1. Any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence.
2. The Administrator, on its own initiative, may, by a final decision, remove an arbitrator for failing to perform his duties.
3. A party that intends to challenge an arbitrator shall send notice of its challenge to the Administrator within 15 days after it has been notified of the appointment of the challenged arbitrator, or within 15 days after the circumstances mentioned in Article 13 became known to that party. The notice shall state in writing the reasons for the challenge.
4. Upon receipt of such challenge, the Administrator shall notify the other party of the challenge and give such party an opportunity to respond. The Administrator will not send notice of the challenge to the any member of the Tribunal but will notify the Tribunal that a challenge has been received, without identifying the party challenging. The Administrator may advise the challenged arbitrator of the challenge and request information from the challenged arbitrator relating to the challenge.
5. When an arbitrator has been challenged by a party, all parties may agree to the challenge. The arbitrator may also, after the challenge, withdraw from his office. In neither case does this imply acceptance of the validity of the grounds for the challenge.
6. If all parties do not agree to the challenge or the challenged arbitrator does not withdraw, the Administrator in its sole discretion shall make the decision on the challenge.

Article (15): Replacement of an Arbitrator

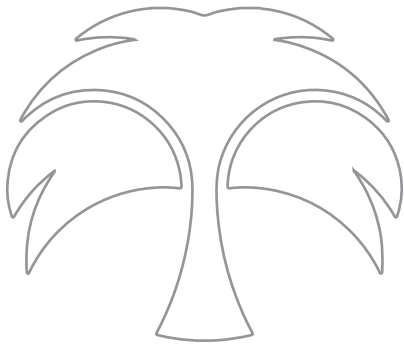
If an arbitrator resigns, is incapable of performing his duties, or is removed for any reason and the office becomes vacant, a substitute arbitrator shall be appointed pursuant to the provisions of Article 12.

Section II: Composition of the Tribunal

Article (16): Exclusion of Liability

The members of the Tribunal, the emergency arbitrator, the Administrator and the SCCA board shall not be liable to any party for any act or omission in connection with any arbitration under these Rules, except to the extent that such a limitation of liability is prohibited by applicable law. The parties agree that no arbitrator nor the Administrator and the SCCA board shall be under any obligation to make any statement about the arbitration, and no party shall seek to make any of these persons a party or witness in any judicial or other proceeding related to the arbitration.





Section III

Arbitral Proceedings

Article (17): Place of Arbitration

1. If the parties do not agree on the place of arbitration by a date established by the Administrator, the Administrator may initially determine the place of arbitration subject to a final determination to be made by the Tribunal.
2. A final determination of the place of arbitration shall be presented by the Tribunal having regard to the circumstances of the case and the convenience of the place for the parties.
3. The Tribunal may meet at any location it considers appropriate for deliberations, to preview the dispute, or to examine or review the documents. Unless otherwise agreed by the parties, the Tribunal may also meet at any location it considers appropriate for any other purpose, including hearings, witnesses' examination, experts and parties.
4. The Award shall be deemed to have been made at the place of arbitration.

Article (18): Arbitration Language

1. If the parties do not agree on the language(s) of arbitration by a date established by the Administrator, the Administrator may initially determine the language(s) of the arbitration subject to a final determination made by the Tribunal. The Administrator shall be guided by the language(s) of the arbitration agreement.
2. The Tribunal shall, promptly after its appointment, make a final determination regarding the language(s) to be used in the proceedings.

Arbitration Rules

3. The Tribunal may order that any documents annexed to the statement of Claim or statement of defense, and any supplementary documents or exhibits submitted in the course of the proceedings, delivered in their original language, shall be accompanied by a translation into the language(s) agreed upon by the parties or determined by the Tribunal. In the case of multiple languages, the Tribunal may confine the translation to some of them.

Article (19): Arbitral Jurisdiction

1. Arbitration agreement shall be considered independent from the contract in dispute. Thus if the contract is voided or terminated for any reason, the arbitration shall continue regardless. The Tribunal shall have jurisdiction to decide on pleadings relating to its competency.
2. The Tribunal shall have the power to rule on its own jurisdiction, including any objections with respect to the existence, scope, or validity of the arbitration agreement(s), or with respect to whether all of the claims, counterclaims, and set-offs made in the arbitration may be determined in a single arbitration.
3. The Tribunal shall have the power to determine the existence or validity of a contract of which an arbitration clause forms a part. Such an arbitration clause shall be treated as an agreement independent of the other terms of the contract. A decision by the Tribunal that the contract is null and void shall not for that reason alone render invalid the arbitration clause.
4. A party must object to the jurisdiction of the Tribunal or to arbitral jurisdiction respecting the admissibility of a claim, counterclaim, or set-off no later than the filing of the answer, as provided in Article 5 of these Rules, to the claim, counterclaim, or set-off that gives rise to the objection. The Tribunal may extend such time limit and may rule on any objection under this Article as a preliminary matter or as part of the final Award on the merits.
5. The Tribunal may continue the arbitral proceedings and make an Award, notwithstanding any pending challenge to its jurisdiction before a court.

Section III: Arbitral Proceedings

6. Issues regarding arbitral jurisdiction raised prior to the constitution of the Tribunal shall not preclude the Administrator from proceeding with the constitution of the Tribunal and shall be referred to the Tribunal for determination once constituted.

Article (20): Conduct of Proceedings

1. Subject to these Rules, the Tribunal may conduct the arbitration in whatever manner it considers appropriate, provided that the parties are treated with equality and that each party has the right to be heard and is given a fair opportunity to present its case.
2. The Tribunal shall conduct the proceedings with a view to expediting the resolution of the dispute. The Tribunal may, promptly after being constituted, conduct a preparatory conference with the parties for the purpose of organizing, scheduling, and agreeing to procedures, including the setting of deadlines for any submissions by the parties. In establishing procedures for the case, the Tribunal and the parties may consider how technology, including electronic communications could be used.
3. The Tribunal may decide preliminary issues, bifurcate proceedings, direct the order of proof, exclude cumulative or irrelevant testimony or other evidence, and direct the parties to focus their presentations on issues whose resolution could dispose of all or part of the case.
4. At any time during the proceedings, the Tribunal may order the parties to produce documents, exhibits, or other evidence it deems necessary or appropriate. Unless the parties agree otherwise in writing, the Tribunal shall apply Article 21.
5. Documents or information submitted to the Tribunal by one party shall at the same time be transmitted by that party to all parties and, unless instructed otherwise by the Administrator, to the Administrator.

Arbitration Rules

6. The Tribunal shall determine the admissibility, relevance, materiality, and weight of the evidence.
7. The parties shall make every effort to avoid unnecessary delay and expense in the arbitration. The Tribunal may allocate costs, draw adverse inferences, and take such additional steps as are necessary to protect the efficiency and integrity of the arbitration.

Article (21): Exchange of Information

1. The Tribunal shall manage the exchange of information between the parties with a view to maintaining efficiency and economy. The Tribunal and the parties should endeavor to avoid unnecessary delay and expense while at the same time avoiding surprise, assuring equality of treatment, and safeguarding each party's opportunity to present its claims and defenses fairly.
2. The parties shall exchange all documents upon which each intends to rely on a schedule set by the Tribunal.
3. When documents to be exchanged are maintained in electronic form, the party in possession of such documents may make them available in the form most convenient and economical for it (which may be paper copies), unless the Tribunal determines, on application, that there is a compelling need for access to the documents in a different form. Requests for documents maintained in electronic form should be narrowly focused and structured to make searching for them as economical as possible. The Tribunal may direct testing or other means of focusing and limiting any search.
4. The Tribunal may, on application, require a party to permit inspection on reasonable notice of relevant premises or objects.

Section III: Arbitral Proceedings

5. In the event a party fails to comply with an order for information exchange, the Tribunal may draw adverse inferences and may take such failure into account in allocating costs.

Article (22): Privilege

The Tribunal shall take into account applicable principles of privilege, such as those involving the confidentiality of communications between a lawyer and client. When the parties, their counsel, or their documents would be subject under applicable law to different rules, the Tribunal should, to the extent possible, apply the same rule to all parties, giving preference to the rule that provides the highest level of protection.

Article (23): Interim, Provisional, Precautionary or other Measures

1. At the request of any party, the Tribunal may order or Award any interim, provisional or precautionary measures it deems necessary, including injunctive relief and measures for the protection or conservation of property.
2. An interim measure is any temporary measure by which, at any time prior to the issuance of the Award by which the dispute is finally decided, the Tribunal orders a party, for example and without limitation, to:
 - (a) Maintain or restore the *status quo* pending determination of the dispute;
 - (b) Take action that would prevent, or refrain from taking action that is likely to cause, (i) current or imminent harm or, (ii) prejudice to the arbitral process itself;
 - (c) Provide a means of preserving assets out of which a subsequent Award may be satisfied; or
 - (d) Preserve evidence that may be relevant and material to the resolution of the dispute.

Arbitration Rules

3. The party requesting an interim measure under paragraphs 2 (a) to (c) shall satisfy the Tribunal that:
 - (a) Harm not adequately reparable by an Award of damages is likely to result if the measure is not ordered, and such harm substantially outweighs the harm that is likely to result to the party against whom the measure is directed if the measure is granted; and
 - (b) There is a reasonable possibility that the requesting party will succeed on the merits of the claim. The determination on this possibility shall not affect the discretion of the Tribunal in making any subsequent determination.
4. The Tribunal may modify, suspend or terminate an interim measure it has granted, upon application of any party or, in exceptional circumstances and upon prior notice to the parties, on the Tribunal's own initiative.
5. Such interim measures may take the form of an interim order, giving reasons, or Award, and the Tribunal may require security for the costs of such measures.
6. A request for interim measures addressed by a party to a judicial authority shall not be deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate.
7. The Tribunal may in its discretion allocate costs associated with applications for interim relief in any interim order or Award or in the final Award.
8. An application for emergency relief prior to the constitution of the Tribunal may be made as provided for in Article 6.

Article (24): Hearing

1. The Tribunal shall give the parties reasonable notice of the date, time, and place of any oral hearing.

Section III: Arbitral Proceedings

2. At least 15 days before the hearings, each party shall give the Tribunal and the other parties the names and addresses of any witnesses it intends to present, the subject of their testimony, and the language(s) in which such witnesses will give their testimony.
3. The Tribunal shall determine the manner in which witnesses are examined and who shall be present during witness examination.
4. Unless otherwise agreed by the parties or directed by the Tribunal, evidence of witnesses may be presented in the form of written statements signed by them. In accordance with a schedule set by the Tribunal, each party shall notify the Tribunal and the other parties of the names of any witnesses who have presented a witness statement whom it requests to examine. The Tribunal may require any witness to appear at a hearing. If a witness whose appearance has been requested fails to appear without valid excuse as determined by the Tribunal, the Tribunal may disregard any written statement by that witness.
5. The Tribunal may direct that witnesses be examined through means that do not require their physical presence.
6. Hearings are private unless the parties agree otherwise or the law provides to the contrary.
7. The Tribunal may decide the case solely on the documents submitted by the parties unless any of the parties requests a hearing.

Article (25): Expert Appointed by the Tribunal

1. After consultation with the parties, the Tribunal may appoint one or more independent experts to report to it, in writing, on specific issues to be determined by the arbitral Tribunal, which shall be communicated to the parties.
2. The expert shall, before accepting appointment, submit to the Tribunal and to the parties a description of his qualifications and a statement of his impartiality and independence. Within

Arbitration Rules

the time specified by the Tribunal, the parties shall inform the Tribunal whether they have any objections as to the expert's qualifications, impartiality or independence. The Tribunal shall decide promptly whether to accept any such objections. After an expert's appointment, a party may object to the expert's qualifications, impartiality or independence only if the objection is for reasons of which the party becomes aware after the appointment has been made. The Tribunal shall decide promptly what, if any, action to take.

3. The parties shall give the expert any relevant information or produce for his inspection any relevant documents or goods that he may require of them. Any dispute between a party and such expert as to the relevance of the required information or production shall be referred to the Tribunal for decision.
4. Upon receipt of the expert's report, the Tribunal shall communicate a copy of the report to the parties, which shall be given the opportunity to express, in writing, their opinion on the report. A party shall be entitled to examine any document on which the expert has relied in his report.
5. At the request of any party, the Tribunal shall give the parties an opportunity to question the expert at a hearing. At this hearing, parties may present expert witnesses to testify on the points at issue. The provisions of Article 24 shall be applicable to such proceedings.
6. The Tribunal may not delegate its decision-making authority to the expert or anyone.

Article (26): Default

1. If a party fails to submit an answer in accordance with Article 5, the Tribunal may proceed with the arbitration.
2. If a party, duly notified under these Rules, fails to appear at a hearing without showing sufficient cause for such failure, the Tribunal may proceed with the hearing.
3. If a party, duly invited to produce evidence or take any other steps in the proceedings, fails to do so within the

Section III: Arbitral Proceedings

time established by the Tribunal without showing sufficient cause for such failure, the Tribunal may make the Award on the evidence before it.

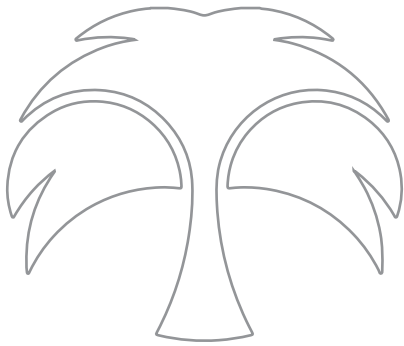
Article (27): Closure of Hearing

1. The Tribunal may inquire of the parties if they have any further proof to offer or witnesses to be heard or submissions to make and, if there are none, or if it is satisfied that the record is complete, it may declare the hearing closed.
2. After the proceedings are closed, no further submission or argument may be made, or evidence produced. However, in exceptional circumstances The Tribunal may, decide, on its own initiative or upon application of a party, to reopen the hearing at any time before the Award is made.

Article (28): Waiver of Right to Object

A party who knows of any non-compliance with any provision or requirement of the Rules or the arbitration agreement, and proceeds with the arbitration without promptly stating an objection in writing, shall be deemed to have waived its right to object.





Section IV The Award

Article (29): Awards, Orders, Decisions

1. In addition to making a final Award, the Tribunal may make interim, interlocutory, or partial Awards, orders, decisions, and rulings.
2. When there is more than one arbitrator, any Award, order, decision, or other ruling of the Tribunal shall be made by a majority of the arbitrators.
3. In the case of questions of procedure, when the Tribunal so authorizes, the presiding arbitrator may decide alone, subject to revision, if any, by the Tribunal.

Article (30): Time, Form, and Effect of the Award

1. All Awards rendered shall be reasoned and made in writing. The Tribunal shall make every effort to deliberate and prepare the Award. The Award shall be signed by the arbitrators, and it shall contain the date on which the Award was made and indicate the place of arbitration. Where there is more than one arbitrator and any of them fails to sign, the Award shall state the reason for the absence of the signature.
2. Unless otherwise agreed by the parties, specified by law, or determined by the Administrator, the final Award shall be made no later than 60 days from the date of the closing of the hearing.

Arbitration Rules

3. The Award shall be final and binding on the parties, and the parties shall carry out all Awards without delay.
4. An Award may only be made public with the consent of all parties or where and to the extent disclosure is required of a party by legal duty, to protect or pursue a legal right or in relation to legal proceedings before a court or other competent authority.
5. The Award shall be transmitted in draft form by the Tribunal to the Administrator. The Award shall be communicated to the parties by the Administrator.
6. If applicable law requires an Award to be filed or registered, the Tribunal shall cause such requirement to be satisfied. It is the responsibility of the parties to bring such requirements or any other procedural requirements of the place of arbitration to the attention of the Tribunal.

Article (31): Applicable Law

1. Without prejudice to the rules of Sharia, The Tribunal shall apply the rules of law designated by the parties as applicable to the substance of the dispute. Failing such designation by the parties, the Tribunal shall apply the law which it determines to be appropriate.
2. If the two parties to arbitration expressly agree to authorize the Tribunal to decide the dispute equitably, it may rule on the dispute in accordance with the principles of equity and justice.
3. In all cases, the Tribunal shall decide in accordance with the terms of the contract, if any, and shall take into account any usage of trade applicable to the transaction.
4. This set of Rules will apply without prejudice to the rules of Sharia, and any international convention(s) to which the Kingdom is a party.

Article (32): Settlement or other Reasons for Termination

1. If the parties settle the dispute before a final Award is made,

Section IV: The Award

the Tribunal shall terminate the arbitration and, if requested by all parties, may record the settlement in the form of a consent Award on agreed terms. The Tribunal is not obliged to give reasons for such an Award. Where an arbitral Award on agreed terms is made, the provisions of Article 30, paragraphs, 4 and 5, shall apply.

2. If continuation of the arbitration becomes unnecessary or impossible due to the non-payment of deposits required by the Administrator, the arbitration may be suspended or terminated as provided in Article 37 (3).
3. If continuation of the arbitration becomes unnecessary or impossible for any reason other than as stated in paragraphs 1 and 2 of this Article, the Tribunal shall inform the parties of its intention to terminate the arbitration. The Tribunal shall, thereafter, issue an order terminating the arbitration, unless a party raises justifiable grounds for objection.

Article (33): Interpretation, and Correction of Award

1. Within 30 days after the receipt of an Award, any party, with notice to the other party, may request the Tribunal to interpret the Award or correct any clerical, typographical, or computational errors or make an additional Award as to claims, counterclaims, or set-offs presented but omitted from the Award.
2. If the Tribunal considers such a request justified after considering the contentions of the parties, it shall comply with such a request within 30 days after receipt of the parties' last submissions respecting the requested interpretation, correction, or additional Award. Any interpretation, correction, or additional Award made by the Tribunal shall contain reasoning and shall form part of the Award. The provisions of Article 30, paragraphs, 4 and 5, shall apply.

Arbitration Rules

3. The Tribunal on its own initiative may, within 30 days of the date of the Award, correct any clerical, typographical, or computational errors, or make an additional Award as to claims presented but omitted from the Award. The provisions of Article 30, paragraphs, 4 and 5, shall apply.
4. The parties shall be responsible for all costs associated with any request for interpretation, correction, or an additional Award, and the Tribunal may allocate such costs.

Article (34): Costs of Arbitration

1. The Tribunal shall fix the costs of arbitration in its Award. The Tribunal may allocate such costs among the parties if it determines that allocation is reasonable, taking into account the circumstances of the case including the extent to which each party has conducted the arbitration in an expeditious and cost-effective manner.
2. Such costs may include:
 - (a) the fees and expenses of the arbitrators;
 - (b) the costs of assistance required by the Tribunal, including its experts;
 - (c) the fees and expenses of the Administrator;
 - (d) the reasonable legal and other costs incurred by the parties;
 - (e) any costs incurred in connection with a notice for interim or emergency relief pursuant to Articles 6 or 23;
 - (f) any costs associated with information exchange.

Article (35): Administrative Fees

1. The administrative fees shall be determined based on the amount in dispute in accordance with Appendix annexed to these Rules. The administrative fee schedule shall also apply to counterclaims.
2. In exceptional circumstances, the amount of any fees and expenses fixed by the Administrator may be subject to readjustment at any time during the arbitration. In all cases, any party shall be free to pay any other party's share of any advance on costs should such other party fail to pay its share.

Article (36): Fees and Expenses of Arbitrators

1. The fees and expenses of the arbitrators shall be reasonable in amount. The fee schedule shall be in accordance with Appendix annexed to these Rules and shall also apply to counterclaims.
2. As soon as practicable, the Administrator shall fix the advance on costs in an amount likely to cover the fees and expenses of the Tribunal.
3. In exceptional circumstances, the amount of any fees and expenses fixed by the Administrator may be subject to readjustment at any time during the arbitration. In all cases, any party shall be free to pay any other party's share of any advance of costs should such other party fail to pay its share.
4. Any dispute regarding the fees and expenses of the Tribunal shall be determined by the Administrator.

Article (37): Deposits

1. The Administrator may request the parties to deposit appropriate amounts as an advance for the costs referred to in Article 34.

Arbitration Rules

2. During the course of the arbitral proceedings the Administrator may request supplementary deposits from the parties.
3. If the deposits requested are not paid promptly and in full, the Administrator shall so inform the parties in order that one or more of them may make the required payment. If such payment is not made, the Tribunal may order the suspension or termination of the proceedings. If the Tribunal has not yet been appointed, the Administrator may suspend or terminate the proceedings.
4. Failure of a party asserting a Claim or counterclaim to pay the required deposits shall be deemed a withdrawal of the Claim or counterclaim.
5. After a termination order or final Award has been made, the Administrator shall render an accounting to the parties of the deposits received and return any unexpended balance to the parties.

Article (38): Confidentiality

1. Confidential information disclosed during the arbitration by the parties or by witnesses shall not be divulged by an arbitrator, nor by the Administrator. Except as provided in Article 22, unless otherwise agreed by the parties or required by applicable law, the members of the Tribunal and the Administrator shall keep confidential all matters relating to the arbitration or the Award.
2. Unless the parties agree otherwise, the Tribunal may make orders concerning the confidentiality of the arbitration or any matters in connection with the arbitration and may take measures for protecting trade secrets and confidential information.

Article (39): Interpretation of Rules

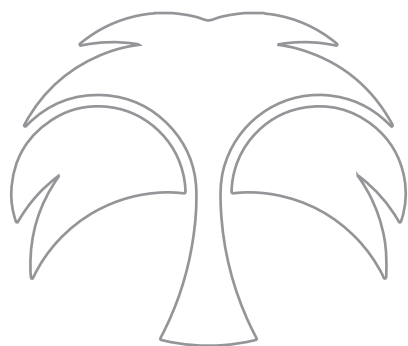
1. The Tribunal, or any emergency arbitrator appointed under Article 6, shall interpret and apply these Rules insofar as

Section IV: The Award

they relate to their powers and duties. The Administrator shall interpret and apply all other Rules.

2. In case of conflict with regards to the interpretation of the Rules, the Arabic language shall prevail as official language.





Appendix

Arbitration Costs and Fees

Effective 31 July 2016 – 26 Shawwal 1437



Appendix

Arbitration Costs and Fees

Article (1): Definition of Costs

1. The term “Costs” includes:
 - (a) Administrative fees which include filing fee to be determined in accordance with Article 2 of this Appendix, and final fee to be determined in accordance with Article 3 of this Appendix;
 - (b) Arbitrators’ fee to be determined in accordance with Article 4 of this Appendix;
 - (c) Expenses incurred to be determined in accordance with Article 6 of this Appendix;
 - (d) The reasonable travel and other expenses of witnesses to the extent such expenses are approved by the Tribunal; and
 - (e) The legal and other Costs incurred by the parties in relation to the arbitration to the extent that the Tribunal determines that the amount of such Costs is reasonable.
2. Costs, except for the filing fee, are payable in equal shares by the parties. The Tribunal shall decide ultimately the allocation of Costs in the Award.

Article (2): Filing Fee

1. Upon filing the notice of arbitration, pursuant to the Rules, the Claimant shall pay the filing fee in accordance with the SCCA Administrator and Arbitrators’ Fee schedule “The Schedule”.

Arbitration Rules

Such payment is non-refundable and shall be credited to the Claimant's portion of the deposits. Filing fee shall be paid by the Respondent upon filing a counterclaim and by the party wishing to join an additional party to the arbitration.

2. If the filing fee is not paid upon filing the notice of arbitration, the counterclaim or the joinder, the Administrator shall not register the case, the counterclaim or the request for joinder.

Article (3): Final Fee

1. The final fee shall be determined based on the sum in dispute in accordance with the schedule.
2. In exceptional circumstances, the Administrator may deviate, at any time during the arbitration, from the amounts of any fee set out in the schedule.
3. Parties shall pay the final fee before referring the dispute to the Tribunal.

Article (4): Arbitrators' Fee

1. Subject to Article 36(1) of the Rules, arbitrators' fee shall be determined based on the sum in dispute in accordance with the schedule.
2. The arbitrator is entitled only to the fee determined in accordance with that schedule, which are deemed to be approved by the arbitrator upon accepting appointment. Separate fee arrangements between the parties and the arbitrator are contrary to the Rules.
3. In exceptional circumstances, the amount of any fee set out in the schedule fixed by the Administrator may be subject to readjustment at any time during the arbitration.
4. The total arbitrators' fee shall be distributed as follows; 40% for the Chairman of the Tribunal and 30% for each co-arbitrator, unless otherwise agreed upon by the members of the Tribunal.

Appendix: Arbitration Costs and Fees

5. Fee shall be paid to the Tribunal upon rendering its final Award signed by the arbitrators. The Administrator may pay an advance not exceeding half of the deposited arbitrators' fee, before rendering the final Award at the request of the Tribunal, but not before the hearing referred to in Article 24 of the Rules.
6. In case of any exceptional circumstances beyond an arbitrator's will that render him incapable of performing his duties or in case of an arbitrator's death after accepting appointment and before rendering the Award, the Administrator in consultation with the remaining arbitrators, shall determine the fee of this arbitrator, having regard to the work he has performed and all other relevant circumstances. The fee for an arbitrator who withdraws, removed or successfully challenged according to Article 14 of the Rules shall be determined by the Administrator.
7. Arbitrators' expenses shall be fixed exclusively by the Administrator as required by Article 36 (1) of the Rules.

Article (5): Methods of Calculation

To calculate administrative and arbitrators' fees, the amount in dispute shall be calculated by adding together the amounts for each successive Claim.

Article (6): Expenses

Expenses referred to in Article 1 of this Appendix include:

1. The reasonable travel, accommodation and other expenses incurred by the arbitrators;
2. The reasonable costs of expert(s) advice and any other assistance for the Tribunal (case reporting or secretariat, supporting services, interpretation, translation, hearing room rental, etc.).

Article (7): Deposits

1. The deposits fixed by the Administrator according to Articles 37 (1) of the Rules comprise arbitrators' fee, administrative fee, and expenses.

Arbitration Rules

2. If the required deposits are not paid in full within 15 days after the receipt of the request, Article 37(3) shall apply.
3. Supplementary deposits requested according to Article 37(2) of the Rules will take into account fluctuations in the amount in dispute, changes in the amount of the estimated expenses, the use of experts or the evolving difficulty or complexity of arbitration proceedings.

Article (8): Methods of Payment

1. All amounts paid on the account of the arbitration Costs shall be deposited with the SCCA and shall remain there until a termination order or final Award is made. Amounts paid as advances on Costs do not yield interest for the parties, the arbitrator or the SCCA.
2. The payment of the Costs shall not engage any charges on the SCCA.

Article (9): Award Interpretation and Correction Fee

1. The Administrator shall fix, at its discretion, the Costs of the procedure following an application made under Article 33 of the Rules, which shall include any possible arbitrators' and administrative fees and expenses, arising in relation to such request.
2. The Administrator may request the parties to deposit appropriate amounts as an advance of the Cost to cover additional fee and expenses of the Tribunal and additional administrative fee and expenses.

Appendix: Arbitration Costs and Fees

3. Requests made under Article 33 of the Rules shall not be transmitted to the Tribunal until deposits are paid in full.

Article (10): Fees and Expenses Refund

If an arbitration terminates before the rendering of a final Award, the Administrator shall fix the fee and expenses of the arbitrators and the SCCA administrative fee and expenses at its discretion, and refund the amount exceeding the costs, taking into account the stage attained by the arbitral proceedings and any other relevant circumstances.



SCCA Administrative and Arbitrator' Fee Schedule

No.	Amount in Dispute *	Administrative Fee	Tribunal Fee **						
From	To	Filing Fee Final Fee	One Arbitrator Tribunal Fee						
1	1	200,000	5,000	5,000	14,4160%				
2	200,001	400,000	5,000	+ 3.7840%	of amount over 200,000	28,832	+ 10.8544%	of amount over 200,000	
3	400,001	800,000	10,000	12,568	+ 2.0240%	of amount over 400,000	50,541	+ 6.1480%	of amount over 400,000
4	800,001	2,000,000	10,000	20,664	+ 1.6720%	of amount over 800,000	75,133	+ 5.4696%	of amount over 800,000
5	2,000,001	4,000,000	10,000	40,728	+ 1.2080%	of amount over 2,000,000	140,768	+ 3.2224%	of amount over 2,000,000
6	4,000,001	8,000,000	10,000	64,888	+ 0.7600%	of amount over 4,000,000	205,216	+ 2.8832%	of amount over 4,000,000
7	8,000,001	20,000,000	10,000	95,288	+ 0.3680%	of amount over 8,000,000	320,544	+ 1.1128%	of amount over 8,000,000
8	20,000,001	40,000,000	10,000	139,448	+ 0.2000%	of amount over 20,000,000	454,080	+ 0.7280%	of amount over 20,000,000
9	40,000,001	100,000,000	10,000	179,448	+ 0.0800%	of amount over 40,000,000	599,680	+ 0.1928%	of amount over 40,000,000
10	100,000,001	200,000,000	10,000	227,448	+ 0.0720%	of amount over 100,000,000	715,360	+ 0.1824%	of amount over 100,000,000
11	200,000,001	300,000,000	10,000	299,448	+ 0.0080%	of amount over 200,000,000	897,760	+ 0.1256%	of amount over 200,000,000
12	300,000,001	400,000,000	10,000	307,448	+ 0.0028%	of amount over 300,000,000	1,023,360	+ 0.0920%	of amount over 300,000,000
13	400,000,001	1,000,000,000	10,000	310,248	+ 0.0028%	of amount over 400,000,000	1,115,360	+ 0.0464%	of amount over 400,000,000
14	Over 1,000,000,000		10,000	327,048	+ 0.0028%	of amount over 1,000,000,000	1,393,760	+ 0.0320%	of amount over 1,000,000,000
15	Undetermined Amount		10,000	299,448			897,760		

* SAR is the official currency. To access fee schedule in US\$ (US\$1 = SAR 3.75) or other currencies, you may use our fee calculator, available on our website: www.sadr.org.

** Fee for the Tribunal constituted of three arbitrators will be three times one arbitrator Tribunal fee.

Arbitration Clauses



Arbitration Clauses

It is recommended that parties wishing to make reference to SCCA arbitration in their contracts use the standard clauses below.⁽¹⁾

Standard SCCA Arbitration Clause

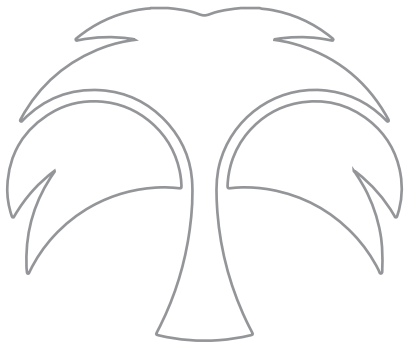
Any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or invalidity thereof, shall be settled by arbitration administered by the Saudi Center for Commercial Arbitration (the “SCCA”) in accordance with its Arbitration Rules.

Standard SCCA Step Clause

Any dispute, controversy or claim arising out of or relating to this contract, or a breach, termination or invalidity thereof, the parties hereto agree first to try to settle it by mediation, administered by the Saudi Center for Commercial Arbitration (the “SCCA”) in accordance with its Mediation Rules. If settlement is not reached within 45 days after service of a written request for mediation, any unresolved dispute, controversy or claim arising out of or relating to this contract shall be settled by arbitration administered by the SCCA in accordance with its Arbitration Rules.

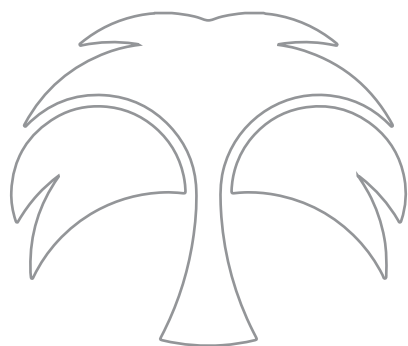


(1) These clauses are merely a suggestion. Ideally, a licensed lawyer would be consulted before incorporating the clauses into a contract.



Mediation Rules

Effective 31 July 2016 – 26 Shawwal 1437



Mediation Rules

Article (1): Definitions

The following words shall have the meanings assigned thereto unless otherwise required by context:

Kingdom	: Kingdom of Saudi Arabia.
Mediation Agreement	: An agreement by the parties to submit to mediation all or certain disputes which have arisen or which may arise between them; a Mediation Agreement may be in the form of a mediation clause in a contract or in the form of a separate contract.
Administrator	: Saudi Center for Commercial Arbitration (the “SCCA”).
Rules	: SCCA Mediation Rules.
Day(s)	: Means calendar day(s).

Article (2): Scope of Application

1. These Rules apply whenever parties have agreed to mediate disputes under these Mediation Rules or have provided for mediation or conciliation of existing or future disputes under the auspices of SCCA.
2. The parties may agree on the applicable mediation rules. If they agree to mediate their dispute under the auspices of the SCCA without designating particular rules, they shall be deemed to have made these Rules, in effect as of the date of the submission of the dispute, a part of their agreement. The parties, by mutual agreement, may vary any part of these Rules including, but not

limited to, agreeing to conduct the mediation via telephone or other electronic or technical means.

Article (3): Initiation of Mediation

1. Any party or parties to a dispute may initiate mediation under the SCCA's auspices by making a request for mediation to the SCCA via telephone, email, regular mail, or fax. Requests for mediation may also be filed online via SCCA website: www.sadr.org.
2. Unless the mediation request is submitted jointly by all parties, the party initiating the mediation shall simultaneously notify the other party or parties of the request. The initiating party shall provide the following information to the Administrator and the other party or parties:
 - (a) a copy of Mediation Agreement;
 - (b) the names, regular mail addresses, email addresses, and telephone numbers of all parties to the dispute and representatives, if any, in the mediation;
 - (c) a brief statement of the nature of the dispute, and the relief requested;
 - (d) any agreement or proposal related to the language of the mediation, the location of mediation, and its duration;
 - (e) any specific qualifications the mediator should possess;
 - (f) filing fee required by the Appendix hereto in force on the date of the request filing.
3. Where there is no agreement between parties to mediate under the auspices of the SCCA, a party may request the Administrator to invite another party to participate in mediation by voluntary submission.

Article (4): Representation

1. Subject to any applicable law, any party may be represented

by persons of the party's choice. The names and addresses of such persons shall be communicated in writing to all parties and to the Administrator.

2. Parties' representatives shall have all the necessary authority to settle the dispute. The Administrator and all parties shall be notified of the limits of their authority.

Article (5): Appointment of the Mediator

1. The parties may jointly appoint a mediator or agree on a mechanism for appointing the mediator. There shall be a sole mediator unless the parties appoint more than one mediator.
2. If the parties have not agreed to the appointment of a mediator and have not provided any other method of appointment, the Administrator shall appoint the mediator in the following manner:
 - (a) Upon receipt of a request for mediation, the Administrator will send to each party an identical list of mediators from the SCCA Panel of Mediators. The parties are encouraged to agree to a mediator from the submitted list and to advise the Administrator of their agreement;
 - (b) If the parties are unable to agree upon a mediator, each party shall strike unacceptable names from the list, number the remaining names in order of preference, and return the list to the Administrator. If a party does not return the list within the time specified, all mediators on the list shall be deemed acceptable;
 - (c) From among the mediators who have been mutually approved by the parties, and in accordance with the designated order of mutual preference, the Administrator shall invite a mediator to serve;
 - (d) If the parties fail to agree on any of the mediators listed, or if acceptable mediators are unable to serve, or if for any

other reason the appointment cannot be made from the submitted list, the Administrator shall have the authority to make the appointment from among other members of the Panel of Mediators without the submission of additional lists.

Article (6): Mediator's Impartiality and Duty to Disclose

1. SCCA mediators are required to abide by the Code of Ethics for Mediators in effect at the time a mediator is appointed to a case. Where there is a conflict between the Code and any provision of these Rules, these Rules shall govern. The Code requires mediators to:
 - (a) decline a mediation if the mediator cannot conduct it in an impartial manner; and
 - (b) disclose, as soon as practicable, all actual and potential conflicts of interest that are reasonably known to the mediator and could reasonably be seen as raising a question about the mediator's impartiality.
2. Prior to accepting an appointment, SCCA mediators are required to make a reasonable inquiry to determine whether there are any facts that a reasonable individual would consider likely to create a potential or actual conflict of interest for the mediator. SCCA mediators are required to disclose any circumstance likely to raise doubts about their impartiality or prevent a resolution of the parties' dispute within the time frame desired by the parties. Upon receipt of such disclosures, the Administrator shall immediately communicate the disclosures to the parties for their comments.
3. The parties may, upon receiving disclosures of actual or potential conflicts of interest of the mediator, waive such conflicts and proceed with the mediation. In the event that any party objects to the appointment of or continuing service of a mediator, the mediator shall be replaced.

4. If, during the course of the mediation proceeding, a mediator becomes aware of any facts that might create the conflict of interest described in paragraph 2 of this Article, or if these facts arise after his appointment, the mediator shall disclose those facts to the parties and the Administrator without delay.

Article (7): Vacancies

If any mediator becomes unwilling or unable to serve for any reason, the Administrator will appoint another mediator, unless the parties agree otherwise, in accordance with Article 5 of these Rules.

Article (8): Duties and Responsibilities of the Mediator

1. The mediator shall conduct the mediation based on the principle of party self-determination. Self-determination is the act of coming to a voluntary, un-coerced decision in which each party makes free and informed choices as to process and outcome.
2. The mediator and the parties or their representatives shall promptly discuss, in a preliminary conference, the manner in which the mediation shall be conducted, the methods of exchanging documents and submissions, and mediation timetable.
3. The mediator is authorized to conduct separate meetings and other communications with the parties and/or their representatives, before, during, and after any scheduled mediation conference. Such communications may be conducted via telephone, in writing, via email, video conference, online, in person, or otherwise.
4. The parties are encouraged to exchange all documents pertinent to the matters in dispute. The mediator may request the parties to exchange additional information. Information that a party wishes to keep confidential may be sent to the mediator, as necessary, in a separate communication with the mediator.

5. The mediator does not have the authority to impose a settlement on the parties but will attempt to help them reach a satisfactory resolution of their dispute.
6. In the event that a complete settlement of all or some issues in dispute is not achieved within the scheduled mediation conference(s), the mediator may continue to communicate with the parties for a period of time, agreed upon between them, in order to facilitate a complete settlement.
7. The mediator is not a legal representative of any party and has no fiduciary duty to any party.

Article (9): Responsibilities of the Parties

1. The parties shall ensure that appropriate representatives of each party, having authority to consummate a settlement, attend the mediation conference.
2. Prior to and during the scheduled mediation conference(s), the parties and their representatives should exercise their best efforts, to prepare for and engage in a meaningful and productive mediation.

Article (10): Privacy

Mediation conferences and related mediation communications are private proceedings. The parties and their representatives may attend mediation conferences. Other persons may attend only with the permission of the parties and with the consent of the mediator.

Article (11): Confidentiality

1. Subject to applicable law or the parties' agreement, confidential information disclosed to a mediator by the parties, their representatives or by other participants in the course of the mediation shall not be divulged by the mediator. The mediator shall maintain the confidentiality of all information obtained in the mediation, and all records, reports, or other documents received by a mediator while serving in that capacity shall be confidential.

2. The mediator, SCCA staff, and other participants in the mediation process shall not be compelled to divulge such records or to testify in regard to the mediation in any adversarial proceeding or judicial forum.
3. unless otherwise agreed by the parties or required by applicable law, the parties shall maintain the confidentiality of the mediation and shall not rely on, or introduce as evidence in any arbitral, judicial, or other proceeding the following:
 - (a) views expressed or suggestions made by a party or other participant with respect to a possible settlement of the dispute;
 - (b) admissions made by a party or other participant in the course of the mediation proceedings;
 - (c) proposals made or views expressed by the mediator;
 - (d) the fact that a party had or had not indicated willingness to accept a proposal for settlement made by the mediator.
4. Unless otherwise agreed by the parties, each party shall, on the termination of the mediation, return to the party providing it any submission, or documents, without retaining any copy thereof.
5. Participants other than parties and their representatives shall sign an appropriate confidentiality undertaking prior to taking part in the mediation.
6. Unless otherwise agreed by the parties, any settlement agreement between the parties shall be kept confidential, except that a party shall have the right to disclose it to the extent that such disclosure is necessary for purposes of its enforcement.

Article (12): No Records or Minutes

unless otherwise agreed by the parties, there shall be no records or minutes of the mediation process

Article (13): Termination of Mediation

The mediation shall be terminated in any of the following cases:

- (a) by the signing of a settlement agreement by the parties;
- (b) by a written or verbal declaration of the mediator to the effect that further efforts at mediation would not contribute to a resolution of the parties' dispute;
- (c) by a written or verbal declaration of any parties to the effect that the mediation proceedings are terminated;
- (d) by the Administrator written notification to the parties, not less than seven days after the due date for any payment by one or more parties pursuant to the Rules, that such payment has not been made;
- (e) when there has been no communication between the mediator and any party or party's representative for 21 days following the conclusion of the mediation conference.

Article (14): Exclusion of Liability

Neither the Administrator, the SCCA Board, nor any mediator shall be made a party in judicial proceedings relating to the mediation. Neither the Administrator, the SCCA Board, nor any mediator shall be liable to any party or any participant in the mediation proceeding for any error, act, or omission in connection with any mediation conducted under these Rules.

Article (15): Interpretation and Application of Rules

- 1. The mediator shall interpret and apply these Rules insofar as they relate to the mediator's duties and responsibilities. All other Rules shall be interpreted and applied by the Administrator.
- 2. In case of conflict with regards to the interpretation of the Rules, the Arabic language shall prevail as official language.

Article (16): Deposits

- 1. Unless otherwise directed by the mediator, the Administrator will require the parties to deposit in advance of the mediation

conference such sums of money as it, in consultation with the mediator, deems necessary to cover the costs and expenses of the mediation. The Administrator may subsequently request the parties to make supplementary deposits if necessary. Upon the termination of the mediation, the Administrator shall render a final accounting to the parties.

2. The Administrator may suspend or terminate the Proceedings under the Rules if any requested deposit is not paid.

Article (17): Costs and Fees

1. Non-refundable mediation filing fee is set out in the Appendix hereto. No Request shall be processed unless accompanied by the appropriate filing fee. Other SCCA administrative fee is set out in the Appendix hereto.
2. Unless otherwise agreed by the parties and the Mediator, the fee of the Mediator is set out in the Appendix hereto.
3. All expenses of the mediator and Administrator, including required travel and other expenses of the mediator, shall be borne equally by the parties unless they agree otherwise. The party's other expenses, including the expenses of participants for either side, shall remain the responsibility of that party.
4. If a matter submitted for mediation is withdrawn, cancelled or results in a settlement after the mediation request is filed, but prior to the mediation conference, the mediator time and charges incurred, in addition to non-refundable filing fee shall be borne by the parties.

Article (18): Language of Mediation

unless otherwise agreed by the parties, the language(s) of the mediation shall be that of the documents containing the Mediation Agreement.



Appendix

Mediation Costs and Fees

Effective 31 July 2016 – 26 Shawwal 1437



Appendix

Mediation Costs and Fees

Article (1): Definition of Costs

1. The term “Costs” includes;
 - (a) Administrative fees, both the filing fee to be determined in accordance with Article 2 of this Appendix, and the final fee to be determined in accordance with Article 3 of this Appendix;
 - (b) Mediator fee, to be determined in accordance with Article 4 of this Appendix;
 - (c) The reasonable travel and other expenses incurred by the mediator and/or the SCCA.
2. Unless otherwise agreed, all costs shall be borne in equal shares by the parties.

Article (2): Filing Fee

Each Request for Mediation pursuant to these Rules must be accompanied by a filing fee of 1,000 SAR. The filing fee is non-refundable.

Article (3): Final Fee

1. The SCCA mediation final fee shall be equal to 20% of the arbitration administrative final fee indicated in the Appendix to SCCA Arbitration Rules but it shall normally not exceed 60,000 SAR.

2. In exceptional circumstances, the Administrator, at its discretion, may deviate from the fee set out in paragraph 1 of this Article taking into account all the circumstances of the case.

Article (4): Mediator Fee and Expenses

1. The SCCA mediator fee shall be equal to 20% of the one arbitrator Tribunal fee indicated in the Appendix to SCCA Arbitration Rules. Alternatively, the parties and the mediator may agree upon an hourly or per diem mediator fee.
2. In exceptional circumstances, the Administrator, at its discretion, may deviate from the fee set out in paragraph 1 of this Article, based upon a request of a party or the mediator. The Administrator will take into account all the circumstances of the case, including the amount in dispute, its complexity, the amount of work required of the mediator and any other relevant circumstances. Prior to adjusting the fee, the Administrator shall invite observations from all parties and the mediator.
3. The amount of reasonable expenses of the mediator shall be fixed by the Administrator.

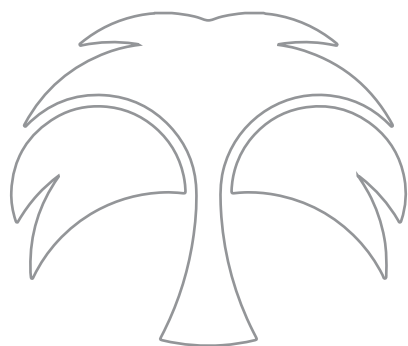
Article (5): Prior and Subsequent SCCA Arbitration

1. When an SCCA mediation is preceded by the submission of a request for arbitration pursuant to the SCCA arbitration Rules concerning the same dispute, there will be no filing fee for the mediation.
2. When an SCCA arbitration is preceded by a request for mediation, pursuant to the SCCA mediation Rules concerning the same dispute, the filing fee paid for mediation shall be credited to the arbitration administrative fee.

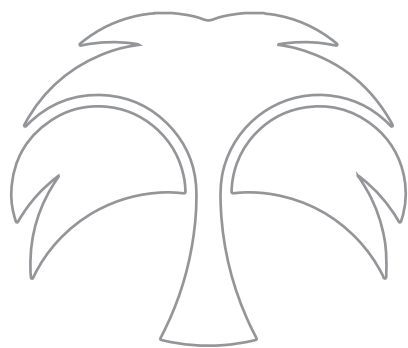
Article (6): Methods of Payment

1. All amounts due and owing in relation to the mediation costs shall be deposited with the SCCA and shall remain there until the termination of mediation. Amounts paid as advances on Costs do not yield interest for the parties, the mediator or the SCCA.
2. The payment of the Costs shall not engage any charges on the SCCA.





Mediation Clauses



Mediation Clauses

Parties wishing to use proceedings under the SCCA Mediation Rules should consider choosing one of the clauses below:⁽²⁾

Pre-dispute Clause

Any dispute, controversy or claim arising out of or relating to this contract, or a breach, termination or invalidity thereof, the parties hereto agree first to try to settle it by mediation, administered by the Saudi Center for Commercial Arbitration (the “SCCA”) in accordance with its Mediation Rules, before resorting to arbitration, litigation, or some other dispute resolution procedure.

Post-dispute Clause

The parties hereby submit the following dispute to mediation administered by the Saudi Center for Commercial Arbitration (the “SCCA”) in accordance with its Mediation Rules.



(2) These clauses are merely a suggestion. Ideally, a licensed lawyer would be consulted before incorporating the clause into a contract.

