

NEPAL INTERNATIONAL ADR CENTER - NIAC

ARBITRATION RULES

Date of Decision of the Board of Directors: 2077/09/05 (December 20, 2020)

Preamble:

Acknowledging the reality that Arbitration service is one of the internationally accepted and reputed alternative dispute resolution services,

Realizing that the contemporary need to enhance quality, reliability and effectiveness of arbitration services conducting in Nepal since long time,

Admitting the sincere responsibility to provide easily accessible and reliable services from Nepal in order to fulfill local, regional and international needs,

Now, therefore, the board of director has, by exercising power conferred by Clause (e) of Sub-rule (2) of Rule 17 of Nepal International ADR Center Rules, 2077, made and enforced these Arbitration Rules.

Rule 1. Short Name, Commencement and Compliance

- (1) These Rules may be called “NIAC Arbitration Rules, 2077”.
- (2) These rules shall come into force from the date as decided by the Board of Directors.
- (3) Arbitration process shall be conducted in disputes furnished at the Center for arbitration in accordance with these rules. If the parties agree to arbitrate their disputes through the Center in written, the provisions of these rules shall also be deemed to have been accepted as an integral part of the arbitration agreement and the parties shall comply with these rules accordingly.

Rule 2. Definition

- (1) Unless the subject or the context otherwise requires, in these rules, -
 - (a) "Center" means the Nepal International ADR Center.
 - (b) "Claim" means a claim made by one party on another party.

- (c) "Party" means any party related to the arbitration.
- (d) "Counter-claim" means a claim made by the respondent on the claimant.
- (e) "Rejoinder" means a claim to the counter-claim by the claimant.
- (f) "Respondent" means the person responding the claimant party.
- (g) "Managing Director" means the Managing Director of the Center.
- (h) "Administrative Expenses" means the administrative expenses of arbitration determined by the Center.
- (i) "Dispute" means a dispute which may be settled through arbitration pursuant to the prevailing law.
- (j) "Arbitrator" means an arbitrator appointed to settle a dispute and this term includes the group of arbitrators also.
- (k) "Secretariat" means the Secretariat of the Center.
- (l) "Agreement" means a written agreement reached between the concerned parties for a settlement through arbitration of any dispute concerned any specific legal issue that has arisen or may arise in the future under a contract or otherwise.
- (m) "Board" means the Board of Directors of the Center.

Rule 3. Arbitration Procedure

- (1) The party wishing to initiate arbitration proceedings shall have to furnish an application to the Center along with the following documents:
 - (a) Copy of the agreement,
 - (b) Copy of the written notice sent to the other party in respect to initiate arbitration proceedings,
 - (c) Document confirming receiving of notice sent to the other party pursuant to clause (b) by the other party,

- (d) After receiving the notice pursuant to clause (c), if the other party has given any respond regarding the notice, copy of the respond,
- (2) While furnishing for arbitration pursuant to Sub-rule (1), the application fee- Two Thousand Rupees and administrative expenses as referred to in Annex-1 shall have to be submitted at the secretariat.

Rule 4. Notice and Calculation of Time

- (1) The notice of arbitration shall have to be given to the respondent within fifteen days from the date of registration of the application for arbitration at the Center.
- (2) Unless otherwise provided in the agreement, the notice as referred to in Sub- rule (1) may be sent by directly serving to the other party or through mail or by electronic means such as e-mail or fax.
- (3) If the parties have mentioned any address for correspondence or any medium for the purpose of giving notice in the agreement, the notice shall be sent to the same address and through the same medium. If the parties have not mentioned any address for correspondence in the agreement, the notice shall be sent to the permanent residential address of the concerned party.
- (4) The arbitration proceedings shall be deemed to have started from the date of receipt of the notice given by the Center to the other party regarding the initiation of the arbitration proceedings.
- (5) The proceedings of institutional arbitration for all purposes shall be deemed to have started after the registration of the case (dispute) after furnishing of required documents, administrative expenses and arbitration fee determined by the Center pursuant to Rule 3 by the parties.

Rule 5. Number of arbitrators

- (1) If the agreement prescribes the number of arbitrators, the arbitrator shall be appointed in same number.

- (2) If the agreement doesn't prescribe the number of arbitrators or the parties fail to agree in respect to number of arbitrators, the dispute shall be resolved by a single arbitrator.
- (3) Notwithstanding anything contained in Sub-rule (2), the Center may appoint three arbitrators if it deems necessary to resolve the dispute by a group of arbitrators considering the intentions of the parties, the amount of the claim, the complexity of the dispute or other relevance matters.

Rule 6. Appointment of arbitrator

- (1) If the agreement mentions to resolve disputes by a single arbitrator or if the parties agree to appoint a single arbitrator or if the other party does not respond to the offer made by the party for a single arbitrator within 21 days, a single arbitrator shall be appointed.
- (2) If the dispute to be settled by a single arbitrator pursuant to sub-rule (1), any party of the dispute may propose the names of a maximum of three persons to act as arbitrator before the other party.
- (3) A person accepted by the other party amongst the names proposed pursuant to sub-rule (2) shall be appointed as the single arbitrator.
- (4) If both parties fail to propose the name of the arbitrator pursuant to Sub-rule (2) or if the parties of the dispute fail to be agreed to appoint the arbitrator within thirty days of the commencement of the arbitration proceedings pursuant to Sub-rule (4) of Rule (4), any party of the dispute may request the Center to appoint the arbitrator.
- (5) If the other party does not agree the names proposed for arbitrator pursuant to Sub-rule (2) or if the arbitrator needs to be appointed pursuant to Sub-rule (4), the person named first in the list of priority of the proposal amongst the proposed names pursuant to Sub-rule (2) shall be appointed as a single arbitrator.
- (6) In the event of resolving dispute by three or more arbitrators, each party of the dispute shall appoint one arbitrator except otherwise the agreement has made provision.

- (7) If any party fails to appoint an arbitrator supposed to be appointed on his/her/its behalf within the time frame, if prescribed under mutual understanding of the parties or if such time frame isn't prescribed within thirty days from the date of commencement of the arbitration proceedings, the Center may appoint the arbitrator on the behalf of such party.
- (8) If there is an agreement to resolve the dispute by three or more arbitrators or in the event of appointing three arbitrators pursuant to Sub-rule (6), if the agreement prescribes appointment procedure of the chief arbitrator, he/she shall be appointed accordingly and if doesn't prescribe, the arbitrators appointed by the parties shall appoint one chief arbitrator.
- (9) Notwithstanding anything contained in sub-rule (8), if the chief arbitrator isn't appointed within fifteen days of the appointment of the arbitrator on behalf of the parties, the Center may appoint the chief arbitrator upon the request of any party of the dispute.
- (10) The name of the arbitrator as appointed by the Center pursuant to Sub-rule (9) shall have to be included in the arbitrators' list of the Center.

Rule 7. Terms of service of the arbitrator

- (1) Before commencing arbitration proceedings, the person appointed as the arbitrator shall have to give information about lacking of any circumstance for reasonable doubt on his/her impartiality, neutrality and independency in the arbitration proceedings and award and lacking of his/her conflict of interest on disputed issue and if such circumstance is arisen during the course of arbitration proceedings, to give information thereof to parties and the Center in written.
- (2) The arbitrator appointed pursuant to these rules shall have to maintain complete independency, neutrality and impartiality. He/she shall not make discussion, advise or consultation with any party of the dispute in the absence of the other party, except in connection with the administrative process or these Rules make provisions otherwise.
- (3) If the circumstance mentioned in Sub-rule (1) is arisen after the arbitrator appointed pursuant to these Rules commences his/her functions, the Center and the parties shall be informed in this regard in writing.

Rule 8. Conditions and Procedures for Removal of Arbitrators

- (1) If the agreement mentions the conditions and procedure for removal of the arbitrator, the same shall be dealt accordingly.
- (2) In case the agreement doesn't contain the conditions and procedures for removal of the arbitrator, any party of the dispute may furnish application for removal of the arbitrator within fifteen days of arising of such cause by stating following conditions are existed in respect to any arbitrator, -
 - (a) If there is existence of any reasonable cause for doubt on his/her independency, neutrality or impartiality in connection to the dispute to be arbitrated,
 - (b) If he/she conducts misbehave or fraud in arbitration proceedings,
 - (c) If he/she prolongs arbitration proceedings without any reasonable cause,
 - (d) If he/she denies to participate in the meeting of arbitration proceedings,
 - (e) If he/she makes mistake or irregularity in arbitration proceedings repeatedly,
 - (f) If he/she conducts any act against the principle of natural justice.
- (3) The applicant party shall have to give written notice in respect to the furnishing of application for removal of the arbitrator at the Center pursuant to Sub-rule (2) to the arbitrator and other party along with grounds and causes for removal of such arbitrator.
- (4) In case of furnishing of application for removal of the arbitrator pursuant to Sub-rule (2), the Center shall provide seven days' time period to the concerned arbitrator in order to submit his/her statement of defense in writing.
- (5) If no statement of defense is furnished within the time period as prescribed in Sub-rule (4) or there is lack of reliable grounds and causes in such statement of defense, if the same is furnished or such arbitrator doesn't tender written resignation within fifteen days from the date of furnishing application pursuant to Sub-rule (2), the Center shall make required decision in respect to such application on the basis of prevailing law and International Bar Association Guidelines on Conflict of Interest in International Arbitration.

- (6) If the arbitrator tender resignation after receiving the application for removal of the arbitrator pursuant to Sub-rule (2) or if the Center removes him/her from the arbitrator after completing the procedure as referred to in Sub-rule (4), his/her appointment shall be ceased.
- (7) The proceedings of arbitration shall not be adjourned in the event of no decision is made in respect to the application furnished by any party for removal of any arbitrator pursuant to these Rules except the Center or lawcourt makes decision otherwise or the arbitrator himself/herself wants to be separated from proceedings. Such arbitrator as requested to be removed may also participate in arbitration proceedings or award process.

Rule 9. Venue of arbitration, Applicable Law, Chamber and Language

- (1) Except otherwise mentioned in the agreement, the venue of arbitration proceedings shall be fixed up on the basis of the consent of the parties. If such consent cannot be reached between the parties, the arbitrator shall decide venue considering the nature and situation of the dispute. The award of the dispute shall be deemed to have been made at the designated venue for arbitration proceedings for all purposes.
- (2) If the agreement made between the parties mentions the law applicable in dispute resolution, it shall be dealt accordingly. If the agreement doesn't mention in this respect, the arbitrator shall determine the law applicable in dispute resolution upon consent of the parties. If there is lack of consent between parties, the dispute shall be resolved by using the prevailing law of the venue of arbitration proceedings pursuant to Sub-rule (1).
- (3) The Center shall fix up chamber of arbitration from the point of view of appropriateness for discussion and hearing.
- (4) If the agreement made between the parties mentions the language to be used in arbitration proceedings and hearings, it shall be conducted accordingly. If the agreement doesn't mention in this respect, the language shall be used as agreed between parties. If there is lack of consent in respect to using of language in proceedings and hearing, the language used in the agreement shall be used in proceedings and hearing.

Rule 10. Notice and Representation

- (1) In the course of arbitration proceedings, the party wishing to furnish any application, document, communication or a copy of any document shall have to furnish the required number of copies thereof so that one copy each be available to the arbitrator, all parties and the Center. If the document furnishing party has already delivered copy thereof to the other party during the arbitration proceedings, if the party submitting the documents has already handed over a copy of the same to the other party, the documents confirming furnishing the document shall also have to be attached.
- (2) The copy of all communication exchanged between the arbitrator and the parties shall have to be sent to the Center.
- (3) The parties may represent in the arbitration proceedings through the legal practitioner or advisor or consultant as chosen by them. The parties shall give required authority to represent in the arbitration proceedings to such representative. The copy of such authority shall also have to be submitted to the Center.
- (4) If any party is unable to attend the arbitration proceedings in person, the person appointed by him/her may represent him/her.

Rule 11. Case Management

- (1) After the appointment of the arbitrator or the formation of the tribunal, the Center shall inform the arbitrator or the members of the tribunal and the parties of the dispute in respect to such appointment or formation.
- (2) The arbitrator or the members of the tribunal shall, in consultation with the parties, determine the procedure and time limit for resolving of the dispute. Except otherwise agreed by the parties, generally the following time line shall be set for the following functions, -
 - (a) Twenty-one days for the claimant to furnish the claim,
 - (b) Twenty-one days to file a respond or counter-claim,

- (c) Fifteen days to file rejoinder against the counter-claim.
- (3) Notwithstanding anything contained in Sub-rule (2), the time limit may be reduced upon the consent of the parties in case of a claim of less than Five Million Nepali rupees.

Rule 12. Arbitration and Mediation-Arbitration Process

- (1) In the course of arbitration proceedings, the arbitrator may give suggestions to the parties to enter into the mediation process.
- (2) During the process of arbitration, any party of the dispute may request the arbitrator to enter into the mediation process. If the parties agree to enter into the mediation process upon such request of the party, the arbitrator shall adjourn the arbitration proceedings and give notice to the secretariat for initiate mediation process in writing.
- (3) In case of receiving the notice as referred to in Sub-rule (2), the Secretariat shall have to initiate the process as referred to in the Mediation Rules of the Center.
- (4) The Secretariat shall have to hold the first meeting regarding to mediation within one month of the commencement of the mediation process and if the first meeting cannot be held within one month, the same shall be informed to the concerned arbitrator.
- (5) If the condition of Sub-rule (4) exists, the arbitrator shall, after discussion with the parties, decide whether to continue the mediation process or to continue the arbitration proceeding by postponing mediation process.
- (6) If the arbitrator decides to continue the mediation process, the procedure as referred to in Sub-rule (2) and (3) shall be followed again.
- (7) If the arbitrator decides to continue the mediation process for the second time pursuant to sub-rule (6), he/she must hold the first mediation meeting within fifteen days and if no meeting is held between the parties within said time frame, the parties shall be deemed to have been relinquished the mediation process.

- (8) If the first mediation meeting cannot be held between the parties pursuant to Sub-rule (7) or the dispute cannot be resolved through the mediation process, the dispute shall be resolved by continuing the arbitration proceedings.

Rule 13. Interim or Interlocutory Order

- (1) The arbitrator may issue an appropriate order for the protection of any matter related to the dispute upon request of any party.
- (2) While issuing order pursuant to Sub-rule (1), the arbitrator may issue order to give custody of such matter to the third party or to vend such matter including to make any appropriate arrangement. If the arbitrator issues order to give custody of such matter to anyone, he/she may demand security for such custodian as per necessity.
- (3) If any party furnishes application to postpone or withheld arbitration proceedings at the court, such application and the order of the court in this respect shall not be deemed to have been in conflict with the arbitration agreement. The arbitration agreement or proceedings shall not be deemed to have been relinquished by the party merely due to furnishing application at the court and the court issued order accordingly. No arbitration proceedings shall be postponed except by the court order.
- (4) The arbitrator may issue conditional or unconditional interim or interlocutory order on any other matter related to issue of the dispute upon request of any party apart from the order as referred to in Sub-rule (1).

Rule 14. Facilities provided by the Center

- (1) The Center shall act as the secretariat of the arbitrator.
- (2) The Center shall provide facilities and assistance required for the arbitration proceedings to the parties. Provided that while providing special services including translation, video conferencing and interpreter upon the request of the parties, the fee specified by the Center shall have to be paid.

Rule 15. Arbitration Proceedings

- (1) Unless otherwise stated in the agreement made between the parties in respect to the arbitration proceedings, the arbitration proceedings shall be conducted pursuant to the procedure as deemed appropriate by the arbitrator or tribunal.
- (2) The arbitrator or tribunal shall adopt fair and effective procedure in resolving disputes.
- (3) The arbitrator or tribunal shall give equal treatment and equal opportunity to the parties in connection with the arbitration proceedings.
- (4) If the arbitrator or tribunal deems required after at any stage of the proceedings, the arbitrator or tribunal may, upon the request of the parties, allow to examine an expert or a witness or present an oral argument. The arbitrator or tribunal may order to examine an expert or a witness if seemed required without request of the parties.
- (5) If the arbitrator or tribunal, after completion of presentation of the witness or oral argument in accordance with the nature and necessity of the dispute, deems appropriate, the arbitrator or tribunal may conduct inquiry of parties whether they want to present any other evidence or witness or not. If the parties inform that they don't want to present any evidence or witness or the arbitrator or tribunal deems not required to do so, the arbitrator or tribunal declares closure of the hearing of the arbitration.
- (6) After declaring closure of the hearing of the arbitration pursuant to Sub-rule (5), if the parties furnish application with stating special condition before giving award or the arbitrator or tribunal seems special condition, the arbitrator or tribunal may conduct arbitration proceedings again. In case of conducting arbitration proceedings again, the same shall be mentioned in the minute along with clearly stating ground and cause of seeming special condition.
- (7) Except otherwise mentioned in the agreement, the arbitrator or tribunal shall have to conclude proceedings within six months from the date of commencement of the arbitration proceedings

- (8) If the arbitration proceedings cannot be concluded within the period specified in Sub-rule (7), the Center may extend the period for a maximum of three months upon the request of the arbitrator.
- (9) Notwithstanding anything contained in Sub-rule (8), the Center may make necessary amendment the time frame of dispute resolution in case of existing of appropriate and adequate cause in the context of nature and condition of the dispute. Provided that if the arbitrator determined any time frame for such dispute resolution, the Center may not amend such time frame except otherwise directed by him/her.
- (10) In case the single arbitrator conducts the arbitration proceedings and he/she is replaced before making award by the arbitrator, the arbitration proceedings or hearing shall be initiated again.
- (11) In the case of replacement of any arbitrator amongst the arbitration tribunal, the tribunal shall conduct arbitration proceedings remaining at the time of replacement of the arbitrator only except otherwise decided by the tribunal.
- (12) Any party may, under consultation with the Center, choose matters such as appointment of arbitrators, presentation of claims and hearing through electronic means in the process of action. If the other party agrees on the matter, the procedures shall be conducted accordingly. If the parties choose the electronic medium for hearing at any stage of the proceedings, the arbitrator or tribunal may give approval thereof.
- (13) If the arbitrator or tribunal deems appropriate, the arbitrator or tribunal may hear dispute through video conferencing or any other electronic means upon consent of the parties. Such hearing shall be performed on the basis of Rules of Seoul Protocol on Video Conferencing.

Rule 16. Consultation Regarding Evidence

- (1) The parties shall have burden of prove of the facts supporting their claim or arguments.
- (2) The arbitrator may, at the suitable time during arbitration proceedings, suggest the parties for conducting mutual consultation in order to conduct evidence collection works in effective, economic and impartial manner.

- (3) The parties shall consult in respect to the following areas, times and methods for the purpose of consulting each other pursuant to Sub-rule (2), -
 - (a) The statements of witnesses and the preparation and presentation of expert reports;
 - (b) The recording statements of the witness in writing, audio or video form;
 - (c) Presentation of oral evidence;
 - (d) Necessity, format and process of submitting documents; and
 - (e) Level of protection of secrecy of the evidence.

Rule 17. Witness test

- (1) The procedure, day and time for examining witnesses shall be pursuant to the time schedule determined by the arbitrator.
- (2) If any party of the dispute wishes to present a witness, such party shall give information about name, address of the proposed witness, the language used by him/her and subject matter of the statement of the witness to the arbitrator and other parties at least fifteen days before recording of the statement, of the witness.
- (3) If the statement of the witness of any party is conducted in the language other than the language of arbitration proceedings, the same shall be translated into the language of arbitration proceedings and kept record thereof accordingly. The concerned party shall have obligation to make authentic translation in the language of arbitration proceedings.
- (4) Except otherwise agreed between the parties, other witnesses and unconcerned persons shall not be allowed to be present while conducting examination of witness pursuant to these rules except the parties of the dispute and their representatives.
- (5) The witness may present his/her statement or speech in writing. If another party wants to conduct cross examination of such witness, such witness may cause to be presented accordingly.

- (6) In the course of arbitration proceedings, the arbitrator may, if he/she deems appropriate, summon the witnesses for a statement, or if witness is summoned, the opportunity of cross examination of such witness shall be provided to another party.
- (7) The statement of each witness shall have to contain full name, permanent and temporary address of the witness, his/her current and past relationship with any party (if any), background, details of training and experience of the witness, facts expressed as a witness and source of information and statement of the witness in respect to the dispute.
- (8) The concerned party shall have responsibility to produce the witness to be examined pursuant to these rules.

Rule 18. Expert Services may be Acquired

- (1) If the arbitrator deems required to acquire consultation or opinion of concerned expert in respect to any specific matter relating to the dispute to be awarded, he/she may appoint one or more expert and acquired his/her consultation, opinion or report.
- (2) The arbitrator may give order to the parties to provide necessary information to the expert appointed pursuant to Sub-rule (1) or to open any place (site), house, land, office, documents, goods or property for the inspection of such expert.
- (3) After receiving of consultation, opinion or report from the expert as referred to in Sub-rule (1), the arbitrator shall have to provide a copy thereof to the parties of the dispute and give a reasonable opportunity to the parties for expressing their views in respect to such consultation, opinion or report in writing.
- (4) If any party demands to present expert for oral hearing and if the arbitrator deems the reason reasonable, the expert shall be ordered to appear for the oral hearing.
- (5) If the expert is presented pursuant to Sub-rule (4), the parties of the dispute may cross-examine the expert.
- (6) The arbitrator shall determine the expenses and remuneration required to obtain the services of the expert appointed pursuant to these rules upon consultation with the parties.

Rule 19. Pre-hearing

- (1) Any party may furnish application in respect to lack of validity or effectiveness of the agreement or jurisdiction of the arbitrator in any dispute presented at the Center for arbitration.
- (2) If any party wishes to furnish any such objection pursuant to Sub-rule (1), such objection shall have to be furnished within the time limit for submission of respond. After expiry of such time limit, such objection may not be furnished.
- (3) If any party furnishes application stating lack of validity or effectiveness of the agreement or jurisdiction to resolve dispute pursuant to Sub-rule (1), the arbitrator shall have to conduct pre-hearing and make a decision in this regard.
- (4) The arbitrator shall have power to make decision in respect to whether he/she has jurisdiction to resolve dispute for which he/she has been appointed to resolve dispute or not and in respect to validity or effectiveness of concerned agreement or validity of arbitration related provisions contained in such agreement.
- (5) While deciding in respect to the validity of the arbitration related provisions under any agreement pursuant to Sub-rule (1), the arbitrator may also decide on validity of the main agreement containing such provision.
- (6) While making a decision pursuant to Sub-rule (5), the provision of the arbitration agreement shall be considered as a separate and independent agreement.
- (7) While making decision pursuant to Sub-rule (5), if the main agreement containing arbitration provisions declared void or quashed pursuant to the prevailing law but the provision of arbitration under such agreement shall not be deemed to have been considered invalid or inactive.

Rule 20. Preliminary Hearing

- (1) The arbitrator may convene meeting of the parties of the dispute or their authorized representatives and arbitrators at his/her discretion or upon request of any party within generally fifteen days of receiving documents as referred in this Rule in order to fix issue of dispute, to fix points of understanding therefrom or to do any other matter relating to the arbitration proceedings and conduct preliminary hearing in such meeting.
- (2) The arbitrator may determine the documents to be submitted by the party in the preliminary hearing as referred to in Sub-rule (1), the procedure for the subsequent hearing and the matters relating to the deadline.

Rule 21. Arbitration Award

- (1) The arbitrator shall have to give his/her final award generally within thirty days from closure of the arbitration hearing except otherwise provided in the agreement or these rules.
- (2) If arbitration proceedings are conducted by more than one arbitrator, the award of the majority arbitrators shall be considered as the award of the arbitrator.
- (3) If there are difference opinions amongst the arbitrators without reaching majority amongst the arbitrators pursuant to Sub-rule (2), the opinion of the main arbitrator shall be deemed to be the decision of the arbitrators except provided otherwise in the agreement.
- (4) While making final award pursuant to Sub-rule (1), the arbitrator shall make the same in writing. The arbitrator shall have to submit original copy of the award at the Secretariat for keeping in the casefile. After settlement of fees payable by the parties and administrative expenses, the Secretariat shall have to provide one copy of such award to all parties of the dispute with free of cost.
- (5) Before making final award by the arbitrator pursuant to Sub-rule (1), if the arbitrator deems required, he/she may give partial award by disclosing cause thereof in accordance with the nature of dispute and claim.
- (6) If the parties of the dispute are present while making an award pursuant to Sub-rule (1) or (2), the arbitrator shall have to inform such award to the parties.

- (7) No arbitral award shall be made public without permission of the parties of the dispute. Provided that the permission of the parties shall not be required to use such award for the study and research work.

Rule 22. Matters to be disclosed in the Arbitral Award

- (1) Except otherwise stated in the Agreement, the arbitral award shall clearly state the following matters:
- (a) A brief description of the dispute assigned for arbitration and its terms of reference;
 - (b) If any party raises question on jurisdiction of the arbitrator, the ground of confirming jurisdiction;
 - (c) If any expert is appointed, summary of his/her report;
 - (d) Verdict of the arbitrator and cause and ground of such verdict;
 - (e) If a partial award was given pursuant to Sub-rule (5) of Rule 21, details thereof;
 - (f) Matter or amount of recovery or compensation;
 - (g) If any interest is charged on the amount as referred in Clause (f), details thereof,
 - (h) Venue of the arbitrators' office and date of award,
 - (i) Other required matters.
- (2) Before signing in the award made pursuant to Rule (21), the arbitrator shall have to send a draft of the award to the Center.
- (3) While studying the draft received pursuant to Sub-rule (2), if the Center deems necessary to change the form of the award, it may change the form of award without affecting the freedom of giving award of the arbitrator and also draw attention of the arbitrator to the essential matters of the award.

- (4) While drawing attention pursuant to Sub-rule (3), the Center may request to consider on the issues as whether the arbitral award is made pursuant to the terms of reference or not, the arbitrator has made award under his/her jurisdiction or not, the duly notice has been served to the parties in respect to the arbitration proceedings or not, the award is made beyond the terms as assigned to the arbitrator or not and the issues raised in respect to the claim, counter claim and rejoinder have been addressed or not.
- (5) The arbitrator shall sign in the award by considering the request of the Center given pursuant to Sub-rule (2).

Rule 23. Minor Mistakes in the Award may be Corrected

- (1) The arbitrator may correct minor mistakes of the final arbitral award by preparing a remark note with containing cause thereof or clarify any of following matters mentioned in the award without making substantive change in the award;
 - (a) Minor mistakes relating to printing or typing;
 - (b) Minor mistake, omission, difference between figure and letter of writing or similar type of mistakes without making effect on substantive matters of the award;
 - (c) Mathematical mistakes occurred in calculation of any amount.
- (2) The parties may furnish application for correction of minor mistakes of the arbitral award pursuant to Sub-rule (1). While furnishing application for correction of the mistakes, the parties shall have to furnish the same within thirty days of receiving the award.
- (3) If an application for rectification of an error pursuant to sub-rule (2) is received, the arbitrator shall, usually within fifteen days of receipt of such application, clarify such waiver, error or mistake or any matter of decision.
- (4) The notice of award as corrected mistakes or interpreted pursuant to Sub-rule (1) or (3) shall have to be given to all parties and the Center.
- (5) The comment note made by an arbitrator pursuant to this Rule shall be integral part of the arbitral award.

Rule 24. Supplementary Award

- (1) Any party may furnish application to the arbitrator requesting to make supplementary award in respect to any matter which is presented as the claim by any party of the dispute but not mentioned in the arbitral award within thirty days of receiving arbitral award pursuant to these Rules.
- (2) The party furnishing application shall have to provide notice of application as referred to in Sub-rule (1) to the Center and next party of the dispute.
- (3) If the arbitrator deems necessary to make a supplementary award pursuant to the arbitration agreement in connection to the application as referred to in Sub-rule (1), he/she shall have to make supplementary award within forty-five days of receiving such application after getting respond of next party and conducting hearing as per necessity.
- (4) If the supplementary award is made pursuant to this Rule, the provisions of Rule 22 shall be applied in respect to such award with necessary modifications (*Mutatis Mutandis*).

Rule 25. Remuneration and administrative expenses of the Arbitrator

- (1) The administrative expenses required for the arbitration proceedings shall be pursuant to Annex-1 and the remuneration of the arbitrator shall be as determined by the Center upon consultation with the arbitrators and parties.
- (2) In respect to the remuneration of the arbitrator pursuant to Sub-rule (1), the remuneration shall be determined by considering provisions of Annex-3 in case of arbitration as referred to in the agreement made under international competitive quotation or arbitration of international nature and provisions of Annex-2 in case of other type of arbitration as a guideline.
- (3) While determining the remuneration of the arbitrator, the arbitrator may determine remuneration as less than the remuneration determined pursuant to Sub-rule (2) by considering on issue and complexity of the dispute, condition of the parties and related circumstances.

- (4) The Center shall inform the parties to deposit the estimated amount of administrative expenses as referred to in Annex-1 and the remuneration of the arbitrator in advance in the bank account of the Center.
- (5) If any party fails to pay the amount informed by the Center pursuant to Sub-rule (4) within fifteen days, the Center may issue order to pay such amount to the next party by giving information thereof to the parties of the dispute.
- (6) If neither party pays the amount as referred to in Sub-rule (1) and (2), the arbitrator may adjourn the arbitration proceedings.
- (7) If the parties fail to pay called amount at the Center within one month of the adjournment of arbitration proceedings pursuant to Sub-rule (6), the arbitrator may declare the termination of the arbitration proceedings.
- (8) If the amount deposited by the parties in advance pursuant to Sub-rule (4) or (5) seems inadequate, the Secretariat may inform the parties to deposit shortfall amount before making final award by the arbitrator. After receiving such information, the parties shall have to deposit additional amount. The arbitrator may refuse to announce final award or follow procedures as referred to in Sub-rule (5), (6) and (7) until the parties' deposit additional amount as called by the Secretariat.
- (9) The arbitrator may also determine the expenses incurred in the arbitration proceedings while making the final award.
- (10) Both parties shall have to bear the arbitration related expense equally except in existence of written understanding between parties in this respect.
- (11) Notwithstanding anything contained in Sub-rule (10), the arbitrator may mention about which party shall bear fee of law practitioner and legal consultancy fee of the winning party and in what proportion in the award.

Rule 26. Payment of Remuneration

- (1) After making final arbitral award, the Secretariat shall make payment of remuneration to the arbitrator from the amount deposited by the parties.
- (2) If there is saving of amount deposited by the parties after deducting remuneration of the arbitrator, administrative and other expenses, the Secretariat shall reimburse such saved amount to the concerned party.

Rule 27. Confidentiality

The arbitrator involved in the arbitration proceedings, parties, witnesses, expert, administrator and other employees of the Center shall maintain confidentiality of all matters related to the arbitration proceedings except in the conditions as for the purpose of implementation of the award or protection of the legal rights or furnishing complaint at the lawcourt or other judicial entity against the award or being compelled to disclose under the law.

Rule 28. Indemnity from Liability and Claim

- (1) The Center or the arbitrator shall be indemnified from all liabilities for conducting or not conducting of any act during the arbitration proceedings.
- (2) The Center and the parties shall be deemed to have been agreed that no person shall be punished for any defamation or similar proceedings for any written or oral statement or comment used during the arbitration proceedings.
- (3) If any party involves in remaining proceedings without making objection or protest on time even though he/she gets information about not conducting of any act pursuant to these Rules, the right to make objection or protest on such issue shall be deemed to have been relinquished by such party.

Rule 29. Oath

The arbitrator shall have to take an oath in the format of Annex-4 before initiating arbitration proceedings.

Rule 30. General Provisions

- (1) The Managing Director or any officer authorized by the Managing Director of the Board may make decision which to be made by the Center pursuant to these Rules.
- (2) If the parties request to provide copy of any document used during the arbitration proceeding, any officer or employee authorized by the Managing Director may confer the same after certifying.
- (3) The arbitrator shall prepare the casefile in a systematic manner stating the date and time in the documents and evidence furnished by the parties, the statement of the concerned persons, his/her award and all documents related to the arbitration.
- (4) The Center shall, after the finality of the arbitration proceedings, keep a copy of the arbitral award at the Center and submit the related casefile to the District Court.
- (5) The Center may modify fee to be collected pursuant to these Rules from time to time. The Center shall place the notice related to change of fee in the official website of the Center.
- (6) If any provision mentioned in these Rules seems not appropriate for any specific dispute, the board may change the same. In case of arising any difficulty in implementation of these Rules due to lack of explicitly stated or ambiguity in these Rules, the Managing Director may resolve the same by making appropriate decision.
- (7) The Managing Director shall have authority to collect the necessary details, preserve the records and to manage procedural arrangements during the arbitration proceedings conducted through the Center.
- (8) The act performed by the Managing Director pursuant to Sub-rule (6) and (7) shall be informed in the subsequent board meeting.
- (9) The processes of dispute resolution, procedures and fee may be decided jointly in the disputes referred from other institutions or fixed as to be arbitrated through the Center and other institution.

- (10) If the laws of Nepal are not applicable in the context of any dispute, the provisions of these Rules shall be used and complied with contextual or incidental changes in accordance with the law applicable to such dispute.

Rule 31. Relations with the Asia-Pacific Center for Arbitration and Mediation (APCAM)

- (1) Nepal International ADR Center is the member institution of the Asia-Pacific Center for Arbitration and Mediation (APCAM). The Center shall also act as the Center for Arbitration and Mediation of the Asia-Pacific Arbitration and Mediation Center (APCAM) in Nepal.
- (2) While acting in capacity of the Arbitration and Mediation Center of APCAM pursuant to sub-rule (1), the Center shall use and comply with the Arbitration and Mediation Rules of APCAM except otherwise agreed by the parties.
- (3) The provisions of the Arbitration Rules of the Asia-Pacific Arbitration and Mediation Center (APCAM) shall be applicable in matters related to the arbitration proceedings and not mentioned in these Rules as per necessity.
- (4) If the agreement contains provision to resolve the dispute by the arbitrator listed with Asia-Pacific Arbitration and Mediation Center (APCAM) through this Center pursuant to these Rules or the parties agree to resolve the dispute by the arbitrator listed with said Center (APCAM) through this Center pursuant to these Rules, the dispute shall be resolved accordingly.
- (5) If the parties want to resolve dispute by the arbitrator listed with APCAM through this Center pursuant to the rules of the Asia-Pacific Center for Arbitration and Mediation (APCAM) upon understanding or agreement of the parties, such arbitrator shall resolve the dispute pursuant to the rules of APCAM.
- (6) While resolving dispute by the arbitrator listed in Asia-Pacific Center for Arbitration and Mediation (APCAM) pursuant to Sub-rule (3) or (4), the parties shall pay the remuneration of arbitrator and administrative expenses prescribed by APCAM to the Center.

Rule 32. The Prevailing Law shall be applied

If any provision of these Rules inconsistent with the arbitration related prevailing law, to the extent of inconsistency, such provision of these Rules shall be deactivated and the prevailing law shall be applied in this respect.

Rule 33. UNCITRAL Arbitration Rules shall be applied

If any process shall have to be conducted in any matter related to the arbitration which is not mentioned these Rules and APCAM Arbitration Rules, the United Nations Commission for International Trade Law (UNCITRAL) Arbitration Rules 2010 shall be applied in respect to such matter.

Annex-1

(Relating to Rule 25 (1))

Administrative Expenses

S. No.	Claimed Amount	Administrative Expenses	
		Value of Claim and Counter Claim in Nepali Rupees	Percentage
1	Up to Two Million		Minimum Rs. 50,000.00
2	More than Two Million Up to Five Million	2	
3	More than Five Million Up to Ten Million	1	
4	More than Ten Million Up to Twenty Million	0.75	
5	More than Twenty Million Up to Fifty Million	0.40	
6	More than Fifty Million Up to Hundred Million	0.20	
7	More than Hundred Million Up to Two Hundred Million	0.10	
8	More than Two Hundred Million Up to Five Hundred Million	0.05	
9	More than Five Hundred Million up to whichever amount	0.3	

Annex-2

(Relating to Rule 25 (2))

Remuneration of Arbitrator

S. No.	Claimed Amount	Single Arbitrator		Tribunal	
		Percentage	Maximum	Percentage	Maximum
1	Up to Two Million		Rs. 50,000.00		Rs. 80,000.00
2	More than Two Million Up to Five Million	2.50	Rs. 125,000.00	5.00	Rs. 330,000.00
3	More than Five Million Up to Ten Million	1.80	Rs. 215,000.00	3.00	Rs. 480,000.00
4	More than Ten Million Up to Twenty Million	0.80	Rs. 295,000.00	2.00	Rs. 1,055,000.00
5	More than Twenty Million Up to Fifty Million	0.60	Rs. 475,000.00	1.25	Rs. 1,285,000.00
6	More than Fifty Million Up to Hundred Million	0.20	Rs 575,000.00	0.46	Rs. 1,535,000.00
7	More than Hundred Million Up to Two Hundred Million	0.15	Rs. 725,000.00	0.25	Rs. 1,925,000.00
8	More than Two Hundred Million Up to Five Hundred Million	0.03	Rs. 815,000.00	0.13	
9	More than Five Hundred Million up to whichever amount	0.025		0.03	

Annex-3
(Relating to Rule 25 (2))

Remuneration of Arbitrator in Arbitration as referred to in the agreement made under international competitive quotation or arbitration of international

S. No.	Claimed Amount	Single Arbitrator		Tribunal	
		Percentage	Maximum	Percentage	Maximum
1	Up to Two Million		Rs. 250,000.00		Rs. 450,000.00
2	More than Two Million Up to Five Million	6	Rs. 430,000.00	12	Rs. 810,000.00
3	More than Five Million Up to Ten Million	3	Rs. 580,000.00	7	Rs. 1,160,000.00
4	More than Ten Million Up to Twenty Million	2.25	Rs. 805,000.00	5	Rs. 1,710,000.00
5	More than Twenty Million Up to Fifty Million	1.15	Rs. 1,150,000.00	2.75	Rs. 2,535,000.00
6	More than Fifty Million Up to Hundred Million	0.75	Rs 1,525,000.00	1.75	Rs. 3,410,000.00
7	More than Hundred Million Up to Three Hundred Million	0.50	Rs. 2,525,000.00	1.50	Rs. 6,410,000.00
8	More than Three Hundred Million Up to Six Hundred Million	0.30	Rs. 3,425,000.00	0.90	Rs. 9,110,000.00
9	More than Six Hundred Million up to One Billion	0.15	Rs. 4,025,000.00	0.45	Rs, 10,910,000.00
10	More than Five Hundred Million up to whichever amount	0.10		0.30	

Annex-4

(Relating to Rule 29)

Details of Oath to be administered by the Arbitrator

..... (Name) do hereby solemnly swear in the name of the god/with true faith that I will complete act as prescribed to me in the capacity of the arbitrator of the dispute of the claimantand respondent with memorizing honesty to the extent of my best knowledge and wisdom. I will perform my duty with honesty in capacity of the arbitrator without any fear, favor affection, ill-will and prejudice to nobody, subject to the prevailing law and I will not communicate or reveal any information which shall become known to me in the course of discharging my duties by any mean at whichever situation except complying with the prevailing law. There is lack of any condition for making doubt in my impartiality, neutrality and independency in the arbitration proceedings and award and I don't have any conflict of interest with the disputed issue. In such condition is arisen during the arbitration proceedings, I will inform thereof to the parties and the Center in writing.

Date:

Name and Surname:

Signature:

to the unauthorized person, irrespective of whether I hold or cease to hold the office, except if authorized by the Bank or as may be required in the observance of law.