

[CIAC RESOLUTION NO. 04-2008, March 28, 2008]

**AMENDING CIAC RESOLUTION NO. 12-2006 {PRESCRIBING
POLICY GUIDELINES AND A SCHEDULE OF PENALTIES FOR
DELAYED RENDITION OF ARBITRAL AWARDS**

WHEREAS, on 27 April 2006, the Commission passed CIAC Resolution No. 12-2006 *Prescribing Policy Guidelines and a Schedule of Penalties for Delayed Rendition of Arbitral Awards*, requiring all arbitrators to render the Arbitral Award in a timely manner as prescribed under the CIAC Rules in order to preserve CIAC's reputation as a reliable venue (or speedy resolution of construction disputes);

WHEREAS, under said resolution, monetary penalties by way of deductions from arbitrator's fees, and sanctions consisting of suspension (i.e., disqualification from appointment as arbitrator) or expulsion of the arbitrator/s, may be imposed for delays beyond the following prescribed periods for rendition of arbitral awards under the CIAC Rules:

1. Thirty (30) days from the date of the termination of hearing, or from the filing of additional documents, or from the submission date of memoranda, pleadings, documents or evidence, whichever is later (Section 13.18, CIAC Rules); and
2. Six (6) months from the date of signing of the Terms of Reference (TOR), or in cases where a TOR is absent, from the date of the last preliminary conference called for the purpose of finalizing and/or signing of the TOR (Section 16.1, CIAC Rules);

WHEREAS, the Commission, in its 107th Regular Meeting held on 28 March 2008, visited the guidelines under said resolution and agreed that amendments were necessary to provide for the following:

1. Clear guidelines on the penalties and sanctions to be imposed on arbitrators for delays in the rendition of arbitral awards beyond the 6-month period;
2. Considering that the primary intent of the Commission is to ensure that awards are rendered within the CIAC target of six (6) months from TOR signing/start of proceedings, the sanctions of suspension (i.e., disqualification from appointment as arbitrator) and expulsion under the Table of Delays and Penalties in Section 2.2.1, Annex A of CIAC Resolution No. 12-2006, should only be imposed for delays beyond the 6-month period;
3. For awards rendered beyond the 30-day period but within the 6-month period, only corresponding penalties (deductions from arbitrator's fees) shall be imposed;

NOW, THEREFORE, the COMMISSION, by virtue of the powers vested in it by law RESOLVES, as it DOES RESOLVE, to amend Annex A of CIAC Resolution No. 12-2006

Prescribing Policy Guidelines and a Schedule of Penalties for Delayed Rendition of Arty' tral Awards, to read as follows:

"POLICY GUIDELINES and SCHEDULE OF PENALTIES AND SANCTIONS for DELAYED
RENDITION of ARBITRAL AWARDS

1. RATIONALE

1.1. The Arbitral Tribunal appointed for a specific case is obliged to render the Arbitral Award in a timely manner as prescribed by the CIAC.

1.2 The Tribunal's failure to comply therewith is detrimental to CIAC's mandate to resolve construction disputes as expeditiously as possible, and to the reputation it has built over the years as being a venue for speedy resolution of construction disputes.

1.3 In a Tribunal of three (3) members, the rendition of an arbitral award in a timely manner is a collective responsibility of the three (3) Arbitrators. Thus, any penalty which may be imposed for delayed rendition of the arbitral award shall be shared by the said arbitrators.

1.4 CIAC shall impose a corresponding penalty for delays and shall not hesitate to apply the full sanction of canceling the accreditation of an arbitrator who fails to abide by the prescribed periods for rendering the arbitral award, without prejudice to CIAC's consideration of equitable matters to alleviate the penalties/sanctions it may impose against the arbitrator/s.

2 METHODS OF APPLICATION

2.1 Penalty for delayed Rendition of an Arbitral Award

2.2.1 The following periods within which an Arbitral Award should be rendered shall be strictly complied with:

a. thirty (30) days from the date of the termination of hearing, or from the filing of additional documents, or from the submission date of memoranda/draft decisions, pleadings, documents or evidence, whichever is later; and

b. six (6) months from the date of signing of the Terms of Reference (TOR), or in the absence of a TOR, from the date of the last preliminary conference called for the purpose of finalizing and/or signing of the TOR.

Penalties and/or sanctions shall be imposed on delays in award rendition beyond the above prescribed periods. Delays shall be reckoned from the lapse of any or both the said time frames.

2.2.2 All hearings must be completed and terminated within 4 1/2 months from TOR signing, or in the absence of a TOR, from the date of the last preliminary conference called for the purpose of finalizing and/or signing of the TOR.