

[CIAC RESOLUTION NO. 12-2010, November 08, 2010]

PRESCRIBING ADDITIONAL REQUIREMENTS FOR THE POSTING OF BONDS TO STAY EXECUTION OF ARBITRAL AWARDS

WHEREAS, Section 18.6 of the CIAC Rules of Procedure Governing Construction Arbitration provides that execution of arbitral awards pending review in the appellate court may be stayed upon the filing of a bond by the party seeking the stay of execution in an amount equal to the award, which bond must first be approved by the Arbitral Tribunal and concurred in by the Construction Industry Arbitration Commission (CIAC);

WHEREAS, the above rule further states that the issuing surety company must be in the latest list of surety companies accredited by the Supreme Court and has complied with the requirements set by the CIAC for bond approval, concurrence and/or acceptance, such as, but not limited to, the prescribed "Surety Undertaking" form which was approved by the Commission on 31 August 2006 under CIAC Resolution No. 17-2006;

WHEREAS, as a guide to the parties and the arbitrator/s. there is a need to specify whether the surety company issuing the bond has been accredited by the Supreme Court for civil cases/special proceedings only and not for either civil cases/special proceedings or criminal cases;

WHEREAS, the Commission has noted that the bonds posted to stay execution are usually for a one (1) year period only with no provision for renewal, which is necessary if the appellate proceedings should go beyond one (1) year;

NOW, THEREFORE, THE COMMISSION, by virtue of the powers vested in it by law and after due deliberation in its 131st Regular Meeting, RESOLVES to prescribe the following additional requirements for bond approval, concurrence and/or acceptance to stay execution of an arbitral award pending appeal:

1. The surety company must be in the latest list of surety companies accredited by the Supreme Court for civil actions/special proceedings only; and
2. The effectivity of the bond shall be from its approval by the Arbitral Tribunal and until the case in the appellate court is finally decided, resolved, or terminated, and this condition shall be expressly stated in the terms and conditions of the bond; failing which, the same shall be deemed ipso facto incorporated in the bond and shall be binding on all the parties thereto.
3. The party securing the bond must pay the premiums due to keep the bond from being cancelled until the case in the appellate court is decided,