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The Addis Ababa Chamber of Commerce and Sectoral Associations
Arbitration Institute



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The Revised Arbitration
Rules

November 25, 2008

**The Addis Ababa Chamber Of Commerce and Sectoral
Association Arbitration Institute
Rules of Arbitration
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FOREWORD

The Arbitration Institute of the Addis Ababa Chamber of Commerce & Sectoral Associations' is a body for dealing with matters of commercial dispute resolution. The Arbitration Institute is part of but independent from the chamber.

The Institute does not itself settle disputes rather it facilitates arbitration and other alternative dispute resolution activities.

The following are main objectives of the Institute: -

- Facilitate the settlement of disputes in accurate accord with the rules of the Institute, which can be accessed from the chamber's website: www.addischamber.com
- Provide information and advisory services concerning arbitration and other alternative disputes resolution mechanisms,
- Provide the Institute's good office to ad-hoc arbitration activities, and
- Organize workshops, seminars and training concerning arbitration.

In this regard, especially to attain a smooth arbitration service from the Institute, parties who wish to get the services of the Institute may frame the arbitration clause as:

"Any disputes, controversies or claim arising out of or relating to this contract, or the breach, termination or invalidity or any subsequent amendment of this contract thereof, shall be settled by arbitration in accordance with the Arbitration rules of AACCSA Arbitration Institute as at present in force."

In addition, parties may wish to consider: a) arbitrator appointing authority, b) number of arbitrators, c) place of arbitration and d) language of arbitration.

Such an agreement may be incorporated in a contract between the parties, business organization article of association out of which the dispute has arisen or by a separate agreement, which the parties enter into.

ORGANIZATIONAL STRUCTURE

The Council

The Institute shall have a Council consisting of not more than 7 members who shall be appointed for a period of 3 years by the Board of Directors of the Chamber. Members of the Council shall be prominent personalities from among members of the business community, professional groups and academicians of higher educational institutions.

The Secretariat

The Institute shall have a Secretariat headed by the Director of the Institute and shall have the relevant staff.

I. General Provisions

Article 1 Power to Issue These Rules

These Arbitration Rules are enacted by the Addis Ababa Chamber of Commerce and Sectoral Association Board of Directors by virtue of the power delegated to it by the Council pursuant to the Chambers of Commerce and Sectoral Association Establishment Proclamation no 341/2003 article 8(1) (e).

Article 2 Nomenclature

These Rules shall be cited as the "The Revised Arbitration Rules of the Addis Ababa Chamber Commerce and Sectoral Associations".

Article 3 Definitions

3.1. Unless the context requires otherwise, in this arbitration rules:-

3.1.1. "Chamber" shall mean the Addis Ababa Chamber of Commerce and Sectoral Associations, here-in-after referred to as "AACCSA."

3.1.2 "Institute" shall mean the AACCSAs' Arbitration Institute.

3.1.3 "Arbitrator" shall mean a professional appointed for the purpose of resolving a dispute between two or more parties.

3.1.4 "Provisional and Interim measure" shall mean a provisional decision passed by the Arbitral Tribunal upon the request of either party for the purpose of maintaining the status quo between the parties until the final award is issued.

3.1.5 "Arbitral Tribunal" shall mean a panel of arbitrators consisting one or more arbitrators appointed for the purpose of resolving the matter submitted for Arbitration.

3.1.6 "Rules" shall mean the AACCSA Arbitration Rules.

3.1.7 "Director" shall mean the Director of the AACCSA Arbitration Institute

3.1.8 "Term of Reference" shall mean document bearing the particulars of the case to be arbitrated and the procedural work plan of the Arbitral Tribunal.

3.1.9 "Secretariat" shall mean the staff of the Arbitration Institute.

3.2. Unless otherwise expressly stated, reference to the masculine gender shall also serve the feminine gender.

Article 4 Submission for Arbitration

- 4.1 Where the parties to a contract have agreed in writing that disputes in relation to that contract shall be settled by Arbitration in accordance with the Arbitration Rules of AACCSA, such disputes shall be settled in accordance with These Rules and amendments thereof.
- 4.2 The Rules applicable to the arbitration shall be those in force at the time of the commencement of the arbitration, unless the parties have agreed otherwise.

Article 5 Ad-hoc Arbitration

- 5.1 At the request of either party, the Institute may only make available or arrange for such facilities and assistance for the conduct of arbitration proceedings as may be required, including suitable accommodation for sittings of the arbitral tribunal, secretarial assistance and other facilities within the capability of the Institute without administering the arbitration.
- 5.2. Where the parties have designated the Institute as an appointing authority only of arbitrators, the Institute shall charge fees for such service in accordance with these Rules.

II. INITIATION OF PROCEEDINGS

Article 6 Request for Arbitration

- 6.1 Parties who wish to make use of the facilities provided by the Institute should make a written request to it that the parties have entered into a written arbitration agreement. In such written arbitration agreement, the parties shall indicate to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not.
- 6.2 The request for arbitration shall be accompanied by an application for arbitration, written defense, statement of counterclaim, documentary evidence and other documents, the party/parties shall submit it/them in as many copies as the number of the parties, one copy for each arbitrator and another for the institute.

Article 7 Statement of claim

- 7.1 The claimant shall satisfy the following requirements when submitting his applications for arbitration:

7.1.1 An application for arbitration in writing which shall specify:

- a. The name and address of the claimant and those of the respondent, including the telephone, fax, email or other communication means, if any;
- b. The arbitration agreement relied upon by the claimant;
- c. The facts of the case and the main points of dispute;
- d. The claimant's claim and the facts and reasons on which his claim is based.
- e. The name and address of the arbitrator designated by the claimant where more than one arbitrator is to be appointed, and
- f. Name and address of an attorney, if any, while attaching at the same time power of attorney.
- g. The application for arbitration or statement of claim shall be signed and/or stamped by the claimant and/or the attorney authorized by the claimant.

7.1.2 When an application for arbitration is submitted to the Institute, the relevant documentary evidence on which the claimant's claim is based shall accompany the application for arbitration.

7.1.3 The claimant shall pay in advance the fee specified under Article 32(1) and Annex II of these rules.

7.2. When the Registrar of the Institute, after examination of the application for arbitration or statement of claim, deems that the claimant has not completed the formalities required for arbitration, it shall demand the claimant to complete them, and when the secretariat deems that the claimant has completed the formalities, it shall immediately send to the respondent a notice of arbitration together with one copy each of the claimant's application for arbitration and its attachment as well as the arbitration rules, the list of arbitrators and the arbitration fee schedule of the arbitration Institute, and shall simultaneously send to the claimant one copy of each of the notice of arbitration, the arbitration rules, the list of arbitrators and arbitration fee schedule.

Article 8 Statement of defense and of counterclaim

8.1 The respondent shall, within 45 days from the date of receipt of the notice of arbitration, submit his written defense, appoint his arbitrator if more than one arbitrator is to be designated, and attach relevant documentary evidence to the secretariat.

8.2 The Institute shall determine the schedule for the nomination of arbitrators, submission of defenses and documents within the 45 days, and may extend the time limit if it deems that there are justified reasons.

8.3 When lodging a counterclaim, the respondent must state in his written statement of counterclaim:

- a. The name and address of the respondent and of the claimant, including the telephone, fax, email or other communication means, if any;
- b. The arbitration agreement relied upon by the respondent;
- c. The facts of the case and the main points of dispute;
- d. The respondent's counterclaim and the facts and reasons on which his counterclaim is based.
- e. The name and address of the arbitrator designated by the respondent where more than one arbitrator is to be appointed, and
- f. Name and address of an attorney, if any while attaching at the same time power of attorney.
- g. The statement of defense or counterclaim or application shall be signed and/or stamped by the respondent and/or the attorney authorized by the respondent.

8.4 When the respondent submits his counterclaim to the Institute, the relevant documentary evidence on which the respondent's counterclaim is based shall accompany the application for arbitration.

8.5 When lodging a counterclaim, the respondent shall pay the required fee in advance according to the arbitration fee schedule of the Arbitration Institute.

Article 9 Amendments to Claims and Counterclaims

9.1. The claimant may request to amend his claim and the respondent may request to amend his counterclaim. Yet the arbitration tribunal may refuse such an amendment if it considers that it is too late to raise the request and the amendment may affect the arbitration proceedings.

9.2. The arbitration proceedings shall not be affected in case the respondent fails to file his defense in writing or the claimant fails to submit his written defense against the respondent's counterclaim.

III. Composition of Arbitral Tribunal

Article 10 Number of Arbitrators and manner of their Appointment

- 10.1 The parties are free to determine the number of arbitrators. Where the parties have not agreed on the number of arbitrators, the arbitral tribunal shall consist of three arbitrators, unless the Institute, taking into account, *inter alia*, the complexity of the case, the amount in dispute and other circumstances, decides that the dispute is to be settled by a sole arbitrator.
- 10.2 Where the arbitral tribunal shall consist of more than one arbitrator, each party shall nominate an arbitrator. Where a party fails to nominate an arbitrator within 20 days of the receipt of a request for the nomination of an arbitrator, the Institute shall make the nomination.
- 10.3 Where there are multiple parties on either side and the dispute is to be decided by more than one arbitrator, the multiple claimants, jointly, and the multiple respondents, jointly shall nominate an equal number of arbitrators. If either side fails to make such joint nomination, the Institute shall make the nomination for that side. If the circumstances so warrant the Institute may nominate the entire arbitral tribunal, unless otherwise agreed by the parties.
- 10.4 Where the dispute is to be decided by sole arbitrator, the parties shall nominate jointly the said arbitrator. If parties failed to nominate within 20 days from the receipt of the statement of claim by the respondent, the Institute shall make the nomination, unless otherwise agreed by the parties.
- 10.5 Where the dispute is to be decided by three or more arbitrators, the even number of arbitrators shall nominate the presiding arbitrator within 20 days of their appointment. If the Arbitrators failed, the Institute shall nominate the presiding arbitrator.

Article 11 Nationality of Arbitrators

If the parties are of different nationalities, the Institute may appoint a sole arbitrator or Chairman of the Arbitral Tribunal of a nationality other than that of the parties, unless the parties have agreed differently.

Article 12 Confirmation of the Arbitrators

Every arbitrator nominated by the parties shall be deemed to be appointed only upon confirmation by the Institute. The Institute may

refuse the confirmation, while indicating the reasons to the parties, if it considers that the arbitrator does not fulfill the requirement of Article 13 hereof.

Article 13 Impartiality and Independence of Arbitrators

- 13.1. An arbitrator must be impartial and independent.
- 13.2. Before appointment or confirmation, a nominated arbitrator shall sign a statement of acceptance, declaration of independence and undertakes to honour the Institute's arbitrators code of conduct in a form attached to these rule as annex III and disclose in writing to the Secretariat any facts or circumstances which might be of such a nature as to call into question the arbitrator's independence in the eyes of the parties. The Secretariat shall provide such information to the parties in writing and fix a time limit for any comments from them.
- 13.3. An arbitrator who becomes aware of any circumstances, which may disqualify him, must immediately, inform in writing, the parties and the other arbitrators thereof.

Article 14 Challenge of Arbitrators

- 14.1 Where a party wishes to challenge an arbitrator that party shall send a written statement to the Director of the Institute stating the reasons for the challenge.
- 14.2 Notification of a challenge must be made within 15 days as from the date on which the arbitrator is appointed or the allegedly disqualifying circumstance became known to the party. Failure by a party to notify the Director of the Institute of a challenge within the stipulated period of time will be considered a waiver of the right to initiate such a challenge.
- 14.3 The Director of the Institute shall provide the parties and the arbitrators the opportunity to comment on the challenge.
- 14.4 The Institute shall make the final decision on the challenge. If the Institute finds an arbitrator disqualified, the institute shall challenge the arbitrator.
- 14.5 A party may challenge the arbitrator appointed by him only for reasons of which he becomes aware after the appointment has been made.

Article 15 Removal and Replacement of Arbitrators

- 15.1 Before removing an arbitrator, the Institute shall request the views of the parties and the arbitrators.
- 15.2 An Arbitrator shall be replaced upon his death, upon the acceptance by the Institute of Arbitrator's resignation, upon acceptance by the Institute of a challenge or upon the request of all the parties.
- 15.3 An arbitrator shall also be replaced on the Institute's own initiative when it decides that he is prevented *de jure* or *de facto* from fulfilling his functions or that he is not fulfilling his functions, or that he is not fulfilling functions in accordance with the Rules or within the prescribed time limits.
- 15.4 Where an arbitrator nominated by a party dies, the party in question shall nominate another arbitrator. Where an arbitrator nominated by the Institute dies, the Institute shall appoint another arbitrator.
- 15.5 Where an arbitrator resigns or is removed, the Institute shall appoint another arbitrator. If the arbitrator had been nominated by a party, the Institute shall request the views of the nominating party. Where the Arbitral Tribunal consists of three or more arbitrators, the Institute may decide that the remaining arbitrators shall proceed with the case. Prior to making such a decision, the views of the parties and the arbitrators shall be requested.
- 15.6 When, on the basis of information that has come to its attention, the Institute considers applying Article 15(2), it shall decide on the matter after the arbitrator concerned, the parties and any other members of the Arbitral Tribunal have had an opportunity to comment in writing within a suitable period of time. Such comments shall be communicated to the parties and to the arbitrators.
- 15.7 When an arbitrator is to be replaced, the Institute has discretion to decide whether or not to follow the original nomination process. Once reconstituted, and after having invited the parties to comment, the Arbitral Tribunal shall determine if and to what extent prior proceedings shall be repeated before the reconstituted Arbitral Tribunal.

- 15.8 Subsequent to the closing of the proceedings, instead of replacing an arbitrator who has died or been removed by the Institute pursuant to sub-article 15.3 and 15.4 of this Article, the Institute may decide, when it considers it appropriate, that the remaining arbitrators shall continue the arbitration. In making such determination, the Institute shall take into account the views of the remaining arbitrators and of the parties and such other matters that it considers appropriate in the circumstances.

Article 16 Conservatory and Interim Measures

- 16.1 Unless the parties agreed otherwise as soon as the file has been transferred to it, the Arbitral Tribunal may, at the request of a party, order any interim or conservatory measures it deems appropriate. The Arbitral Tribunal can make the granting of any such measure subject to the provision of security by the requesting party.
- 16.2 The parties' application to courts of law for any such provisional remedies before or after the transmission of the file to the Arbitral Tribunal shall not be deemed to be a waiver of the arbitration agreement nor should not affect the powers of the Arbitration Tribunal.

IV. Arbitral proceedings

Article 17 General Provisions

- 17.1 Subject to these Rules, the arbitral tribunal may conduct the arbitration in such manner as it considers appropriate, provided that the parties are treated with equality and that at any stage of the proceedings each party is given a full opportunity of presenting his case.
- 17.2 If either party so requests at any stage of the proceedings, the arbitral tribunal shall, if it finds it necessary, hold hearings for the presentation of evidence by witnesses, including expert witness, or for oral argument. In the absence of such a request, the arbitral tribunal shall decide whether to hold such hearings or whether the proceedings shall be conducted on the basis of documents and other materials.
- 17.3 All documents or information supplied to the arbitral tribunal by one party shall at the same time be communicated by that party to the other party.

- 17.4 The Secretariat shall transmit the file to the Arbitral Tribunal as soon as it has been constituted, provided the advance on costs requested by the Secretariat at this stage has been paid.

Article 18 Terms of Reference

- 18.1 As soon as it has received the file from the Secretariat, the Arbitral Tribunal shall draw up, on the bases of documents or in the presence of the parties and in light of their most recent submissions, a document defining its terms of reference which includes the following.

- a) the full names, descriptions and addresses of the parties
- b) a summary of the parties' respective claims and of the relief sought by each party, with an indication to the extent possible of the amounts claimed and/or counterclaimed;
- c) unless the Arbitral Tribunal considers it inappropriate, a list of issues to be determined;
- d) the full names, descriptions, and addresses of the of the arbitrators;
- e) the place of the arbitration; and
- f) the particulars of the applicable procedural rules and, if such is the case , reference to the power conferred upon the Arbitral Tribunal to act as **amiable compositeur** or to decide **ex aequo et bono**

- 18.2 The terms of reference shall be signed by the parties and the Arbitral Tribunal. Within one month from the date on which the file has been transmitted to it, the Arbitral Tribunal shall transmit to the Institute the Terms of Reference signed by it and the parties. The Institute may extend this time limit upon the request of the Arbitral Tribunal or on its own initiative if it considers appropriate to do so.

- 18.3 If any of the parties refuses to take part in the drawing up of the Terms of Reference or to sign the same, they shall be submitted to the Institute for approval. When the Terms of Reference are signed by the parties or approved by the Institute, the Arbitration shall proceed.

Article 19 Place of Arbitration

- 19.1 Unless the parties have agreed upon the place where the arbitration is to be held, such place shall be determined by the arbitral tribunal, having regard to the circumstances of the arbitration.
- 19.2 The arbitral tribunal may determine the locale of the arbitration within the place agreed upon by the parties. It may hear witness and hold meetings for consultation among its members at any place it deems appropriate, having regard to the circumstances of the arbitration.
- 19.3 The arbitral tribunal may meet at any place it deems appropriate for the inspection of goods, other property or documents. The parties shall be given sufficient notice to enable them to be present at such inspection.
- 19.4 The award shall be made at the place of arbitration.

Article 20 Language of Arbitration

In the absence of an agreement by the parties, the Arbitral Tribunal shall determine the language or languages of the arbitration, due regard being given to all relevant circumstances, including the language of the contract.

Article 21 Establishing the Facts of the Case

- 21.1 The Arbitral Tribunal shall proceed within as short a time as possible to establish the facts of the case by all appropriate means.
- 21.2 After studying the written submissions of the parties and all documents relied upon, the Arbitral Tribunal shall hear the parties together in person if any of them so requests or, failing such a request, it may of its own motion decide to hear them.
- 21.3 The Arbitral Tribunal may decide to hear witnesses, experts appointed by the parties or any other person, in the presence of the parties, or in their absence provided they have been duly summoned.
- 21.4 The Arbitral Tribunal, after having consulted the parties, may appoint one or more experts, define their terms of reference and receive their reports. At the request of a party, the Tribunal shall give the parties the opportunity to ask questions.
- 21.5 At any time during the proceedings, the Arbitral Tribunal may summon any party to provide additional evidence.

- 21.6 The Arbitral Tribunal may decide the case solely on the documents submitted by the parties unless any of the parties requests a hearing.
- 21.7 The Arbitral Tribunal may take measures for protecting trade secrets and confidential information.

Article 22 Hearings

- 22.1 When a hearing is to be held, the Arbitral Tribunal, giving reasonable notice, shall summon the parties to appear before it on the day, time and place fixed by it.
- 22.2 If any of the parties, although duly summoned, fails to appear without valid excuse, the Arbitral Tribunal shall have the power to proceed with the hearing.
- 22.3 The Arbitral Tribunal shall be in full charge of the hearings, at which all the parties shall be entitled to be present. Save with the approval of the Arbitral Tribunal and the parties, persons not involved in the proceedings shall not be admitted.
- 22.4 The parties may appear in person or through duly authorized representatives. In addition, advisers may assist them.

Article 23 Closing of the Proceedings

- 23.1 When it is satisfied that the parties have had a reasonable opportunity to present their cases, the Arbitral Tribunal shall declare the proceedings closed. Thereafter, no further submissions or arguments may be made, or evidence produced, unless requested or authorized by the Arbitral Tribunal.
- 23.2 When the Arbitral Tribunal has declared the proceedings closed, it shall indicate to the Secretariat an approximate date by which the draft Award will be submitted to the Institute for approval. The Arbitral Tribunal shall communicate any postponement of that date to the Secretariat.

Article 24 Time limit for Giving the Award

- 24.1 The Arbitral tribunal shall give its final award not later than six months as of the date of its constitution.
- 24.2 The Institute can extend this time limit upon a reasonable request by the tribunal or on its own motion if it finds it necessary to do so.

V. The Award

Article 25 Award

- 25.1 When there are three arbitrators, any order or other decision of the arbitral tribunal shall be made by a majority of the arbitrators.
- 25.2 In the case of questions of procedures, when there is no majority or when the arbitral tribunal so authorizes, the presiding arbitrator may decide on his own move, subject to revision, if any, by the arbitral tribunal.

Article 26 Form and Effect of the Award

- 26.1 In addition to making a final award, the arbitral tribunal shall be entitled to make interim, interlocutory, or partial awards.
- 26.2 The award shall be made in writing and shall be final and binding to the parties, unless the parties agree otherwise before commencement of the Arbitration.
- 26.3 The arbitral tribunal shall state the reasons upon which the award is based unless the parties have agreed that no reasons are to be given.
- 26.4 The arbitrators shall sign an award and it shall contain the date on which and the place where the award was made. Where there are three arbitrators and one of them fails to sign, the award shall state the reason for the absence of the signature.
- 26.5 The award may be made public only with the consent of both parties.
- 26.6 The Arbitral Tribunal shall communicate the award signed by the arbitrators to the Secretariat in one copy for the Institute and in as many copies as the number of the parties. Upon approval by the Institute, the Secretariat shall communicate the same to the parties.

Article 27 Applicable Law and Amiable compositeur

- 27.1 In international arbitration, the arbitral tribunal shall apply the law designated by the parties as applicable to the substance of the dispute. Failing such designation by the parties, the arbitral tribunal shall apply the rules of law, which it determines to be appropriate.

27.2 The arbitral tribunal shall decide as *amiable compositeur* or *ex aequo et bono* only if the parties have *expressly authorized* the arbitral tribunal to do so.

27.3 In all cases, the arbitral tribunal shall decide in accordance with the terms of the contract and shall take into account the usages of the trade applicable to the transaction.

Article 28 Settlement or other grounds for termination

28.1 If, before the award is made, the parties agree on a settlement of the dispute, the arbitral tribunal shall either issue an order for the termination of the arbitral proceedings or, if requested by both parties and accepted by the tribunal, record the settlement in the form of an arbitral award on agreed terms. The arbitral tribunal is not obliged to give reasons for such an award.

28.2 If, before the award is made, the continuation of the arbitral proceedings becomes unnecessary or impossible for any reason not mentioned in sub-article 1 of this article, the arbitral tribunal shall inform the parties of its intention to issue an order for the termination of the proceedings. The arbitral tribunal shall have the power to issue such an order unless a party raises justifiable grounds for objection.

28.3 The arbitral tribunal to the parties shall communicate copies of the order for termination of the arbitral proceedings or of the arbitral award on agreed terms, signed by the arbitrators. Where an arbitral award on agreed terms is made, the provisions of this rule stated under sub-article 2 and 4, 5 and 6 of article 26 shall apply.

Article 29 Interpretation of the Award

29.1 Within thirty days after the receipt of the award, either party, with notice to the other party, may request that the arbitral tribunal give an interpretation of the award.

29.2 The interpretation shall be given in writing within forty-five days after the receipt of the request. The interpretation shall form part of the award and sub-articles 2-6 of article 26, shall apply.

Article 30 Correction of the Award

30.1 Within thirty days after the receipt of the award, either party, with notice to the other party, may request the arbitral tribunal to correct in the award any errors in computation, any clerical or typographical errors, or any errors of similar nature. The arbitral tribunal may within

thirty days after the communication of the award make such corrections on its own initiative.

- 30.2 Such corrections shall be in writing, and sub-articles, 2-6 of article 26 shall apply.

Article 31 Additional Award

- 31.1 Within thirty days after the receipt of the award, either party, with notice to the other party, may request the arbitral tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted from the award.
- 31.2 If the arbitral tribunal considers the request for an additional award to be justified and considers that the omission can be rectified without any further hearings or evidence; it shall complete its award within sixty days after the receipt of the request.
- 31.3 When any additional award is made, sub-articles 2-6 of article 26 shall apply.

VI. Costs of Arbitration

Article 32 Costs of Arbitration

- 32.1 Upon filing the Request, the Claimant shall pay a non refundable Registration Fee of 500 ETB to cover the costs of arbitration until the Terms of Reference have been drawn up.
- 32.2 As soon as practicable, the Institute shall fix the advance on costs in an amount likely to cover the fees and expenses of the arbitrators and the Institute's administrative costs for the claims and counterclaims which have been referred to it by the parties. This amount may be subject to readjustment at any time during the arbitration. Where, apart from the claims, counterclaims are submitted, the Institute may fix separate advances on costs for the claims and the counterclaims.
- 32.3 The advance on costs fixed by the Institute shall be payable in equal shares by the claimant and the Respondent. Any provisional advance paid on the basis of Article 32(1) will be considered as a partial payment thereof. However, any party shall be free to pay the whole of the advance on costs in respect of the principal claim or the counterclaim should the other party fail to pay its share. When the Institute has set separate advances on costs in accordance with Sub-

Article (2) of article 32, each of the parties shall pay the advance on costs corresponding to its claims.

- 32.4 When a request for an advance on costs has not been complied with, and after consultation with the Arbitral Tribunal, the Director may direct the Arbitral Tribunal to suspend its work and set a time limit, which must be not less than 15 days, on the expiry of which the relevant claims, or counterclaims, shall be considered as withdrawn. Should the party in question wish to object to this measure it must take a request within the aforementioned period for the matter to be decided by the Institute. Such party shall not be prevented on the ground of such withdrawal from reintroducing the same claims or counterclaims at a later date in another proceeding.
- 32.5 If one of the parties claims a right to a set-off with regard to either claims or counterclaims, such set-off shall be taken into account in determining the advance to cover the costs of arbitration in the same way as a separate claim insofar as it may require the Arbitral Tribunal to consider additional matters.

Article 33 Decisions as to the Costs of the Arbitration

- 33.1 The costs of the arbitration shall include the fees and expenses of the arbitrators and the Institute's administrative expenses fixed by the Institute, in accordance with the scale in force at the time of the commencement of the arbitral proceedings, as well as the fees and expenses of any experts appointed by the Arbitral Tribunal and the reasonable legal and other costs incurred by the parties for the arbitration.
- 33.2 The Institute may fix the fees of the arbitrators at a figure higher or lower than that which would result from the application of the relevant scale should this be deemed necessary due to the exceptional circumstances of the case. The Arbitral Tribunal may take decisions on costs other than those fixed by the Institute at any time during the proceedings.
- 33.3 The Arbitral tribunal shall in the final Award fix the costs of the arbitration and decide which of the parties shall bear them or in what proportion they shall bear them.

Article 34 Fees of Arbitrators

The Arbitration Institute shall fix its fees in accordance with the scale hereinafter set out as Annex I. Where the sum is not set out the fees shall be fixed by taking into consideration such factors as the complexity of the case, the diligence of the Arbitrators, the nature of the dispute, length of hearings, and eminence and standing of the Arbitrators themselves.

Article 35 Advance to cover costs of the arbitration

- 35.1 The Institute shall prepare an estimate of the costs of Arbitration and request each party to deposit an equal amount as an advance for those costs. The amount shall be determined in accordance with schedule provided under Annex II.
- 35.2 During the course of the arbitral proceedings the Institute may request supplementary deposits from the parties as it is found important and appropriate.
- 35.3 If the required deposits are not paid in full within thirty days after the receipt of the request, the Institute shall so inform the parties in order that one or another of them may make the required payment. If such payment is not made, the arbitral tribunal, after consultation with the Institute, may order the suspension or termination of the arbitral proceedings.
- 35.4 The Institute may apply the deposits towards disbursements for the costs of the Arbitration.
- 35.5 After the award has been made, the Institute shall render an accounting to the parties of the deposits received and return any unexpended balance to the parties.

Article 36 Transitory provision

Unless otherwise agreed, this rule shall be applicable for all pending cases of the Institute.

Article 37 Final Provision

The Institute shall have arbitrators Code of Conduct to address ethical and professional matters and shall be binding on all arbitrators registered in the Institute roster, nominated by the party or the institute and/or appointed to adjudicate cases.

Article 38 Effective Date

These Rules shall enter into force as of 25 November 2008

Annex IV

ARBITRATOR'S STATEMENT OF ACCEPTANCE & DECLARATION OF INDEPENDENCE

Acceptance:

I, the undersigned, hereby declare and confirm that I accept to serve as an arbitrator under the **Addis Ababa Chamber of Commerce & Sectoral Associations (AACCSA) Arbitration Institute** Rules of Arbitration in the instant case. In so doing, I confirm that I have familiarized myself with the requirements of the Institute's Arbitration Rules and am able and available to serve as an arbitrator in accordance with the requirements of those Rules and accept to be remunerated in accordance therewith.

Independence:

To the best of my knowledge, there is no reason why I should not serve the Arbitral Tribunal Constituted by the **Arbitration Institute** of the **Addis Ababa Chamber of Commerce & Sectoral Association** with respect to a dispute between-----
-----and -----
-----.

- I am independent of each of the parties and intend to remain so; to the best of my knowledge, there are no facts or circumstances, past or present, which need be disclosed because they might be of such nature as to call into question my independence in the eyes of any of the parties.
- I shall keep confidential all information coming to my knowledge as a result of my participation in this proceeding as well as the contents of any award made by the Tribunal.
- I shall judge fairly as between the parties, according to the applicable law, and shall not accept any instruction or compensation with regard to the proceeding from any source except as provided in the **Institute's Arbitration Rules** and in the Rules of Procedures made pursuant thereto.

Or

- I am independent of each of the parties and intend to remain so; however, in consideration of Article 10 Sub-Articles 2 & 3 of the **AACCSA Arbitration Institute's Rules of Arbitration**, I wish to call your attention to the following facts or circumstances which I hereinafter disclose because they might be of such a nature as to call into question my independence in the eyes of any of the parties (use separate sheet, if necessary).

Non-Acceptance:

- I, the undersigned, hereby declare that I decline to serve as an arbitrator in the subject case. (If you wish to state the reasons for checking this box, please do so).

Name: -----Signature----- Date-----