



New International Rules of Chinese Arbitration Association Streamline Processes

The Chinese Arbitration Association ("CAA") adopted the Chinese Arbitration Association International Arbitration Rules 2017 ("CAAI Rules") on July 1, 2017. The Rules—which can apply only to arbitrations seated outside of Taiwan—seek to introduce features to address procedural issues associated with having international arbitrations seated in Taiwan, as well as to streamline the process generally.

To attract international parties, and Chinese parties in particular, the Model Arbitration Clause for the CAAI Rules designates Hong Kong as the default seat of arbitration. An emphasis on Hong Kong—a party to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitration Awards that Taiwan has not ratified—as the default seat enhances the enforceability of awards made under the Rules. Awards to be enforced in China are expected to benefit from the enforcement mechanism in place between Hong Kong and China.

In what may be seen as an attempt to give the CAAI Rules greater international appeal, the Rules include new multi-contract, joinder, and consolidation provisions. The multi-contract provision allows for a single arbitration to be commenced for disputes arising out of more than one contract. The joinder provision allows an arbitral tribunal to join additional parties to an existing arbitration. Similarly, the consolidation provision allows CAA to consolidate two or more arbitrations under the Rules into one arbitration.

Interestingly, the Rules contain strict timelines for the issuance of awards. A tribunal is required to close proceedings within six months from its constitution and to make its final award within six weeks from the date on which proceedings are closed. CAA maintains the ability to extend the timeline for closing proceedings and making of final awards. The timeline mirrors Taiwan's Arbitration Act, which requires awards to be made within six months of the commencement of an arbitration.

CONTACTS



Matthew J. Skinner
Singapore



Marianne M. Chao
Taipei



Jeffrey Jeng
Singapore

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