

New ICAC Rules enter into force

- **Resource type:** Legal update: archive
- **Status:** Published on 08-Feb-2017
- **Jurisdiction:** Russian Federation

On 27 January 2017, new rules of the International Commercial Arbitration Court at the Russian Federation Chamber of Commerce and Industry (ICAC) came into force.

Maxim Kulkov (Managing Partner) and Olga Kokoz (Associate), KK&P

Speedread

New rules of the International Commercial Arbitration Court at the Russian Federation Chamber of Commerce and Industry (ICAC) came into force on 27 January 2017. ICAC now are able to administer and resolve domestic commercial and sports disputes, as well as international commercial disputes. New rules have been adopted on ad hoc arbitration, organizational principles and fees and costs.

On 27 January 2017 a set of new *Rules of the International Commercial Arbitration Court at the Russian Federation Chamber of Commerce and Industry* (ICAC) came into force. ICAC now are able to administer and resolve not only international commercial disputes, but also domestic commercial and sports disputes (succeeding the Court of Arbitration for Sport and Court of Arbitration for Resolution of Economic Disputes at the Chamber of Commerce and Industry of the Russian Federation). In addition, ICAC has adopted rules on the facilitation of ad hoc arbitration. ICAC organisational principles, as well as its schedule of fees and costs were also amended. On 1 February 2017, the rules on arbitration of corporate disputes took effect. The adoption of the new Rules was driven mostly by the new Russian Law on Arbitration which came into force gradually on 1 September 2016 and 1 February 2017.

Among the most significant amendments are the following:

- ICAC is now expressly competent to hear international commercial disputes involving individuals. In addition, ICAC may hear international commercial disputes if the place of the performance of obligations or the most significant relationship to the dispute is located abroad. ICAC is no longer competent to hear a dispute involving "enterprises with foreign interest" unless the dispute is a cross-border one, such as those "related to foreign investment in the Russian Federation or Russian investment abroad". Due to this amendment, the number of the disputes heard by ICAC under the Rules on international commercial arbitration most likely will be reduced. For instance, ICAC will now hear, under its Rules for domestic commercial proceedings, a domestic dispute between two companies registered in Russia, even if one or both parties are controlled by foreign shareholders.
- Appointment committees have been formed within ICAC as new bodies which have replaced the ICAC Presidium's powers to appoint arbitrators, terminate their functions or resolve a challenge to an arbitrator.
- The new Rules contain provisions on multi-party and multi-claim arbitration. An additional party to arbitration may act as a co-claimant, co-defendant or appear independently. In this regard, the rules were amended to contain provisions on appointment of arbitrators in multi-party arbitration and on succession of arbitrators for the purposes of consolidation of disputes.
- The resolution of procedural issues arising within an arbitration is now more thoroughly regulated. If a dispute clearly may not be heard by ICAC, its Presidium may now terminate the proceedings without stating reasons before arbitrators are appointed.
- The party representation provisions in international commercial arbitration have become more severe. According to the Rules, the tribunal may not only take into consideration improper behaviour of a party representative when deciding on the distribution of arbitration costs, but may also recommend that a party changes its counsel.
- The rules on fast-track international commercial arbitration may now apply to disputes where the amount of claim is less than \$50,000. The Rules suggest that such disputes may be heard by a sole arbitrator, with documentary evidence only, within 120 days.
- Under the Rules on the facilitation of ad hoc arbitration, ICAC will appoint arbitrators, resolve challenges and terminate their functions at the price of \$1,000 per instance. Additionally, upon the parties' request, ICAC may provide material and technical assistance to an ad hoc arbitration, the price of which will depend on the extent and nature of such assistance and the amount of the claim.
- The Rules on resolution of corporate disputes comprise provisions additional to the Rules on international and domestic arbitration. Thus, the Rules define the type of claims which may be heard by ICAC, the procedure for entering into an arbitration agreement and the limits of ICAC jurisdiction. The Rules provide that it is the duty of the company to notify all parties interested in a commercial dispute related to it and that ICAC has a duty to publish information about a corporate dispute on its website. All interested parties may join the arbitration in accordance with the Rules.
- A new schedule of costs and fees has been adopted. ICAC has aligned the sums of registration fees for disputes nominated in rubles and those nominated in foreign currency (until now there was a certain imbalance: if the amount of the claim was nominated in rubles, the registration fee was RUB30,000 (roughly \$500), whereas if the amount of the claim was nominated in foreign currency, the

registration fee was \$1,000). Now regardless of the currency of the claim the registration fee is \$1,000. If a party is seeking interim relief, a separate fee of RUB30,000 applies. On the whole, the ICAC fees under the new rules do not seem to be significantly higher.

The changes relating to the organisational principles of ICAC apply from 27 January 2017. The changes to the procedural rules apply to disputes, commenced after the effective day of the new Rules.

Resource information

Resource ID: w-005-9052

Published: 08-Feb-2017

Products: Arbitration (All jurisdictions), PLC Arbitration Email, PLC US Law Department

Related content

Topics

Institutional and Ad hoc Arbitration: General (<http://uk.practicallaw.com/topic0-522-2350>)

Standard clause

Russian Federation: ad hoc arbitration clause (<http://uk.practicallaw.com/topic5-531-6515>)

Legal update: archive

Arbitration blog: Arbitrability of Russian corporate disputes in London (<http://uk.practicallaw.com/topicw-003-5099>)

Country Q&A

Arbitration procedures and practice in the Russian Federation: overview (<http://uk.practicallaw.com/topic8-385-8113>)

©2016 Thomson Reuters. All rights reserved. Privacy Policy and Cookies(<http://www.practicallaw.com/3-386-5597>). Legal Information(<http://www.practicallaw.com/8-531-0965>). Subscription enquiries +44 (0)20 7202 1220 or email subscriptions@practicallaw.com. The reference after links to resources on our site (e.g. 2-123-4567) is to the PLC Reference ID. This will include any PDF or Word versions of articles.

