



## **Singapore Chamber of Maritime Arbitration**

*(This article has been provided by the Singapore Chamber of Maritime Arbitration)*

### **A. Introduction**

The Singapore Chamber of Maritime Arbitration is a specialist arbitration centre for the resolution of maritime and international trade disputes through arbitration. First established in 2004 under the management of the Singapore International Arbitration centre, the SCMA was independently reconstituted in 2009 to pursue an ad-hoc hybrid model of arbitration following feedback garnered from the global shipping and trading communities.

Since 2009, the SCMA has handled an aggregate of US\$300 million in dispute across 261 references. Our cause is supported by the Singapore Maritime Foundation and from members of the domestic and regional maritime community through subscription membership.

Continued and steadfast support from the maritime communities allows the SCMA to provide arbitration support services back to those communities without charging administration or management fees. This means that there is no fee payable to the SCMA to commence arbitration proceedings. Other services such as fund holding or the appointment of an arbitrator (only if requested by the parties) are offered at a nominal fee.

### **B. Unique Hybrid Model of Arbitration**

Our arbitration rules uniquely combines the benefits of ad-hoc and administered institutional arbitration and reducing the drawbacks associated with each model.

**[Control v Certainty]** Ad-hoc arbitration is favoured by the maritime community primarily because of the high degree of control retained by parties, including the ability to tailor the arbitration procedure for the dispute. Parties are able to directly appoint arbitrators whom they trust and prefer without institutional oversight. Parties also remain in direct contact with the arbitrators throughout the arbitration thus reducing communication latency. However, parties in dispute may not always be able to agree on the arbitration procedure, which means that time and often compromise is required to achieve a negotiated outcome.

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## **Legal News**

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This may be cost-effective for arbitrants with dedicated in-house disputes teams but not every user of arbitration may have one. Applications to the supervising court in most instances may be needed. This leads to escalating costs as complexity rises. Institutional ad-hoc rules also mean that parties are able to incorporate a comprehensive set of procedural rules in less than 100 words without the need for separate agreement by the parties at every turn of the arbitration.

SCMA Arbitration Rules allow parties to retain a large degree of control they enjoy under ad-hoc arbitration. This is achieved by formalising ad-hoc rules used in maritime arbitrations into one unique and comprehensive set of ad-hoc institutional rules. Because of the rigorous competencies required of each SCMA arbitrator prior to panel admission, SCMA arbitrators are given autonomy to carry out the arbitration process without intervention by institutional staff. Unlike general panels, arbitrators admitted to the SCMA Panel of Arbitrators are specialist arbitrators who are experienced in one or more maritime specialisations. Parties may directly appoint arbitrators without requiring approval or confirmation from the institution. SCMA does not exercise discretion to stipulate deadlines under our Arbitration Rules and awards do not require institutional approval – these are matters for the appointed tribunal.

**[Optional Secretariat Services]** In the event that some degree of oversight is desired, parties may request for Secretariat services for a small fee. SCMA can act as an appointing authority to an SCMA arbitration. SCMA also provides a neutral fund holding service. Parties may challenge the impartiality or independence of an arbitrator by applying to the Chairman of the SCMA. The decision of the Chairman is final and may not be appealed. Finally, SCMA is authorised under the Singapore International Arbitration Act (Cap. 143A) to authenticate and certify awards.

**[Enforceability Risks]** Without an impartial institution acting as an intermediary between a party and an arbitrator, popular party-appointed arbitrators may find themselves the subject of a challenge should proceedings take an unfavourable turn. Finally, there are inherent risks that the ad-hoc process or an ad-hoc award may be more susceptible to challenge or non-enforcement in certain jurisdictions. These cost and legal risks cannot be understated. The administration of an arbitration by a reputable Singapore institution is a strong safeguard against frivolous challenges to the arbitration and the award.

### C. Benefits of SCMA Arbitration

#### *over Litigation*

- **Culminates in an Arbitral Award that is easily enforced in any New York Convention state ([157 signatory states](#)).**
- **Award is binding and not subject to appeal.** Limited grounds exist to set aside Award for breach of natural justice, fraud etc.
- **Private and confidential** dispute resolution process.
- **Directly appoint an arbitrator who possesses the technical expertise and experience desired by parties.** A commercial judge may not possess the requisite qualifications to understand the intricacies of a maritime dispute.

#### *over other types of arbitration*

- **SCMA does not charge** a filing or administrative fee.
- **SCMA provides optional Secretariat services** for a small fee, if parties so desire.
- **Curated SCMA Panel of Arbitrators** comprises of specialist arbitrators experienced in one or more maritime disciplines. SCMA arbitrators possess at least ten years of experience in one or more maritime disciplines and has written at least two arbitral awards of a maritime nature.
- **Arbitrator costs are a matter of agreement** and are not subject to a fixed schedule or scale based on the quantum of your claim (i.e. no ad-valorem fees).
- **SCMA Panel Arbitrators hail from a representative mix of nationalities, jurisdictions and speak a variety of languages.** SCMA does not limit membership to any one nationality or jurisdiction.
- **SCMA publishes its appointing guidelines** to ensure that parties have full confidence that an arbitrator appointment is made without bias or favour.
- **Flexibility of choice of law** (which law governs the substantive dispute) and **choice of seat** (which court supervises the arbitration).

## Legal News

### D. SCMA Arbitration Rules (2015)

Here is a quick fact sheet on the SCMA Arbitration Rules.

Feature	SCMA Arbitration Rules (3 <sup>rd</sup> ed)
<b>Rules Revision Interval</b>	2009 – 2015
<b>Institutional Involvement</b>	<ul style="list-style-type: none"> <li>▪ Appointment of Tribunal</li> <li>▪ Fund Holding</li> <li>▪ Challenge to Tribunal</li> <li>▪ Authentication</li> </ul>
<b>Commencement of Arbitration</b>	Date of service of Notice of Arbitration
<b>Notice of Arbitration</b>	<u>6 simple requirements</u>
<b>Response to Notice</b>	Comment on proposal (if any) Nominated Arbitrator(s)
<b>Statement of Case</b>	Within 30 days of constituted Tribunal
<b>Statement of Defence / Counterclaim</b>	Within 30 days of service of Statement of Case
<b>Statement of Reply / Defence</b>	Within 30 days of service of Statement of Defence / Counterclaim
<b>Contents of Statements</b>	<b>Particulars + Statements of Facts + Contentions of Law + Remedies sought</b>
<b>Number of Arbitrators</b>	3 (default); 1 (default – aggregate quantum under US\$150,000)
<b>Appointment of Arbitrators</b>	<p><b>R. 6.1:</b> Parties shall agree</p> <p><b>R. 6.2:</b> SCMA Chairman shall appoint sole arbitrator if parties unable to agree within 14 days of service of Notice</p> <p><b>R. 6.3:</b> Party shall appoint its arbitrator, and the 2 arbitrators thus appointed shall appoint the Third Arbitrator</p> <p><b>R. 6.4:</b> SCMA Chairman shall (1) appoint the party arbitrator if a party is unable to do so within 14 days of service of Notice; (2) 2 arbitrators unable to appoint Third Arbitrator within 14 days of their appointment</p>

Feature	SCMA Arbitration Rules (3 <sup>rd</sup> ed)
<b>Arbitrator nomination confirmed by SCMA</b>	No
<b>Multi-party disputes</b>	<b>R. 33.2:</b> Consolidate with parties' consent before single tribunal <b>R. 33.3:</b> Concurrent proceedings without parties' consent before multiple tribunals including sharing of documents and evidence on conditions determined by the Tribunals
<b>Language of Arbitration</b>	English (default)
<b>Governing Law</b>	Singapore (default)
<b>Establishing the Facts of the Case / Assessing the Evidence</b>	Tribunal shall determine the admissibility, relevance, materiality and weight of the evidence given by any witness.
<b>Documentary Evidence</b>	Must be accompanied by all supporting documents relevant to the issues between the parties
<b>Oral Hearings</b>	<b>Yes</b> – unless <u>Small Claims Procedure</u> applies, then Tribunal decides
<b>Default</b>	Tribunal may proceed with arbitration and make the Award
<b>Interim Measures</b>	Law of the Place of Arbitration (allowable under Singapore IAA)
<b>Security for Costs</b>	Law of the Place of Arbitration (allowable under Singapore IAA)
<b>Security for Tribunal's Fees</b>	Yes
<b>Confidentiality</b>	<b>Arbitrator may not release any information without parties' written consent</b>
<b>Award</b>	3 months from close of proceedings Reasons must be provided unless <u>Small Claims Procedure</u> applies
<b>Award Scrutiny</b>	No
<b>Appeal</b>	No (default)
<b>Arbitrators' Fees</b>	Negotiated between Arbitrator(s) and parties
<b>Expedited Procedure</b>	<u>Small Claims Procedure</u> only

*The above article was provided by the Singapore Chamber of Maritime Arbitration ([www.scma.org.sg](http://www.scma.org.sg)).*

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