



ARBITRATOR'S GUIDELINES

For Proceedings Conducted Under the
Rules for Expedited Arbitration
of the Finland Chamber of Commerce

1 January 2020

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1. General provisions

1.1. These guidelines (the “Guidelines”) are intended to provide the sole arbitrator with practical information and guidance concerning the conduct of proceedings and the payment of the sole arbitrator’s fees and expenses in arbitrations governed by the Rules for Expedited Arbitration of the Finland Chamber of Commerce (the “Rules”) effective as of 1 January 2020. The Guidelines supplement the provisions set out in the Rules and in a separate Note on the Use of a Secretary in proceedings conducted under the Rules.

1.2 The Guidelines are not intended and shall not be treated as additional rules of procedure. Failure by an arbitrator to comply with the Guidelines shall not be construed as a ground for the setting aside of any award.

2. Conflicts of interest and the prospective arbitrator’s duty of disclosure

2.1 The Rules require that an arbitrator shall be and remain impartial and independent of the parties (Art. 20.1). Before confirmation, a prospective arbitrator shall sign and submit to the Arbitration Institute of the Finland Chamber of Commerce (the “Institute”) a statement of acceptance, availability, impartiality and independence (the “Statement”). The prospective arbitrator shall disclose in the Statement any circumstances likely to give rise to justifiable doubts as to his or her impartiality or independence (Art. 20.2).

2.2 Article 22.1 sets out an objective test for disqualification of an arbitrator: an arbitrator may be challenged if circumstances exist that, from the point of view of a reasonable and informed third party, give rise to justifiable doubts as to the arbitrator’s impartiality or independence. The prospective arbitrator has a duty to disclose such circumstances subject to sanction. However, regardless of the objective test for disqualification of an arbitrator, the Institute recognises that the parties have an interest in being fully informed about any circumstances that may be relevant in their view in assessing the impartiality and independence of a prospective arbitrator. Consequently, apart from circumstances that could actually result in the disqualification of an arbitrator, a prospective arbitrator should disclose also any circumstances that may, in the eyes of the parties, give rise to subjective doubts as to the arbitrator’s impartiality or independence. The parties will then have an opportunity to comment on the prospective arbitrator’s Statement and the prospective arbitrator will have an opportunity to decide, based on the parties’ comments, whether to finally accept to act as arbitrator or not. Any doubt as to whether a prospective arbitrator should disclose certain circumstances should be resolved in favour of disclosure.

2.3 In determining whether to disclose a given circumstance a prospective arbitrator may draw guidance from the IBA Guidelines on Conflicts of Interest in International Arbitration (2014) (the “IBA Guidelines”). They contain a non-exhaustive enumeration of specific situations (a) where a prospective arbitrator typically should disclose certain circumstances that may, depending on the facts of an individual case, give rise to justifiable doubts as to the arbitrator’s impartiality or independence in the eyes of the parties (the “Orange List”); (b) where a prospective arbitrator has no duty to disclose certain circumstances that are of such nature that no appearance of, and no actual, conflict of interest can be deemed to exist (the “Green List”); (c) where a person cannot serve as arbitrator even with the consent of all parties due to a severe conflict of interest (the “non-waivable Red List”); or (d) where a person can

serve as arbitrator only if and when all parties, being aware of the conflict of interest situation, nevertheless expressly state their willingness to have such a person act as arbitrator (the “waivable Red List”).

2.4 To access the IBA Guidelines, please refer to <http://www.ibanet.org/>.

3. Arbitrator’s duty to conduct the arbitration expeditiously and cost-efficiently

3.1 The sole arbitrator shall ensure that the parties are treated with equality and that each party is given a reasonable opportunity to present its case (Art. 25.2). At the same time, the sole arbitrator is required to conduct the proceedings efficiently in order to avoid unnecessary costs and delays (Art. 25.3). The sole arbitrator should be prepared to exercise active case management to ensure the swift and cost-efficient resolution of the dispute.

3.2 The sole arbitrator shall arrange a case management conference with the parties as soon as possible, in principle within 14 days from the date on which the sole arbitrator received the case file from the Institute. The purpose of the case management conference is to agree on the conduct and timetable of the proceedings so as to ensure the fairness, expeditiousness and cost-efficiency of the arbitration (Art. 29.1). This may include, among other things, agreeing on the following: (a) the number, sequence and schedule of the parties’ written submissions; (b) time limits and other procedures for the submission of documentary evidence; (c) procedures for the parties’ document production requests (if any); (d) target or definitive dates for a hearing, and procedures to be followed at the hearing, including in the examination of witnesses; (e) procedures for the submission of written witness statements or expert reports (if any); and (f) whether the award shall contain reasons or not. If the parties fail to reach agreement on the conduct and timetable of the proceedings, the sole arbitrator shall decide on these and conduct the arbitration in such manner as it considers appropriate, after consulting with the parties (Art. 25.1).

3.3 A preparatory conference may be conducted through a meeting in person, by video conference, telephone or similar means of communication. The sole arbitrator shall determine the means by which the conference will be conducted after consulting with the parties (Art. 29.3). In view of the purpose of a preparatory conference, it is normally sufficient that the parties are represented only by their counsel. The sole arbitrator may, however, request the attendance of the parties in person or through an internal representative, if the sole arbitrator considers it appropriate in promoting the swift and cost-efficient conduct of the arbitration, or for other reason.

3.4 The sole arbitrator may decide not to arrange a preparatory conference only if he or she in exceptional circumstances determines that a preparatory conference is unnecessary (Art. 29.1). In practice, this may be appropriate mainly in cases of low value and complexity where the costs of arranging a preparatory conference would be disproportionate to the monetary interest at stake and the nature of the dispute.

3.5 During or following the preparatory conference, the sole arbitrator shall establish a procedural timetable for the conduct of the arbitration and communicate it to each of the parties and the Institute without delay. When establishing the procedural timetable, the sole arbitrator shall take into account any views expressed by the parties, fair and equal treatment of the parties and the requirement that the arbitration shall be conducted in an expeditious and cost-effective manner (Art. 30).

3.6 The sole arbitrator shall outline the sequence and schedule of the arbitration in the procedural timetable as comprehensively as possible, and appropriate, at such an early stage of the proceedings. The sole arbitrator should organise the proceedings so that the final award can be rendered within the three-month time limit as required by the Rules (Art. 42). If the timetable does not allow for the rendering of the arbitral award within the three-month time limit (Art. 42), the sole arbitrator shall ask the Institute for an extension of this time limit in a reasoned request submitted together with the procedural timetable. If the sole arbitrator needs to modify the procedural timetable in the course of the proceedings due to the changes in the circumstances, the sole arbitrator shall communicate a modified version of the procedural timetable to the parties and the Institute without delay. The sole arbitrator is required to send the Institute's copy of the procedural timetable and any modifications thereto by email to info@arbitration.fi.

3.7 Despite the sole arbitrator's active case management, it sometimes happens that the parties repeatedly amend their claims or grounds thereof, or continuously present new evidence, and thereby complicate the efficient conduct of the proceedings, add unnecessary costs and jeopardise the fulfillment of the procedural timetable. To promote the swift and efficient resolution of the dispute, the sole arbitrator may set a cut-off date prior to the commencement of any hearing referred to in Article 35 and order that after the cut-off date, the parties will not be allowed to present any new claims, arguments or documentary evidence on the merits of the dispute, or to invoke any new witnesses not previously nominated, unless the sole arbitrator in exceptional circumstances decides otherwise (Art. 34). The sole arbitrator shall consult with the parties prior to setting such a cut-off date.

3.8 The sole arbitrator shall inform the parties and the Institute of the date by which he or she expects to issue the final award. The advance notice shall be given as soon as possible after the last hearing date, or the date on which the sole arbitrator received the parties' last authorised written submissions. At the same time, the sole arbitrator shall declare the proceedings closed with respect to the matters to be decided in the award. After the closing of the proceedings, no further claims, arguments or evidence may be presented with respect to the matters to be decided in the award, unless in exceptional circumstances requested or authorised by the sole arbitrator (Art. 40).

3.9 The sole arbitrator shall render the final award no later than three months from the date on which he or she received the case file from the Institute. The sole arbitrator may, however, ask for an extension of the time limit by submitting a reasoned request to the Institute well in advance of the expiry of the original time limit. If necessary, the Institute may extend the time limit on its own motion (Art. 42).

3.10 If the Institute determines that the sole arbitrator has failed to comply with his/her duty to conduct the arbitration efficiently, and thereby caused unnecessary delay of the proceedings, the Institute may take this into account as a factor that reduces the sole arbitrator's fee (Appendix II, Art. 4.3).

4. Arbitrator's duty to inform the Institute of any changes in the claims during the proceedings

4.1 Where the respondent raises a counterclaim or set-off claim only after the transmission of the case file to the sole arbitrator, the sole arbitrator shall promptly inform the Institute of such counterclaim or set-off claim (Art. 9.2).

4.2 Upon filing a counterclaim or set-off claim, the respondent shall pay the Institute a Filing Fee of 2,500 euros. If the respondent fails to pay the Filing Fee upon filing the counterclaim or set-off claim within the time limit set by the Institute, the Board may direct the sole arbitrator to treat the counterclaim or set-off claim as having been withdrawn (Art. 9.3).

4.3 Where there are multiple parties in the arbitration, claims may be made by any party against any other party prior to the transmission of the case file to the sole arbitrator and, with the consent of the sole arbitrator, even thereafter (Art. 12.5). Although the Institute does not charge a Filing Fee for such claims, they will, too, be taken into account when calculating the aggregate value of all claims that constitutes the final amount in dispute based on which the Institute determines the Administrative Fee and the sole arbitrator's fees (Appendix II, Art. 2.2).

Examples of claims under Article 12 in multi-party arbitrations include (a) claims made by one or more respondents against one or more other respondents; (b) claims made by one or more claimants against one or more other claimants; (c) claims made by an additional party joined pursuant to Article 11 against one or more existing respondents or claimants; or (d) claims against an additional party joined pursuant to Article 11 made by the parties that did not submit the Request for Joinder.

4.4 The sole arbitrator shall also promptly inform the Institute of any changes—in addition to those explained in Section 5.4 below—that may affect the amount of the advance on costs (Appendix II, Art. 2.6) such as any fluctuations in the amount in dispute due to new or increased claims. The amount in dispute is determined in accordance with Appendix II, Art. 2.2.

The amount in dispute is calculated as the aggregate value of all claims. If secondary or alternative claims have been made in respect to a certain claim, the value of the highest monetary claim shall be taken into account in determining the amount in dispute. Interest claims shall not be taken into account for the calculation of the amount in dispute. However, when the interest claims exceed the amount claimed as principal, the interest claims alone, instead of the principal amount, shall be taken into account for the calculation of the amount in dispute. Amounts in currencies other than euro shall be converted into euros at the rate of exchange applicable at the time the Request for Arbitration is filed with the Institute or at the time any new claim, counterclaim, set-off claim or amendment to a claim is filed. Where the amount in dispute cannot be ascertained, the Institute shall determine the amount in dispute taking into account all relevant circumstances.

5. Advance on costs

5.1 The Institute shall fix an advance on costs whose amount shall correspond to the expected costs of the arbitration pursuant to Article 47.2(a)–(d) of the Rules. In fixing the advance on costs, the Institute shall take into consideration Tables A and B of Appendix II to the Rules. The amount in dispute referred to in the tables shall be determined in accordance with Appendix II, Art. 2.2.

5.2 In fixing the amount of the advance on costs, the Institute will also take into consideration whether value added tax (“VAT”) may be payable on the sole arbitrator's fee. If the question is to be answered in the affirmative, the Institute may increase the amount of the advance on costs correspondingly. When accepting the appointment, the sole arbitrator shall inform the Institute of whether the arbitrator's fee

will be charged as trade income or to his/her law firm or other employer, whether the fee is subject to VAT, and of the applicable VAT rate. Any subsequent changes to this information shall be notified to the Institute in order to verify the amount of the advance on costs.

5.3 The parties must pay the advance on costs fixed by the Institute in full before transmission of the case file to the sole arbitrator (Art. 24). If a party fails to pay its share of the advance on costs, the Institute will give the other party an opportunity to pay the unpaid share on behalf of the defaulting party within the time limit set by the Institute.

If the other party makes such payment, the sole arbitrator may, at the request of that party, issue a separate award for reimbursement of the payment in accordance with Article 43(a) of the Rules (Appendix II, Art. 2.7).

5.4 The Institute may adjust the advance on costs, and order any party to pay further advances on costs, at any time during the proceedings to take into account fluctuations in the amount in dispute, changes in the amount of the estimated expenses of the sole arbitrator, the evolving complexity of the arbitration, or other relevant circumstances (Appendix II, Art. 2.6).

The Institute may increase the advance on costs, for example, in the following situations: (a) the amount in dispute increases because one of the parties raises a new claim or increases the amount of its previous claims; (b) the sole arbitrator incurs significant additional expenses after having decided to appoint an expert in accordance with Article 36.1 of the Rules; or (c) the nature or circumstances of the case change materially so that the resolution of the dispute will require considerably more time and work of the sole arbitrator than the Institute anticipated at the time the advance on costs was initially fixed.

5.5 If a party fails to pay the increase in the advance on costs, the Institute may direct the sole arbitrator to order the termination of the arbitration or to treat the claim for which the advance on costs has remained unpaid as having been withdrawn (Appendix II, Art. 2.7).

5.6 As a rule, the Institute will cover the costs of the arbitration as determined by it from the advance on costs only after the rendering of the final award, consent award or order for the termination of the arbitration (Art. 48.3). Upon a reasoned request of the sole arbitrator the Institute may, however, draw on the advance on costs to cover the sole arbitrators' expenses referred to in Article 47.2(b)–(c) during the arbitration (Art. 48.4). As for the sole arbitrator's fee, it will only be paid after the rendering of the final award, consent award or order for the termination of the arbitration.

The sole arbitrator's expenses must be significant in order to be reimbursed from the advance on costs during the course of the proceedings. Such expenses may include, inter alia, the fees and expenses paid to an expert appointed by the sole arbitrator; rental of hearing rooms and equipment; costs of an interpreter, court reporter and translation services; or travel and accommodation costs incurred by the sole arbitrator.

5.7 The sole arbitrator shall provide the Institute with the information indicated in Section 4 of the FAI Tax Guidelines for the payment of the sole arbitrator's fee and expenses from the advance on costs. The FAI Tax Guidelines have been published separately on the Institute's website at <https://arbitration.fi/en/arbitration/rules-and-guidelines/>.

6. Arbitrator's fee

6.1 Before rendering the final award, consent award or order for the termination of the arbitration, the sole arbitrator shall request that the Institute determine the costs of the arbitration referred to in Article 47.2(a)–(d) in accordance with Appendix II (Art. 47.3).

6.2 In conjunction with his/her request for determination of the costs of the arbitration, the sole arbitrator shall inform the Institute of his/her assessment of the amount in dispute. However, since the sole arbitrator is obliged to promptly inform the Institute of any changes that may affect the amount of the advance on costs during the proceedings, as stated in Section 4.4. above, failure by a sole arbitrator to comply with this duty can be taken into consideration when fixing the sole arbitrator's fee.

6.3 The Institute will determine the Administrative Fee and the sole arbitrator's fee in accordance with Tables A and B of Appendix II. When fixing the sole arbitrator's fee, in addition to the monetary value of the dispute, the Institute shall consider the complexity of the dispute, whether a hearing has been arranged or not, whether the award is reasoned or not, the time spent on the case, and the diligence and efficiency of the sole arbitrator (Appendix II, Article 4.3).

6.4 As a rule, the sole arbitrator's fee is determined at the median value applicable for the amount in dispute in accordance with Table B, unless there are special reasons to depart from the average fee.

6.5 If the sole arbitrator considers that his or her fee should be increased from the median value, the sole arbitrator may make a reasoned proposal to that effect to the Institute in writing concurrently with the sole arbitrator's request to determine the costs of the arbitration in accordance with Article 47 of the Rules. The Institute may decide to increase the sole arbitrator's fee, *inter alia*, in cases involving a large number of parties, claims and/or procedural objections; an extensive amount of documentary or oral evidence; exceptionally complex legal issues; or the need to use a number of different languages in the proceedings. The sole arbitrator may, among other things, provide the Institute with information such as the time he or she has spent on the case and the amount of the parties' legal costs without VAT.

6.6 According to the Rules, the Institute may deviate from the fee amounts stated in Table B only in exceptional circumstances (Appendix II, Art. 4.2). Such circumstances may be deemed to exist, *inter alia*, if an arbitration that has formally been commenced as expedited arbitration has transformed, for reasons not attributable to the sole arbitrator, into an arbitration that no longer *de facto* resembles expedited arbitration in terms of the nature, length or complexity of the proceedings, but an arbitration that would normally be conducted under the Arbitration Rules of the Finland Chamber of Commerce. In such cases, the Institute may draw guidance from Table B of Appendix II of the Arbitration Rules of the Finland Chamber of Commerce when fixing the sole arbitrator's fee.

6.7 Tables A and B set out in Appendix II of the Rules cannot be applied as such, if an arbitration is terminated before the rendering of the final award, for example because the claimant withdraws its claims, the parties settle their dispute amicably, or the sole arbitrator issues an order for the termination of the proceedings because of the lack of a valid or applicable arbitration agreement. In such event, the Institute will determine the sole arbitrator's fee and the Administrative Fee at its discretion, taking into account the stage of the proceedings at which the arbitration was terminated, the amount of work done by the sole arbitrator and the Institute, and other relevant circumstances (Appendix II, Art. 5.1).

6.8 Where a sole arbitrator is replaced pursuant to Article 23 of the Rules, the Institute shall determine the fee and expenses due to the replaced arbitrator, taking into account the amount of work done, the

reason for the replacement, and other relevant circumstances (Appendix II, Art. 5.2). When fixing the sole arbitrator's fee, the Institute generally deducts the fee of the previous arbitrator (if any) from the fee of the replacement arbitrator.

7. Arbitrator's expenses

7.1 Pursuant to Article 47.2(b)–(c) of the Rules, the sole arbitrator shall receive reimbursement for his or her reasonable travel, accommodation and other expenses, as well as for costs of expert advice and of other assistance required in connection with the arbitration. The Institute shall determine the reasonableness of such expenses and decide to which extent they will be reimbursed (Appendix II, Art. 4.4). The Institute encourages arbitrators to minimise costs, for example, when choosing transportation and hotel accommodation.

7.2 Generally, the following expenses incurred by an arbitrator will be considered acceptable and will be fixed as costs of the arbitration that shall be reimbursed by the parties:

- Costs of accommodation actually incurred and meals up to EUR 500 per day. Any costs exceeding said amount may be reimbursed only in exceptional circumstances.
- Air travel: tourist class airfare for up to four-hour flights; business class airfare for over four-hour flights.
- Rail travel: the applicable first-class train fare.
- Kilometer allowance for use of own car in accordance with the amount approved annually by the Tax Administration Office, plus all necessary parking and toll charges.
- Necessary taxi fares.
- Rental of hearing rooms and related equipment (including, for example, video conferencing costs).
- Costs of an interpreter, court reporter and translation services.
- Costs of courier services.
- Photocopying costs in cases requiring extensive copying or the use of external photocopying services.
- Fees and expenses of any expert appointed by the sole arbitrator.

7.3 Other costs shall be carried by the sole arbitrator. Consequently, the Institute will not accept to reimburse the sole arbitrator's general office expenses and overheads such as telephone, fax, postage and clerical assistance incurred in the ordinary course of business by an arbitrator.

7.4 The Institute will reimburse expenses only upon receipt of a written request by the sole arbitrator which sets out, in a readily comprehensible form, a summary of all the expenses the sole arbitrator has incurred and for which he or she seeks reimbursement from the Institute (the "Cost Submission"). The Cost Submission must specify the type of expenses (for instance, travel costs, accommodation costs, costs related to the arrangement of a hearing, fees and expenses paid to an expert appointed by the sole arbitrator) the sole arbitrator has incurred and the amount thereof.

7.5 If the sole arbitrator requests reimbursement of his or her expenses from the advance on costs in the course of the proceedings, the sole arbitrator must submit the Cost Submission referred to in Article 7.4 above to the Institute simultaneously with the request. Otherwise, the Cost Submission must be submitted when the sole arbitrator requests the Institute to determine the costs of the arbitration in accordance with Article 47 of the Rules.

7.6 The Institute may set a time limit for the filing of the Cost Submission. If the sole arbitrator fails to file the Cost Submission with the Institute within the set time limit, the Institute may dismiss the sole arbitrator's request for reimbursement of expenses. In that case, the expenses will be carried by the sole arbitrator.

7.7 The Institute may, in its discretion, require the sole arbitrator to specify his or her request for reimbursement of expenses, and require that the sole arbitrator provides the Institute with receipts or other documents that support the request for reimbursement of expenses. An arbitrator is personally liable towards the parties for the accuracy of the information given to the Institute in connection with his or her request for reimbursement of expenses. The Institute shall not be liable to any party for any false or misleading information given to it by any arbitrator.

8. Payments to a secretary appointed by an arbitrator

8.1 The Institute has issued a separate Note on the Use of a Secretary in proceedings conducted under the Rules. The note can be found at <https://arbitration.fi/en/arbitration/rules-and-guidelines/>.

9. Tax issues

The Institute has issued separate guidelines to draw the arbitrators' attention to tax issues concerning their fees and expenses (the "FAI Tax Guidelines"). Further, the guidelines illustrate the payment of arbitrators' fees and expenses from the advance on costs fixed by the Institute. The FAI Tax Guidelines have been published on the Institute's internet website at <https://arbitration.fi/en/arbitration/rules-and-guidelines/>.

10. Contents of an award

10.1 The parties, their names and business identification numbers (if any) shall be stated accurately in the award or order for the termination of the arbitration. Additionally, the Institute recommends that the names of the parties' counsel and their contact details be also specified in the award or order for the termination of the arbitration.

10.2 The sole arbitrator shall include in the final award, consent award or order for the termination of the arbitration the costs of the arbitration as finally determined by the Institute and specify the individual fees and expenses payable to the sole arbitrator and the Institute (Art. 47.3). Any fee or expenses payable to a secretary shall be stated as prescribed in the Note on the Use of a Secretary referred to in Section 8 of these Guidelines.

10.3 Unless otherwise agreed by the parties, the sole arbitrator shall order the unsuccessful party to bear the costs of the arbitration. However, the sole arbitrator may allocate any of the costs of the

arbitration between the parties in such manner as he or she considers appropriate having regard to the circumstances of the case (Art. 47.4). In determining the allocation of costs between the parties, the sole arbitrator may take into account, inter alia, whether any of the parties has failed to comply with its duty to contribute to the efficient conduct of the proceedings by causing unnecessary costs or delays (Art. 25.3) or to comply with any order or other direction of the sole arbitrator without delay (Art. 25.4).

10.4 An award or order for the termination of the proceedings must be signed by the sole arbitrator, and it shall specify the seat of arbitration and the date on which the award or order was made (Art. 41.2).

10.5 Where the seat of arbitration is in Finland, Section 47 of the Finnish Arbitration Act requires that the award or order for the termination of the proceedings must contain instructions on how to appeal against the decision on the fee and costs payable to an arbitrator. The Institute recommends the following formulation:

“A party shall have the right, within 60 days of the date on which it received a copy of the arbitral award, to appeal against the decision regarding the amount of compensation due to the sole arbitrator. The appeal shall be made by submitting a written application and a copy of the arbitral award to the court of first instance for the place where the award was made.”

10.6 The sole arbitrator shall communicate an original copy of the final award, consent award, any separate award issued in the course of the proceedings, or the order for the termination of the proceedings to each of the parties and the Institute without delay (Art. 41.3 and 44.3). The sole arbitrator is required to send the Institute’s copy of any award or order also in PDF and Word formats by email to info@arbitration.fi.

10.7 The Institute has published on its internet website the FAI Award Checklist, which is intended to give general recommendations for a high-quality and enforceable award for each individual case. The checklist can be found at <https://arbitration.fi/en/arbitration/rules-and-guidelines/>.