



**THE FINLAND  
ARBITRATION  
INSTITUTE**

# **ARBITRATOR'S GUIDELINES**

**For Proceedings Conducted Under the  
Arbitration Rules of the Finland Chamber of Commerce**

**15 April 2019**

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## **1. General provisions**

1.1 These guidelines (the “Guidelines”) are intended to provide the arbitral tribunal with practical information and guidance concerning the conduct of proceedings and the payment of the arbitrator’s fee and expenses in arbitrations governed by the Arbitration Rules of the Finland Chamber of Commerce (the “Rules”) effective as of 1 June 2013. 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. The Guidelines apply irrespective of whether the arbitral tribunal is composed of a sole arbitrator or three arbitrators.

1.2 The Guidelines are not intended and shall not be treated as additional rules of procedure. Failure by an arbitral tribunal 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 each arbitrator shall be and remain impartial and independent of the parties (Art. 20.1). Before confirmation or appointment, 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 efficiently**

3.1 The arbitral tribunal 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 arbitral tribunal is required to conduct the proceedings efficiently in order to avoid unnecessary costs and delays (Art. 25.3). The arbitral tribunal should be prepared to exercise active case management to ensure the swift and cost-efficient resolution of the dispute.

3.2 At an early stage of the arbitration, the arbitral tribunal shall arrange a preparatory conference with the parties with a view of agreeing on the sequence and schedule of the proceedings as well as on a fair and cost-efficient process for the taking of evidence (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; and (e) procedures for the submission of written witness statements or expert reports (if any). – If the parties fail to reach agreement on the sequence and schedule of the proceedings, the arbitral tribunal 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 arbitral tribunal 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 arbitral tribunal may, however, request the attendance of the parties in person or through an internal representative, if the tribunal considers it appropriate in promoting the swift and cost-efficient conduct of the arbitration, or for other reason.

3.4 The arbitral tribunal may decide not to arrange a preparatory conference only if the tribunal 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 arbitral tribunal 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 arbitral tribunal 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 arbitral tribunal 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 arbitral tribunal should organise the proceedings so that the final award can be rendered within the nine-month time limit as required by the Rules (Art. 42). If the arbitral tribunal needs to modify the procedural timetable in the course of the proceedings

due to the changes in the circumstances, the tribunal shall communicate a modified version of the procedural timetable to the parties and the Institute without delay. The arbitral tribunal is required to send the Institute's copy of the procedural timetable and any modifications thereto by email to [info@arbitration.fi](mailto:info@arbitration.fi).

3.7 Despite the arbitral tribunal'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 arbitral tribunal may set a cut-off date prior to the commencement of any hearing referred to in Article 34 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 tribunal in exceptional circumstances decides otherwise (Art. 33.3). The arbitral tribunal shall consult with the parties prior to setting such a cut-off date.

3.8 The arbitral tribunal shall inform the parties and the Institute of the date by which it 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 arbitral tribunal received the parties' last authorised written submissions. At the same time, the arbitral tribunal 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 arbitral tribunal (Art. 39).

3.9 The arbitral tribunal shall render the final award no later than nine months from the date on which the tribunal received the case file from the Institute. In case of a three-member tribunal, the time limit for the rendering of a final award starts only when each arbitrator has received the file (Art. 5.2). The arbitral tribunal 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 arbitral tribunal has failed to comply with its 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 arbitral tribunal's fees (Appendix II, Art. 5.4).

#### **4. Arbitrator's duty to inform the Institute of an increase in the amount in dispute**

4.1 The arbitral tribunal shall promptly inform the Institute of any increase in the amount in dispute that may affect the amount of the Filing Fee payable under Article 1.1 of Appendix II (Appendix II, Art. 1.7). The Institute may then direct the parties to pay a supplementary Filing Fee within the time limit set by it. If a party fails to comply, the Institute may direct the arbitral tribunal to treat the increase in the claim, counterclaim or set-off claim as having been withdrawn (Art. 7.3, 9.4 and 10.9 of the Rules).

Example: the arbitral tribunal has a duty to inform the Institute under Article 1.7 of Appendix II, if the claimant raises the amount of its claim from 1,000,000 euros to 2,500,000 euros in the course of the proceedings. As the amount of the increased claim exceeds the threshold of 2,000,000 euros set forth in Article 1.1(b), the amount of the Filing Fee to be paid by the claimant rises from 3,000 euros to 5,000 euros. – Similarly, the arbitral tribunal has to inform the Institute in accordance with

Article 1.7, if the respondent raises the amount of its counterclaim or set-off claim from 6,000,000 euros to 12,000,000 euros. As the amount of the increased counterclaim or set-off claim exceeds the threshold of 10,000,000 euros set forth in Article 1.1(c), the amount of the Filing Fee to be paid by the respondent rises from 5,000 euros to 8,000 euros.

4.2 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 in the calculation of the amount in dispute (Appendix II, Art. 1.3).

4.3 Only claims referred to in Article 1.1 of Appendix II are subject to the payment of the Filing Fee. Accordingly, the Filing Fee is payable for claims made in the claimant's Request for Arbitration, respondent's counterclaims or set-off claims (Art. 8 of the Rules), claims made in the applicant's Request for Joinder (Art. 10 of the Rules), and any increases in such claims in the course of the proceedings. 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 arbitral tribunal and, with the consent of the tribunal, even thereafter (Art. 11.5). Although the Institute does not charge a Filing Fee for such claims, they will be taken into account too 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 arbitral tribunal's fees (Appendix II, Art. 4.2 and 5.3). As a rule, also when calculating the final amount in dispute, only the principal amount of the claims shall be taken into account, excluding interest claims (Appendix II, Art. 1.3).

Examples of claims under Article 11 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 10 against one or more existing respondents or claimants; or (d) claims against an additional party joined pursuant to Article 10 made by the parties that did not submit the Request for Joinder.

## **5. Advance on costs**

5.1 In an international arbitration, the Institute shall fix an advance on costs which the parties must pay before the case file is transmitted to the arbitral tribunal. The amount of the advance on costs shall correspond to the expected costs of the arbitration pursuant to Article 47.2(a)–(d) of the Rules. The Institute may, in its discretion, fix an advance on costs also in a domestic arbitration (Art. 48). The parties may propose to the Institute that it should fix an advance on costs, but the Institute is not bound by the parties' views.

5.2 In fixing the amount of the advance on costs, the Institute will take into consideration whether value added tax ("VAT") may be payable on the arbitrators' fees. 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, each arbitrator shall inform the Institute of whether the arbitrator's fee will be charged to the arbitrator's firm or employer, whether the fee is subject to VAT, and what the applicable VAT percentage is.

5.3 When the Institute has fixed an advance on costs, the parties must pay it in full before the Institute transmits the case file to the arbitral tribunal (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 arbitral tribunal 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. 2.6).

5.4 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. 48.4 of the Rules). Upon a reasoned request of the arbitral tribunal the Institute may, however, draw on the advance on costs to cover the arbitrators' expenses referred to in Article 47.2(b)–(c) at any stage during the proceedings (Art. 48.3). Advance payments of the arbitrators' fees are not made, unless exceptional circumstances apply.

The arbitrators' 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 a tribunal-appointed expert; rental of hearing rooms and equipment; costs of an interpreter, court reporter and translation services; or travel and accommodation costs incurred by the arbitrators.

5.5 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 arbitral tribunal, the evolving complexity of the arbitration, or other relevant circumstances (Appendix II, Art. 2.5). The arbitral tribunal shall inform the Institute of any circumstances that may, in the tribunal's view, result in the adjustment of the advance on costs by the Institute.

The Institute may increase the advance on costs, for example, in the following situations: (a) the amount in dispute increases significantly because one of the parties raises a new claim or increases the amount of its previous claims; (b) the arbitral tribunal incurs significant additional expenses after having decided to appoint an expert in accordance with Article 35.1 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 arbitrators than the Institute anticipated at the time the advance on costs was initially fixed.

5.6 If a party fails to pay the increase in the advance on costs, the Institute may direct the arbitral tribunal 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. 2.6).

5.7 Where the Institute has not fixed an advance on costs, the arbitral tribunal may request an advance on costs from the parties to secure the payment of the arbitrators' fees and expenses referred to in Article 47.2(a)–(c) (Art. 48.5 and Appendix II, Art. 3). The arbitral tribunal should agree with the parties on the practicalities relating to the advance on costs, such as whether the parties are invited to open a separate bank account to be administered by the arbitral tribunal to which the advances on costs will be deposited, or whether the advances may be deposited to a non-interest bearing client fund account of the sole or presiding arbitrator's law firm.

5.8 Where the arbitral tribunal has fixed an advance on costs, it may draw on the advance on costs to cover the expenses or fees of the tribunal only after the rendering of the final award, consent award or order for the termination of the arbitration, unless all parties and the Institute have expressly consented to the covering of the tribunal's expenses or fees from the advance on costs already during the course of the proceedings (Appendix II, Art. 3.6). In practice, the Institute will not give permission to the arbitral tribunal to cover its fees from the advance on costs in the course of the proceedings, unless exceptional circumstances apply.

## 6. Arbitrator's fee

6.1 Before rendering the final award, consent award or order for the termination of the arbitration, the arbitral tribunal 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). Simultaneously, the arbitral tribunal shall inform the Institute of the final amount in dispute as provided in Articles 4.2 and 5.3 of Appendix II.

6.2 The Institute will determine the Administrative Fee and the fee of a sole or presiding arbitrator in accordance with Tables A and B of Appendix II. When fixing the arbitrator's fee, in addition to the monetary value of the dispute, the Institute shall consider the complexity of the dispute, the time spent on the case, and the diligence and efficiency of the arbitrator (Appendix II, Art. 5.4).

6.3 As a rule, the fee of a sole or presiding arbitrator 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. If the arbitral tribunal considers that the fee should be increased from the median value, the tribunal may make a reasoned proposal to that effect to the Institute in writing concurrently with the tribunal's request to determine the costs of the arbitration in accordance with Article 47 of the Rules. The Institute may decide to increase any 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 arbitral tribunal may, among other things, provide the Institute with information such as the time spent by the tribunal on the case and the amount of the parties' legal costs without VAT.

6.4 According to the Rules, the Institute may deviate from the fee amounts stated in Table B only in exceptional circumstances (Appendix II, Art. 5.2). In practice, the Institute interprets the exception strictly.

6.5 When a case is referred to an arbitral tribunal composed of three arbitrators, the total fees of the tribunal to be determined by the Institute shall normally not exceed two and a half times the fee of the presiding arbitrator (Appendix II, Art. 5.5). If the arbitral tribunal considers that the Institute should depart from this rule, the tribunal may make a reasoned proposal to that effect to the Institute in writing concurrently with the tribunal's request to determine the costs of the arbitration.

6.6 As a rule, when a case is referred to an arbitral tribunal composed of three arbitrators, the Institute shall allocate 40-50 per cent of the tribunal's total fees to the presiding arbitrator and 25-30 per cent to each co-arbitrator. The Institute may, however, apply a different allocation of fees after consulting with the arbitral tribunal (Appendix II, Art. 5.6). In case of a three-member tribunal, the arbitrators should negotiate with each other, consider the time spent and the work done by each arbitrator, and inform the Institute of their opinion on a fair and appropriate

allocation of fees between the members of the tribunal when requesting the Institute to determine the costs of the arbitration.

6.7 Tables A and B set out in Appendix II 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 arbitral tribunal 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 arbitrators' fees 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 arbitrators and the Institute, and other relevant circumstances (Appendix II, Art. 6.1).

6.8 Where an 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. 6.2). When fixing the arbitral tribunal's fees, 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 arbitrators shall receive reimbursement for their 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. 5.7).

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: the applicable standard business class airfare.
- 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 arbitral tribunal.

7.3 Other costs shall be carried by the arbitrator. Consequently, the Institute will not accept to reimburse the 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 arbitral tribunal which sets out, in a readily comprehensible form, a summary of all the expenses each arbitrator has incurred and for which each arbitrator 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 a tribunal-appointed expert) each arbitrator has incurred and the amount thereof.

7.5 If the arbitral tribunal requests reimbursement of its expenses from the advance on costs in the course of the proceedings, the tribunal 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 arbitral tribunal requests the Institute to determine the costs of the arbitration in accordance with Article 47 of the Rules.

7.6 In case of a three-member tribunal, the arbitrators should coordinate their individual requests for reimbursement of expenses so that the arbitral tribunal can submit one joint Cost Submission to the Institute. The Institute may set a time limit for the filing of the Cost Submission. If the arbitral tribunal fails to file the Cost Submission with the Institute within the set time limit, the Institute may dismiss any arbitrator’s request for reimbursement of expenses. In that case, the expenses will be carried by the arbitrator.

7.7 The Institute may, in its discretion, require any arbitrator to specify his or her request for reimbursement of expenses, and require that the arbitrator provides the Institute with receipts or other documents that support the request for reimbursement of expenses. Each 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 arbitral tribunal**

8.1 The Institute has issued a separate Note on the Use of a Secretary in proceedings conducted under the Rules (the “Secretary Note”). Articles 8.2 to 8.6 below supplement the provisions set out in the Secretary Note with respect to the payment of the secretary’s fee and expenses.

8.2 When appointing a secretary, the arbitral tribunal should agree with him or her on whether the tribunal shall pay the secretary’s fee and expenses (if any) in the course of the proceedings or only after the rendering of the final award, consent award or order for the termination of the proceedings.

8.3 Any fee payable to a secretary shall be paid by the arbitral tribunal out of the tribunal’s own fees as determined by the Institute (Secretary Note, Art. 4.2). Where necessary, the arbitral tribunal shall withhold tax and social security contributions on the secretary’s fee in accordance with the applicable tax legislation.

8.4 When requesting the Institute to determine the costs of the arbitration in accordance with Article 47.3 of the Rules, the arbitral tribunal shall inform the Institute of the following: (a) whether the arbitral tribunal has appointed a secretary; (b) whether any fee will be paid to a secretary for his or her work; (c) in case of a three-member tribunal, whether the fee of a secretary will be deducted from the fee of the presiding arbitrator, or whether it will be deducted from the arbitrators’ fees in some other manner; and (d) whether the secretary has incurred travel,

accommodation or other costs in connection with the arbitration for which the arbitral tribunal seeks reimbursement in accordance with Article 4.3 of the Secretary Note and Articles 47.2 and 47.3 of the Rules.

8.5 The Institute shall determine the reasonableness of the secretary's expenses referred to in Section 8.4(d) above and decide whether they shall be reimbursed by the parties. Where the Institute decides to accept the said expenses and fixes them as costs of the arbitration, the arbitral tribunal may order the parties to reimburse them in an award.

8.6 Any fee or expenses payable to a secretary shall be stated in the final award, consent award or order for the termination of the arbitration. Where the seat of arbitration is in Finland, any payments due to a secretary shall be included as costs of the arbitral tribunal in accordance with Section 46(1) of the Finnish Arbitration Act (967/1992) (Secretary Note, Art. 4.4). This is to ensure that, if the parties fail to comply with their payment obligations in accordance with the award, the payments due to a secretary may be enforced in the same manner as an arbitral award, and that a party who is dissatisfied with the decision on the secretary's fee and expenses may appeal against that decision in the same manner as against a decision on the arbitrators' fees and costs pursuant to Section 47(2) of the Finnish Arbitration Act.

## 9. Tax issues

9.1 An arbitrator may charge his or her fee as trade income. The payor must withhold tax in accordance with the applicable tax legislation, unless the arbitrator is entered into the Prepayment Register at the date of payment.

9.2 If the arbitrator has his or her permanent residence in a country other than Finland, the fee (trade income) of an arbitrator is normally not subject to taxation in Finland, provided that the arbitrator provides the tax authorities with information on his or her date of birth, address in his/her country of residence and foreign Tax Identification Number which shall be submitted to tax authorities in an annual information return.

9.3 Alternatively, an arbitrator may charge the arbitrator's fee to his or her firm or employer. In that case, VAT may become payable on the arbitrator's fee, depending on whether the arbitrator's firm or employer is registered for VAT and whether the parties are liable to pay VAT. In matters of international nature, the arbitral tribunal must obtain, where necessary, information from the parties on their VAT status and their obligation to pay VAT on the arbitrators' fees and expenses. To ensure the correct consideration of any possible VAT when determining the arbitral tribunal's fee and expenses, the arbitral tribunal must inform the Institute in its request for the determination of the costs of the arbitration about the final allocation of the costs of the arbitration as between the parties in the final award. Should the liability for costs of the arbitration be shared by more than one party, different VAT treatments may apply in parallel to the arbitrator's fee and expenses.

9.4 If the Institute has fixed an advance on costs, any fees payable to the arbitrators shall be paid from the advance on costs. Where necessary, the Institute shall withhold tax on the arbitrators' fees on the basis of the information received from the arbitrators. The Institute acts as money intermediary only when making payments from the advance on costs. The final responsibility for the payment of costs and taxes will remain with the parties.

9.5 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/arbitration/guidelines-and-instructions/>.

## 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 arbitral tribunal 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 each arbitrator and the Institute (Art. 47.3). Any fee or expenses payable to a secretary shall be stated as prescribed in the Secretary Note and Section 8 of these Guidelines above.

10.3 Unless otherwise agreed by the parties, the arbitral tribunal shall order the unsuccessful party to bear the costs of the arbitration. However, the tribunal may allocate any of the costs of the arbitration between the parties in such manner as it considers appropriate having regard to the circumstances of the case (Art. 47.4). In determining the allocation of costs between the parties, the arbitral tribunal 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).

10.4 An award or order for the termination of the proceedings must be signed by the arbitral tribunal, and it shall specify the seat of arbitration and the date on which the award or order was made. When the arbitral tribunal is composed of three arbitrators and any of them fails to sign, the award shall state the reason for the absence of the signature (Art. 41.2). Any member of the tribunal who dissents from the majority may attach his or her dissenting opinion to the award.

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 fees and costs payable to arbitrators. 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 arbitrator[s]. 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 arbitral tribunal 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 arbitral tribunal 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](mailto: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/arbitration/guidelines-and-instructions/>.