

THE CHARTER AND ARBITRAL RULES OF PROCEDURE

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THE CHARTER AND ARBITRAL RULES OF PROCEDURE

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ARBITRATION**

THE CHARTER

**Adopted by the GCC Supreme Council (Leaders of the GCC States)
During the 14th Summit in December 1993 in Riyadh,
Saudi Arabia.**

G.C.C. COMMERCIAL ARBITRATION CENTRE

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In December 1993, during the 14th GCC Summit in Riyadh – Saudi Arabia, the Leaders of the GCC States laid down the first fundamental brick of the GCC Commercial Arbitration Centre by being gracious enough to adopt the Charter of the Centre.

The Charter of the Centre came into effect three months after being adopted by the Supreme Council of Co-operation Council of the Arab States of the Gulf (the Summit).

Based on the basic principles of the Charter, the “Arbitral Rules of Procedure” for the Centre has been prepared by legal experts from the GCC States.

The said rules came into effect immediately after being ratified by the GCC Commercial Co-operation Committee (Ministers of Commerce in the GCC States) in November 1994.

**In March 1995 it was officially announced that the Centre had become fully
functioned and ready to fulfil its duties.**

Chapter One

ESTABLISHMENT OF THE CENTRE,

ITS POWERS AND

HEADQUARTERS

Article 1

A commercial arbitration centre shall be established under the name of the “Commercial Arbitration Centre for the States of the Co-operation Council for the Arab States of the Gulf” (the Centre) which shall be independent and shall be a separate juristic entity.

Article 2

Powers:

The Centre shall have the power to examine commercial disputes between GCC nationals, or between them and others, whether they are natural or juristic persons, and commercial disputes arising from implementing the provisions of the GCC Unified Economic Agreement and the Resolutions issued for implementation thereof if the two parties agree in a written contract or in a subsequent agreement on arbitration within the framework of this Centre.

Article 3

Centre’s Headquarters:

The Centre’s headquarters shall be situated in the State of Bahrain.

Chapter Two

CENTRE’S BODIES

Article 4

The Centre shall consist of the following:

- (a) Board of Directors.
- (b) Secretary General.
- (c) Arbitral Tribunal.
- (d) Arbitral Tribunal Secretariat.

Board of Directors

Article 5

The Centre shall have a Board of Directors which shall consist of six members. The Chamber of Commerce and Industry in each of the GCC States shall nominate one member. The Board shall convene a meeting at least once every six months or whenever such meeting is deemed necessary. Chairmanship of the Board of Directors shall be in rotation in keeping with the practice followed in the GCC meetings. The Board of Directors shall appoint from its members a Deputy Chairman.

Article 6

Membership of the Board of Directors shall be for a three-year term of office which is renewable once only. Meetings of the Board of Directors shall be held in the host country or in any of the GCC member states, if necessary, upon the summons of the Chairman or Deputy Chairman in the case of the foregoing's absence. A Board meeting shall not be validly convened except in the presence of at least four of its Members including the Chairman or his Deputy. Resolutions of the Board of Directors shall be adopted by a majority vote of the Members present. In case of an equality of votes, the Chairman shall have the deciding vote.

Article 7

Powers of the Centre's Board of Directors:

The Board of Directors shall seek to realize the Centre's objectives and carry out its duties. In particular, the Board shall do the following:

- (a) Approve the Centre's financial and administrative regulations.
- (b) Appoint the Centre's Secretary General.
- (c) Approve the Centre's annual budget.
- (d) Approve the annual report on the Centre's activities.

Centre's Secretary General

Article 8

The Centre shall have a Secretary General who shall be a GCC national and shall be appointed by the Board of Directors. The Board of Directors shall determine his service conditions, duties and entitlements provided that he shall enjoy the required expertise and have specialized knowledge in this field. The Secretary General shall be the Centre's legal representative in all relations before the law courts, public agencies and private entities.

Article 9

The Secretary General shall be assisted by a sufficient number of employees who shall be appointed in accordance with the employment provisions stipulated in the organizational rules to be issued by the Board of Directors.

Arbitral Tribunal

Article 10

An Arbitral Tribunal shall be formed by appointing a single arbitrator or three arbitrators as may be mutually agreed upon by the parties under an Arbitration Agreement or Contract. In case there is no Agreement, the *Rules of Procedure* issued by the Board of Directors shall be applicable.

Article 11

The Centre shall maintain a Panel of arbitrators to be prepared by Chambers of Commerce and Industry in the GCC member States and the concerned parties may have access to such Panel to select arbitrators therefrom or from elsewhere. An arbitrator shall be a legal practitioner, judge or a person enjoying a wide experience and knowledge in commerce, industry or finance. He must be reputed for his good conduct, high integrity and independent views.

Article 12

Applicable Law:

The parties shall have the liberty of deciding the law, which the arbitrators shall apply to the issue in dispute. In case the parties do not stipulate the applicable law in the Contract or Arbitration Agreement, the arbitrators shall apply the law determined by the rules of the conflict of laws which they deem appropriate whether it is the law of the place where the contract was made, the law of the place where it is to be performed, the law of the place where it must be implemented or any other law subject always to complying with the terms of the contract and rules and practices of international law.

Article 13

Centre's Arbitration Rules:

- (a) Arbitration shall take place in accordance with the Rules of Procedure (the Rules) of the Arbitration Centre unless there is a contrary provision in the contract.
- (b) The Rules applicable to arbitration shall be the prevailing rules at the time of the commencement of Arbitration unless the parties agree to the contrary.
- (c) Save for the arbitrators Panel, the Centre's papers and documents shall be confidential and no one, other than the parties to the arbitration case and the arbitrators, may have access thereto or obtain copies thereof except by the express approval of the parties to the dispute or if the Arbitral Tribunal feels such action necessary for passing a ruling in respect of the dispute.

Article 14

The two parties' agreement to refer the dispute to the Centre's Arbitral Tribunal and the ruling of this tribunal in respect of its competence shall preclude the reference of the dispute or any action pursued upon hearing it before any other judicial authority in any state. It shall also preclude any challenge against the arbitration award or any of the actions required for hearing it before any other judicial authority in any state.

Article 15

The award passed by the Arbitral Tribunal pursuant to these proceedings shall be binding and final upon the two parties after the issuance of an order for enforcement by the competent judicial authority in the states that are parties to this Charter.

Article 16

The Arbitral Tribunal shall refer to the Centre's Secretary General a copy of the award passed and he shall provide the possible assistance in depositing or registering the award whenever necessary in accordance with the law of the country where the award is to be enforced.

Arbitral Tribunal Secretariat

Article 17

The Arbitral Tribunal Secretariat shall be part of the Centre's General Secretariat and work under the supervision of the Secretary General and shall be administratively affiliated thereto.

Article 18

The Secretariat shall have the duty of receiving all the arbitration applications referred thereto by the Secretary General and receiving all papers, correspondence and documents submitted by the parties to the dispute in accordance with the Arbitral Rules of Procedure and as provided for in this Charter. It shall be responsible for recording minutes of the Arbitration Tribunal hearings and implementing its resolutions adopted in the course of hearing the case prior to the final judgement thereon.

Chapter Three CENTRE'S BUDGET

Article 19

The Centre shall have a temporary budget to be drawn up from the date of its establishment until the beginning of the following first financial year. The Bahrain Chamber of Commerce and Industry shall finance the Centre's budget until the end of the third financial year. The Chambers of Commerce and Industry in the GCC member States shall equally finance the Centre's budgets in the following years.

Article 20

The Centre shall have an annual budget, the revenues of which shall consist of the following:

- (a) Fees received by the Centre in consideration of its services and the expenses incurred for this purpose.
- (b) Grants and donations received by the Centre and accepted by its Board of Directors.
- (c) Proceeds from the sale of the Centre's publications and periodicals.
- (d) Payments equally made by the Chambers of Commerce and Industry of States, which are members of this Centre.

Chapter Four
ADDITIONAL ASSISTANCE PROVIDED
BY THE CENTRE

Article 21

- (a) In case of authorizing the Centre to select arbitrators in accordance with the Rules of Procedure, the Centre's Secretary General shall undertake such task in accordance with the provisions of the said rules.
- (b) The Centre shall charge fees to be determined by the Rules of Procedure. In determining the amounts of such fees, the Centre's administrative expenses, volume of work and actual costs incurred shall be taken into account.

Article 22

If the two parties mutually agree on settling their dispute by arbitration but not through the Centre, the Centre's Secretary General may, upon a written application from the parties, provide or arrange the necessary facilities and assistance for the arbitration proceedings requested by the two parties. The necessary facilities and assistance may include providing an appropriate place for holding the Arbitral Tribunal sittings and assisting with secretarial duties, translations and filing documents and papers.

Chapter Five
ARBITRATION COSTS

Article 23

- (a) The Centre's Secretary General shall prepare a list containing a provisional estimate of arbitration costs and shall instruct each of the parties to the dispute to equally deposit a certain sum as an advance on account for such costs. He may instruct the parties to make supplementary deposits during the course of the arbitration proceedings.
- (b) If the required deposits are not made within thirty days from the date of receiving the instruction, the Secretary General shall notify the remaining parties of this failure pursuant to the provisions of the Rules of Procedure.
- (c) Following the issuance of an award by the Arbitral Tribunal in respect of the dispute, the Secretary General shall deliver to the parties to the dispute a statement of the deposits made and expenses incurred with a view to making a final settlement by refunding the surplus amount of the deposited sums or collecting the balance remaining for the costs pursuant to the provisions of the Rules of Procedure.

Chapter Six
IMMUNITIES AND PRIVILEGES

Article 24

The Chairman and Board Members, Centre's Secretary General, members of the Arbitral Tribunal and members of the Tribunal Secretariat shall enjoy the following immunities:

- (a) Immunity against any legal action upon their exercise of their job duties unless the Centre decides to relinquish such immunity by a resolution of the Board of Directors.

(b) Prescribed immunities and prerogatives for members of the diplomatic corps whilst travelling. Further, they shall be exempted from currency restrictions, if any.

The provisions of Paragraph (b) shall not be applicable to the citizens of the host country.

Article 25

The Centre and all its properties and funds shall enjoy immunity against any legal or administrative action upon carrying out its duties in accordance with this Charter.

Article 26

The Centre's papers, documents and archives shall enjoy immunity against any action of any kind whatsoever.

Chapter Seven

TAX EXEMPTIONS

Article 27

The Centre, its properties, funds, resources and financial transactions which take place in accordance with the provisions of this Charter shall be exempt from all kinds of taxes, if any, and custom duties.

Further, the Centre may not be subject to any claims in this respect. Any payment made by the Centre to the Secretary-General shall not be subject to any tax that may be imposed.

Such tax shall not be imposed upon salaries, expenses or any other payments made to the Arbitral Tribunal's Secretariat staff. This exemption shall not be applicable to the citizens of the host country.

The preceding provisions shall be applicable to the arbitrators' fees and expenses upon the performance of their duties in accordance with the provisions of this Charter.

Chapter Eight

GENERAL PROVISIONS

Article 28

The Arbitral Rules of Procedure shall be prepared by legal experts from the member States within three months from the date of approving this Charter. The Rules shall become effective and enforceable upon their ratification by the GCC Commercial Co-operation Committee.

Article 29

Any GCC member State may seek the amendment of this Charter. An amendment shall be effective three months after its ratification by the Supreme Council.

Article 30

The Charter shall come into effect three months after the date of its ratification by the Supreme Council of the Co-operation Council of Arab States of the Gulf.

ARBITRAL RULES OF PROCEDURE

Adopted by the GCC Commercial Co-operation Committee

(Ministers of Commerce in the GCC States)

in November 1994

in Riyadh, Saudi Arabia

Preliminary Provisions

Article (1)

In the application of the provisions of these Rules, the following terms and expressions shall have the meanings assigned to them herein unless the context otherwise requires:

Centre: The Commercial Arbitration Centre for the States of the Co-operation Council for the Arab States of the Gulf.

Rules: Arbitral Rules of Procedure for the Centre.

Secretary General: Centre's Secretary General.

Tribunal: Arbitral Tribunal formed in accordance with the Rules.

Arbitration Agreement: Arbitration Agreement made by the parties in writing for reference to arbitration whether prior to the dispute (arbitration clause) or thereafter (arbitration stipulation).

Panel: List of the names of arbitrators at the Centre.

Article (2)

1. An Arbitration Agreement made in accordance with the provisions of these Rules before the Centre shall preclude the reference of the dispute before any other authority or it shall also preclude any challenge to arbitration award passed by the Arbitral Tribunal.

2. In case of reference to arbitration, it is proposed that the following text be included in the Arbitration Agreement:

All disputes arising from or related to this contract shall be finally settled in accordance with the Charter of the Commercial Arbitration Centre for the States of the Cooperation Council for the Arab States of the Gulf.

Article (3)

All agreements and stipulations referred to arbitration before the Centre shall be presumed valid unless evidence is provided establishing the invalidity thereof.

Article (4)

Arbitration before the Centre shall take place pursuant to these Rules unless there is a provision to the contrary in the Arbitration Agreement. The parties may select further procedural rules for arbitration before the Centre, provided that such rules shall not affect the powers of the Centre or Arbitral Tribunal provided for in these Rules.

Article (5)

The Centre's Tribunal shall ensure all rights of defense for all parties to the dispute and shall treat them on an equal basis. The Tribunal shall ensure each party in the proceedings has the full opportunity to present his case.

Article (6)

1. The Arbitral Tribunal shall determine the place of the Arbitration unless agreed upon by the parties.
2. The Arbitral Tribunal may, after consultation with the parties, conduct hearings and meetings at any place it considers appropriate unless otherwise agreed by the parties.
3. The Arbitral Tribunal may hold the deliberations in any place it deems appropriate.
4. In all cases, the award is considered passed in the place determined for arbitration and on the date mentioned therein.

Article (7)

In the absence of an agreement by the parties, the Arbitral Tribunal shall determine the language or languages to be used in the proceedings of arbitration taking into account the conditions of arbitration including the language of the contract.

Arbitral Tribunal

Article (8)

The Arbitral Tribunal shall be composed of a single arbitrator or three arbitrators as mutually agreed upon between the parties. In case there is no agreement, the Secretary General shall form the Tribunal with one arbitrator, unless he finds that the nature of the dispute requires to be formed by three arbitrators.

Submission of Applications and

Reference to Arbitration

Article (9)

An applicant for arbitration shall submit a written application to the Secretary General containing the following:

1. His name, surname, capacity, nationality and address.
2. Name of the other party against whom arbitration reference is made, his surname, capacity, nationality and address.
3. Statement of the dispute, its facts, evidence thereof and specified claims.
4. Name of the elected arbitrator, if any.
5. A copy of the Arbitration Agreement and the documents relating to the dispute.

The Secretary General shall ensure that all the necessary documents are available for pursuing the arbitration proceedings. In case the required documents are not complete, the concerned party shall be given notice to produce them.

Article (10)

Upon receipt of the arbitration application and payment of fees, the Secretary General shall notify the applicant, acknowledging receipt of his application, and shall notify the other party against whom arbitration reference is made by registered letter, with a copy thereof within seven days from the date of receiving such application.

Article (11)

The party against whom reference to arbitration is made shall submit, within twenty days from the date of being notified of the application, a reply memorandum containing his defense pleas, counter claims, if any, and the name of his elected arbitrator supported by the documents available to him. The Secretary General may give him, upon his request, a grace period not exceeding twenty days for this purpose.

Article (12)

1. If the Arbitral Tribunal consists of a single arbitrator, the parties shall agree on his appointment within the period fixed in the preceding Article, otherwise the Secretary General shall appoint an arbitrator from among the Centre's Arbitrators' Panel within two weeks from the expiry of such period. The Secretary General shall notify all parties of such appointment.
2. If the applicant for arbitration fails to nominate the arbitrator he wishes to elect in his application, the Secretary General shall appoint the arbitrator within two weeks from the date of receiving the application.
3. If the party, against whom arbitration is referred, fails to nominate the arbitrator of his election during the period stipulated in the preceding Article, the Secretary General shall appoint an arbitrator within two weeks.
4. The Secretary General shall invite the arbitrators nominated by the two parties to elect a third arbitrator who shall be the chairman of the Tribunal. However, in case of failure to reach agreement within twenty days from the date of the invitation, the Secretary General shall appoint, within two weeks, the third arbitrator.

Article (13)

Where there are multiple parties, whether as claimant or as respondent and where the dispute is to be referred to three arbitrators, the multiple claimants jointly, and the multiple respondents jointly shall nominate an arbitrator.

If the parties fail to appoint arbitrators as mentioned hereinabove, the Secretary General shall appoint all the arbitrators including the Chairman of the Tribunal.

Article (14)

If either party disputes the validity of appointing one of the arbitrators, the Secretary General shall settle such dispute within two weeks by a final decision provided that this dispute on the validity shall be presented before holding the hearing fixed for considering the dispute.

Article (15)

If an arbitrator dies, declines appointment, or force majeure prevents him from carrying out his duties or the continuation thereof, a substitute shall be nominated in his stead in the same manner in which the original arbitrator was appointed.

Article (16)

The Secretary General shall refer the dispute file to the Tribunal within seven days from the date of forming it in the abovesaid manner. The Tribunal shall proceed with carrying out its mandate within fifteen days from the date of notification thereof.

Challenge of Arbitrators

Article (17)

Either party may challenge the appointment of an arbitrator for reasons to be set out in his petition. The challenge shall be submitted to the Secretary General.

Article (18)

1. In case one of the parties seeks to challenge an arbitrator, the other party may agree to such challenge. Further, the arbitrator sought to be challenged may relinquish the hearing of the dispute and a new arbitrator shall be appointed in the same manner in which the said arbitrator was nominated.
2. If the other party does not agree to the plea for challenging the arbitrator and if the said arbitrator sought to be challenged does not relinquish the hearing of the dispute, the Secretary General shall settle the issue of the challenge within three days from receiving an application in this respect.
3. If the Secretary General decides to challenge the arbitrator, a new arbitrator shall be appointed in accordance with the Rule. The challenged arbitrator as well as the parties shall be notified of such decision.

Plea for Jurisdiction of the Arbitral Tribunal

Article (19)

Unless there is an express agreement to the contrary, an Arbitration Agreement shall be deemed as independent from the contract subject to the dispute. If the contract is invalidated or terminated for any reason, the Arbitration Agreement shall remain valid and effective.

Article (20)

The Arbitral Tribunal shall have the power to rule on the issue relating to its non-jurisdiction. This shall include the pleas based upon the lack of an Arbitration Agreement, nullity of such Agreement, lapse thereof or its non-applicability to the issue in dispute. The said pleas shall be presented at the first hearing prior to examining the merits.

Article (21)

The Tribunal shall hold, at the request of either party, at any stage of the proceedings, hearings for verbal pleadings or for hearing testimony from witnesses or experts. If neither party makes such a request, the Tribunal shall have the option either to hold such hearings or to go ahead with the proceedings on the basis of the papers and documents, provided that at least one hearing has already been held.

Article (22)

1. In case of verbal pleadings, the Tribunal shall notify the parties, within a sufficient period of time before the pleading's hearing, of the date, time and place of hearing.
2. In case of providing proof by testimony of witnesses, the party upon whom the onus of proof rests shall notify the Tribunal and the other party, at least seven days before the testimony hearing, of the names of witnesses whom he plans to call to the witness stand, their addresses, the matters in respect of which the said witnesses shall testify and the language to be used for such testimony.
3. The Tribunal shall make the necessary arrangements for translation of verbal statements made at the hearing if such statements are in a language other than Arabic and the Tribunal shall prepare minutes of the hearing.
4. Pleading and testimony hearings shall be held behind closed doors unless the two parties agree to the contrary and the Tribunal shall be at liberty to decide the method of questioning the witnesses.
5. The Tribunal shall decide whether to accept or reject evidence and the existence of a link between the evidence and the issue of the case or lack of such linkage and the significance of the evidence provided.

Article (23)

1. If either party alleged that the documents submitted to the Tribunal have been forged, the Tribunal shall temporarily suspend the Arbitral proceedings.
2. The Tribunal shall refer the alleged forgery to the competent committee for investigating it and taking a decision in respect thereof.
3. If the forgery incident is proved to be true, the Tribunal shall pass a ruling for cancellation of documents proved to have been forged.

Article (24)

The Tribunal may, at any stage of the arbitration, request the parties to produce other documents or evidence, conduct an inspection of the premises subject to the dispute and make investigations it deems fit, including assistance by experts.

Article (25)

The parties to the dispute may authorize the Tribunal to settle the dispute between them by means of reconciliation. They may also request the Tribunal at any stage to confirm what has been agreed upon between them by way of a reconciliation or settlement, and it shall pass a ruling to that effect.

Article (26)

The Tribunal may, ex-officio or at the request of one of the parties to the dispute, decide at any time, after closing of the pleadings and prior to rendering the award, to open pleadings anew on the merits for material reasons.

Failure to Appear

Article (27)

If either party fails to appear at the hearings after receiving notification to appear from the Tribunal, and does not provide, during a period of time being fixed by the Tribunal, an acceptable excuse for his absence, such absence shall not bar proceeding with the arbitration.

Interim Measures

Article (28)

The Tribunal may take, at the request of either party, interim measures in respect of the subject matter of the dispute, including the measures for preservation of the contentious goods, such as ordering the deposit of the goods with third parties or sale of the perishable items thereof in compliance with the procedural rules in the country where the interim measure is adopted.

Applicable Law

Article (29)

The Tribunal shall settle disputes in accordance with the following:

1. The contract concluded between the two parties as well as any subsequent agreement between them.
2. The law chosen by the parties.
3. The law having most relevance to the issue of the dispute in accordance with the rules of the conflict of laws deemed fit by the Tribunal.
4. Local and international business practices.

Article (30)

The GCC regulations and resolutions as well as provisions of the Unified Economic Agreement and their interpretations shall be applicable to the disputes arising from the enforcement thereof.

Deliberations and Award

Article (31)

If there are several arbitrators and the pleadings have ceased, the Tribunal shall meet for deliberations and passing an award. The deliberations shall be held behind closed doors. However, if there is a single arbitrator on the Tribunal, he shall pass the award after ceasing the pleading.

Article (32)

If there are several arbitrators, the award shall be passed by a unanimous or a majority vote. In all cases, an award shall be passed within a maximum period of one hundred days from the date of referring the case file to the Tribunal unless the parties agree on another period for passing the award. The parties covenant with each other to enforce the award with immediate effect. In case an award is passed by a majority vote, the dissenting arbitrator shall note down his opinion in a separate paper to be attached to the award but the dissent shall not be deemed as an integral part thereof.

Article (33)

The period referred to in the preceding Article may be extended by a decision made by the Secretary General upon a grounded request from the Tribunal. If the Secretary General is not convinced of the reasons given by the Tribunal for the extension request, the Secretary General shall fix a deadline in consultation with the parties to the dispute and the Tribunal shall pass its ruling within such deadline and its mandate shall be ended upon the expiry of the said deadline.

Article (34)

The award shall be grounded and must contain the arbitrators' names, their signatures, names of the parties, date of the award, place of issue, facts of the case, litigants' claims, a summary of their defense pleadings, their defenses, replies thereto and the party who shall incur the costs and legal fees either in full or partially.

Article (35)

1. The Tribunal shall send a copy of the award to the Secretary General for the purpose of deposit and registration, if required, under the law of the State in which the award shall be enforced.
2. The Tribunal Secretariat shall send a copy of the award to each of the parties by a registered letter with a note of receipt within three days from the date the award is passed.

Article (36)

1. An award passed by the Tribunal pursuant to these Rules shall be binding and final. It shall be enforceable in the GCC member States once an order is issued for the enforcement thereof by the relevant judicial authority.
2. The relevant judicial authority shall order the enforcement of the arbitration award unless one of the litigants files an application for the annulment of the award in the following specific events:
 - A. If it is passed in the absence of an Arbitration Agreement or in pursuance of a null Agreement, or if it is prescribed by the passage of time or if the arbitrator goes beyond the scope of the Agreement.
 - B. If the award is passed by arbitrators who have not been appointed in accordance with the law, or if it is passed by some of them without being authorized to hand down a ruling in the absence of others, or if it is passed pursuant to an Arbitration Agreement in which the issue of the dispute is not specified, or if it is passed by a person who is not legally qualified to issue such award.

Upon the occurrence of any of the events indicated in the above two paragraphs, the relevant judicial authority shall verify the validity of the annulment petition and shall pass a ruling for non-enforcement of the arbitration award.

Article (37)

The Tribunal may, ex-officio or at a written request from either party to be submitted through the Secretary General, correct any material and similar errors in the award after giving notice to the other party with respect to such request, provided that the correction request shall be submitted within fifteen days from the date of receiving the award. The correction shall be done and considered as an integral part of the award and notice thereof shall be given to the parties.

Article (38)

Either party may request the Tribunal, within seven days from the date of receiving the award, to interpret any ambiguity which may arise therein, provided that the other party shall be given notice of such request. The Tribunal shall provide the interpretation in writing within twenty days from the date of receiving such application. The interpretation shall be deemed as an integral part of the award in all aspects.

Fees and Costs

Article (39)

The Centre shall charge a fee of (BD 50) or the equivalent thereof for every reference to arbitration.

Article (40)

1. The Centre shall charge fees for the services provided to the parties but such fees shall not, under any circumstances, be more than 2% of the amount in dispute.
2. The Secretary General shall propose a scale of fees for its services pursuant to the preceding Paragraph (1) and such scale of fees shall be effective upon approval by the Board of Directors of the Centre.

Article (41)

1. The Secretary General shall prepare a statement of temporary estimate of the arbitrators' fees and other arbitration costs such as the travel expenses of the arbitrators and witnesses, fees of experts and translators and fees for the Centre's services. Each of the parties to a dispute shall be instructed to deposit a certain equal amount as an advance on account of such costs. The parties may be instructed to make supplementary deposits in the course of arbitration proceedings.
2. If the required deposits are not made within thirty days from the date of receiving the instructions, the Secretary General shall notify the parties in this respect so that one of them shall pay the required amounts. In case the amount is not paid, the Tribunal may order the suspension or termination of the arbitration proceedings.
3. Once the Tribunal's award is passed, the Secretary General shall submit a statement of the deposits and expenses and make a final settlement by refunding any surplus amount or collecting the amounts outstanding.

Final Provisions

Article (42)

The GCC Commercial Co-operation Committee shall have the right to amend these Rules and the Board of Directors of the Centre shall have the right to interpret them.

Article (43)

These Rules shall come into effect immediately upon their ratification by the GCC Commercial Co-operation Committee

RULES REGULATING THE COSTS OF ARBITRATION

Adopted by the Board of Directors of the Centre

on 27 September 1995.

Annex No. (1)

RULES REGULATING THE COSTS OF ARBITRATION

In accordance with articles (7) and (23) of the Charter of the Centre (the Charter) and Article (41) paragraph (1) of the Arbitral Rules of Procedure (The Rules), the Board of Directors of the Centre has approved Annex (1) pertaining to the Rules Regulating the Costs of Arbitration at the Centre as follows: -

Article (1)

Administration Fees

1. The Centre shall charge a non-refundable fee of BD 50.000 (Fifty Bahraini Dinars) for every reference to arbitration (Article (39) of the Rules).
2. The Centre shall charge non-refundable fees for the services provided to the parties on condition that such fees shall not exceed 2% of the amount in dispute (Article (40), paragraph (1) of the Rules).
3. The administrative charges are determined as a percentage of the amounts in dispute as illustrated by the Scale of the Administrative Fees below. These charges which applied to each succession slice of the amount in dispute are to be added together. If the amount in dispute exceeds five million Bahraini Dinars, the administrative fees will be fixed at the sum of BD. 7,500.000 (Seven thousand five hundred Bahraini Dinars).
4. The Board of Directors may amend this Scale from time to time upon proposition by the Secretary General.

Administrative Fees

AMOUNT IN DISPUTE (BD)		FEES
From	To	
15,000	50,000	1%
50,001	100,000	500 + 0.75 % of amount exceeding 50,000
100,001	250,000	875 + 0.50 % of amount exceeding 100,000
250,001	500,000	1625 + 0.375 % of amount exceeding 250,000
500,001	1,000,000	2562 + 0.25 % of amount exceeding 500,000
1,000,001	2,000,000	3812 + 0.125 % of amount exceeding 1,000,000
2,000,001	5,000,000	5062 + 0.075 % of amount exceeding 2,000,000
Over 5,000,000		Fixed fee 7,500

All above amounts are in Bahraini Dinars.

Article (2)

Arbitrators' Remunerations

1. Remunerations for arbitrators are determined as a percentage of the amounts in dispute. These remunerations will be assessed according to the conditions and circumstances of each case within the maximum and minimum range of the Scale of the Arbitrator Remuneration illustrated below.
2. The Secretary General, based on the Scale of Remuneration, shall determine the arbitrators' remunerations. He may, on an exceptional basis, determine the remuneration by exceeding beyond the range of the Scale if he found that the volume and the circumstance of the disputed case so justified, as the arbitration proceedings, for instance, are extended or the issue in the dispute is so subdivided that it would reach beyond the will of the Arbitral Tribunal, and by reducing the remuneration if the parties reached to a friendly settlement of the dispute outside or within the framework of the Arbitral Tribunal during the process of arbitration.

Arbitrators' Remunerations

AMOUNT IN DISPUTE (BD)		ARBITRATOR'S REMUNERATION	
From	To	Minimum	Maximum
15,000	50,000	BD 750	5% of the amount
50,001	100,000	750 + 2% of the amount exceeds 50,000	2,500 + 2.50% of the amount exceeds 50,000
100,001	250,000	1,750 + 0.75% of the amount exceeds 100,000	3,750 + 1.50% of the amount exceeds 100,000
250,001	500,000	2,875 + 0.50% of the amount exceeds 250,000	6,000 + 0.75% of the amount exceeds 250,000
500,001	1,000,000	4,125 + 0.25% of the amount exceeds 500,000	7,875 + 0.50% of the amount exceeds 500,000
1,000,001	2,000,000	5,375 + 0.20% of the amount exceeds 1,000,000	10,375 + 0.25% of the amount exceeds 1,000,000
2,000,001	5,000,000	7,375 + 0.1% of the amount exceeds 2,000,000	12,875 + 0.1% of the amount exceeds 2,000,000
Over 5,000,000		10,375 + 0.05% of the amount exceeds 5,000,000	15,875 + 0.05% of the amount exceeds 5,000,000

All above amounts are in Bahraini Dinars.

Article (3)

Fees of Additional Assistance

1. In case of authorizing the Centre to appoint arbitrators according to the Rules, the Centre's Secretary General shall undertake such task in accordance with the provisions of the said Rules (Articles (21) (A) of the Charter].
2. If the two parties mutually agree on settling their dispute by arbitration but not through the Centre, the Centre's Secretary General may, upon a written application from the parties, provide or arrange the necessary facilities and assistance for the arbitration proceedings requested by the parties.
The necessary facilities and assistance may include providing an appropriate place for holding the Arbitral Tribunal and assisting with secretarial duties, translation and filing documents and relevant papers (Article (22) of the Charter).
3. The Centre charges the sum of BD 100,000 (One Hundred Bahraini Dinars) as fee for each application submitted to it for appointing an arbitrator to carry out arbitration not being subject to the Charter or the Rules of Procedure of the Centre. The Centre shall not approve any application for appointing an arbitrator unless it is submitted with the aforementioned non-refundable sum.
4. The Centre charges the sum of BD 50,000 (Fifty Bahraini Dinars) for providing any party with the lists of Arbitrators/Experts on the Panel at the Centre.

5. The Centre charges the sum of BD 50.000 (Fifty Bahraini Dinars) as the costs of using its particular places for meetings (without secretarial services) for a period of half day from 8:00 to 12:00 or 15:30 to 19:30.
6. Fees and costs of secretarial services, translation...etc. shall be determined by the Secretary General, taking into consideration the type and volume of the secretarial services, translation etc.

Article (4)

General Provisions

1. The term “Arbitration Fees” used in this annex means fees of the Centre, administrative fees, arbitrators' remunerations, costs of travel and residence of arbitrators and witnesses, remunerations of experts and interpreters and other costs.
2. The Secretary General shall provisionally determine the administrative fee and estimate other fees for arbitration. He shall also determine the amount to be paid in advance by the parties to the dispute before the commencement of arbitration proceeding (Article (23), paragraph (A) of the Charter and Article (41), paragraph (1) of the Rules).
3. The Secretary General requests the two parties to the dispute to pay the determined deposit equally between them. If any of them fails to pay his portion of deposit within the limited period, the Secretary General shall notify other party to pay the deposit. If he refuses to pay, the arbitration proceedings may be suspended or terminated (Article (23), paragraph (A) of the Charter and Article (41), paragraph (1) of the Rules).
4. The Secretary General may, in any time during the processing of arbitration, request the parties to a dispute to deposit supplementary amounts on account of arbitration costs estimated provisionally according to item (2) of this Article. (Article (23), paragraph (A) of the Charter and Article (41), paragraph (1) of the Rules). Equal payment between the parties to a dispute shall be approved for all amounts determined by the Secretary General. If any of the parties fails to pay, the Secretary General shall notify other parties to pay the portion of the failed party. If they refuse to pay, the Secretary General or the Tribunal may suspend the arbitration proceedings or terminate them.
5. The deposits determined by the Secretary General must be made within thirty days from the date of receiving the instruction to pay (Article (23), paragraph (B) of the Charter and Article (41), paragraph (2) of the Rules).
6. Counter requests shall be treated independently as an original request and their fees are charged depending on the two above mentioned Scales; the Administrative Fees and the Arbitrators' Remunerations. The Secretary General shall determine an additional deposit to be paid by the party who had admitted the requests, without prejudice to the principle of paying these deposits equally.
7. If the amount of the dispute is not determined, the Secretary General of the Centre shall determine the Administrative Fees and the Arbitrators' Remunerations depending on the volume and the nature of the disputed case, provided that the Administrative Fees should not exceed the maximum limit mentioned in the Administrative Fees Scale.
8. All the amounts collected on the account of the arbitration costs and expenses shall be deposited in the Centre's safe according to its financial rules. These amounts are kept there until the award is passed by the arbitrators.
9. The Arbitration Tribunal shall determine the party who shall undertake, partially or wholly, the costs and remunerations.
10. Following the issuance of an award by the Arbitral Tribunal in respect of the dispute, the Secretary General shall deliver to the parties to the dispute a statement of the deposits made and expenses incurred with a view to making final settlement by refunding the surplus amount of the deposited sums or collecting the balance remaining for the costs pursuant to the provisions of the Rules (Article (23), paragraph (C) of the Charter).

Article 5

Final Provisions

The Rules Regulating the Costs of Arbitration shall come into effect upon ratification by the Board of Directors of the GCC Commercial Arbitration Centre.

Notes:

1. The Rules Regulating the Costs of Arbitration were ratified by the Board of Directors of the Centre on 27-09-1995.
2. To reflect the Amendments made to the Arbitral Rules of Procedure of the Centre, paragraph (3) of Article (2) of the above Rules has been deleted and changes are made to the numbers of some paragraphs of the same Rules in order to be compatible with the Amendments.