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ICC LOOKS AT SPECIAL RULES FOR SMALL CLAIMS ARBITRATION

With its brand new ADR Rules* newly approved and ready for publication before the end of the year, the ICC's International Arbitration Commission is now studying a possible new system for the arbitration of small claims. Over 25% of the ICC's cases involve sum of less than US\$500,000, and there is a perceived demand - especially in the emerging economies - for a simple, efficient and cost-effective procedure.

As acknowledged leader in the field of international commercial dispute resolution, the International Chamber of Commerce recently struck a working party to produce a system that will respond to the needs of arbitration users whose cases involve smaller sums. The obvious question is of course, "What is a small claim?" Informal surveys have produced responses ranging from US\$5,000 to US\$ 2 million! A "small claim" of US\$300,000 may feel very large to a family-run business exporting for the first time. The value and stability of the currency involved will doubtless have a bearing on perceptions. What is reasonable in Switzerland or France may be unaffordable in Thailand or Indonesia. The working party will also have to bear in mind that small claims are not necessarily simple claims.

The working party may be the largest in ICC history, with delegates from about 45 of the ICC's national committees on five continents. It has had an initial meeting in Paris, with teleconference participation from Asia and America, and intends to conduct much of its work through the "Web Board", a dedicated corner of the ICC website.

Working party members will be looking at a number of alternatives and hope to be able to make initial recommendations to the International Arbitration Commission at its November meeting. They will be looking not only at amounts and procedures, but also issues such as where the procedures might take place, whether a documents-only system might be workable, and who will act as arbitrators. Whatever system is finally devised, everyone involved realizes the importance of maintaining the quality and reliability for which the ICC Court is recognized.

(* see our March 2001 issue)

For more information about ICC activities, contact Louise Barrington.