

# Rules of Arbitration of Liechtenstein

## Contents

<b>I) Rules</b> .....	<b>3</b>
A. General provisions .....	3
Scope of application.....	3
Seat.....	4
Notice and calculation of periods of time .....	4
Initiation of arbitration.....	5
B. Composition of the arbitral tribunal.....	7
Eligibility conditions .....	7
Number of arbitrators .....	7
Appointment of a sole arbitrator.....	8
Appointment of a three-member arbitral tribunal .....	8
Independence and challenge of arbitrators .....	9
Replacement of an arbitrator .....	11
C. Arbitral proceedings .....	11
General provisions .....	11
Jurisdiction of the arbitral tribunal .....	12
Interim measures of protection .....	13
Evidence .....	14
Default.....	15
Closure of proceedings .....	16
Waiver of objections.....	16
D. The award .....	17
Decisions.....	17
Form and effect of the award .....	17
Applicable law .....	18
E. Costs.....	18
Determination of costs .....	18
Deposit of costs.....	20
F. Confidentiality .....	21
G. Exclusion of liability .....	23
H. Secretariat and commissioner .....	23
<b>II. Appendix A – Schedule of the costs of arbitration</b> .....	<b>25</b>
A. Costs of the secretariat .....	25
B. Costs of the commissioner .....	25
C. Arbitrators' fees .....	26
D. Taxes and duties.....	27
<b>III. Model arbitration clauses</b> .....	<b>28</b>
For contractual disputes.....	28
For trusts .....	28
For foundations .....	29
For companies .....	30

## I) Rules

### A. General provisions

#### Scope of application

##### *Article 1*

- 1.1 These Rules shall govern national and international arbitrations if the parties agree that an arbitral tribunal has jurisdiction under these Rules. It shall not be necessary for the arbitration agreement to designate these Rules precisely; it shall suffice if it can be concluded with sufficient certainty from the designation used that the parties are likely to have meant these Rules rather than others.
- 1.2 The parties may agree on different arrangements.
- 1.3 Unless the parties' agreement provides otherwise, the version of the Rules shall apply that is valid at the time the arbitration proceedings are initiated (receipt of notice of arbitration by the responding party served first).
- 1.4 To the extent these Rules contain no relevant provision and unless the applicable law of the state provides otherwise, the arbitral tribunal shall appropriately consider the legitimate interests of the parties, taking appropriate account of established arbitral practice.
- 1.5 These Rules shall be published in several languages by the Liechtenstein Chamber of Commerce and Industry (LCCI) and the Secretariat for Arbitration. If a publication exists in the language of the proceedings of the arbitration in question, the version in that language shall be used as the basis for the proceedings, otherwise in all other cases the English version shall be used.

## **Seat**

### *Article 2*

- 2.1 The parties may determine any place as the seat. The Rules shall also be applicable if the parties choose a seat outside Liechtenstein, subject to the mandatory laws in the state of the seat.
- 2.2 Unless arranged otherwise by the parties, the seat of the arbitral tribunal shall be Vaduz, Principality of Liechtenstein. Where the parties have agreed only the state of the seat or a territory, the capital thereof shall be deemed the seat of the arbitration.
- 2.3 When deemed by the arbitral tribunal to be conducive to the proceedings, hearings may also be held in a place other than the seat of the arbitral proceedings.

## **Notice and calculation of periods of time**

### *Article 3*

- 3.1 A communication is deemed to have been received if it is physically delivered to the addressee or if it is delivered to its habitual residence, place of business or mailing address, or, if none of these can be found after making reasonable inquiry, then at the addressee's last-known residence or place of business. The communication shall be deemed to have been received on the day it is so delivered.
- 3.2 For the purposes of calculating a period of time under these Rules, such period shall begin to run on the day following the day when the communication is received. If the last day of such period is an official holiday or a generally non-business day at the residence or place of business of the addressee of the communication, the period is extended until the first business day which follows. This provision is subject to special orders of the arbitral tribunal.
- 3.3 To meet a time-limit, delivery by fax shall suffice if the submission has also been handed over within the time-limit to a governmental postal service or recognised courier service for delivery. This provision is subject to special orders of the arbitral tribunal.

## **Initiation of arbitration**

### *Article 4*

- 4.1 Proceedings shall be initiated when the claimant delivers the statement of claim to the respondent in writing.
- 4.2 Arbitral proceedings shall be deemed to commence on the day on which the statement of claim is received by the respondent. In multi-party proceedings, arbitral proceedings shall be deemed to commence on the first day on which the statement of claim is received by a respondent.
- 4.3 The statement of claim shall be written in the language agreed by the parties for the proceedings, and where no such agreement exists at the claimant's discretion in English or German.
- 4.4 The claimant shall communicate one copy of the statement of claim to each of the other parties.
- 4.5 The statement of claim shall include the following:
  - (a) a demand that the dispute be referred to arbitration, including a copy of the arbitration agreement, if any;
  - (b) the names and contact information (addresses, telephone and fax numbers) of the other parties and their counsel, to the extent known;
  - (c) the statement of claim, with complete reasons;
  - (d) a proposal as to the number of arbitrators (i.e. one or three) and the language of the proceedings, if the parties have not previously agreed thereon;
  - (e) if three arbitrators have been proposed or agreed, the name and contact details of the arbitrator to be appointed by the claimant.
- 4.6 The statement of claim may also include:
  - (a) the claimant's proposal for the appointment of a sole arbitrator referred to in

Article 8;

(b) procedural requests to be decided by the arbitral tribunal after its appointment.

4.7 If the statement of claim does not meet these requirements, the arbitral tribunal may, at the request of the respondent, request the claimant to remedy the defect within an appropriate period of time. If the claimant complies with such directions within the applicable time-limit, the statement of claim shall be deemed to have been validly filed on the date when the initial version was received. Otherwise the proceedings shall be discontinued.

#### *Article 5*

5.1 Within thirty days from receipt of the statement of claim, the respondent shall transmit to the claimant a statement of defence. The respondent shall also submit a statement of defence to every other party.

5.2 The statement of defence shall, to the extent possible, include the following:

(a) the name and contact information (addresses, telephone and fax numbers) of the respondent and of its counsel (if different from the description contained in the statement of claim);

(b) any plea that an arbitral tribunal constituted under these Rules lacks jurisdiction;

(c) complete comments by the respondent on the statement of claim and the reasons thereof, or partial comments with a reasoned request to the arbitral tribunal for temporary restriction of the issue under arbitration;

(d) the respondent's proposal as to the number of arbitrators (i.e. one or three) and the language of the proceedings, if the parties have not previously agreed thereon;

(e) the respondent's proposal for the appointment of a sole arbitrator referred to in Article 8 or the respondent's designation of an arbitrator for the purpose of constituting a three-member arbitral tribunal referred to in Article 9.

5.3 Any counterclaim or set-off defence shall in principle be raised with the respondent's statement of defence. The provisions of Article 4.5 are applicable *mutatis mutandis*.

- 5.4 In the case of a counterclaim, the claimant shall within thirty days from receipt of the counterclaim transmit a statement of defence in reply to the counterclaim. The provisions of Article 5.1 and 5.2 are applicable *mutatis mutandis*.

## **B. Composition of the arbitral tribunal**

### **Eligibility conditions**

#### *Article 6*

- 6.1 Unless otherwise provided in the arbitration agreement or all parties or the commissioner consent, only persons may be appointed who are subject to a legal confidentiality obligation that at least includes criminal liability for violation of that confidentiality obligation or a right to refuse testimony in civil matters (specifically lawyers, auditors, patent lawyers and professional trustees subject to Liechtenstein law). Merely disciplinary liability shall suffice only if the penalty is on the whole at least equivalent to the penalty for lawyers under Liechtenstein law. If an arbitrator is nominated, he shall confirm this eligibility condition in writing and refer to the applicable legal provisions. In the case of dispute, the commissioner shall make the final decision. The proceedings shall be governed by Article 11.
- 6.2 The secretariat shall publish a list with countries and professions that meet the conditions set out in this Article in any case.

### **Number of arbitrators**

#### *Article 7*

- 7.1 If the arbitration agreement does not specify the number of arbitrators and if the parties do not agree on the number of arbitrators, then, if the relief or remedy sought concerns money, requests reaching or exceeding CHF 1,000,000 (or the equivalent) shall be decided by a three-member arbitral tribunal, taking account of any counterclaims and set-off defences referred to in Article 5.3. If the sum at issue for a relief or remedy sought is less than CHF 1,000,000, the case shall fall within the jurisdiction of a sole arbitrator.

- 7.2 If the relief or remedy sought does not concern money, then the claimant shall assess the amount in dispute. If the respondent contests the sum determined pursuant to Article 7.2 and it is at issue whether the contested amount is less than CHF 1,000,000, then a three-member arbitral tribunal shall have jurisdiction.
- 7.3 The assessment shall be made as of the date on which the request in question was delivered to the other party, and in the case of several other parties as of the date the first of these parties was served.
- 7.4 Where the arbitration agreement provides for an even number of arbitrators, the commissioner shall, upon request of an arbitrator, appoint a presiding arbitrator with the casting vote. This request may be made at any time during the proceedings. The arbitral tribunal shall decide itself whether and to what extent any procedural steps made prior to appointment of the presiding arbitrator must be repeated.

### **Appointment of a sole arbitrator**

#### *Article 8*

- 8.1 Where two or more parties have agreed that the dispute shall be referred to a sole arbitrator, they shall jointly designate the sole arbitrator within 21 days from the date when the statement of defence was received, unless agreed otherwise. The same shall apply if the referral of the dispute to a sole arbitrator arises from Article 7. The period of time shall also commence if one or more respondents are in default in transmitting the statement of defence.
- 8.2 If the parties fail to reach agreement on appointment of the sole arbitrator, the commissioner shall appoint the sole arbitrator on the request of a party.

### **Appointment of a three-member arbitral tribunal**

#### *Article 9*

- 9.1 Where a dispute between two adverse parties is referred to a three-member arbitral tribunal, each party shall designate one arbitrator. The two arbitrators so appointed shall

designate, within 21 days, a third arbitrator who shall act as the presiding arbitrator of the arbitral tribunal. Failing such designation or agreement, the commissioner shall appoint the presiding arbitrator on the request of a party. This provision is subject to a different arrangement in the arbitration agreement.

- 9.2 If a party fails to designate an arbitrator within the time-limit resulting from the arbitration agreement or, if no time-limit was agreed, within 21 days from the date applicable to that party (statement of claim; statement of defence), the commissioner shall appoint the arbitrator on request of a party. The party in default may make up its selection until the time the commissioner makes his decision, but the arbitral tribunal shall, at the request of another party, impose all costs arising from the delay (partial award) on the party in default immediately after the arbitral tribunal is constituted.
- 9.3 If the parties have not agreed upon a procedure for the constitution of the arbitral tribunal in multi-party proceedings, several claimants shall appoint a joint arbitrator in the statement of claim. Several respondents have a thirty-day time-limit to appoint a joint arbitrator from the delivery of the statement of claim to the last respondent. If the group or groups of parties have each designated an arbitrator, Article 9.1 shall apply by analogy to the designation of the presiding arbitrator.
- 9.4 If, in multi-party proceedings, one side has chosen an arbitrator, but the other side is unable to agree on an arbitrator, the right to determine both arbitrators shall be transferred to the commissioner. The commissioner shall select both arbitrators, taking the best possible account of the parties' interests. The commissioner may also determine one of the arbitrators that one or more parties on the respective side have selected for themselves or have proposed to the parties on that side.

### **Independence and challenge of arbitrators**

#### *Article 10*

- 10.1 All arbitrators conducting an arbitration under these Rules shall be and remain at all times impartial and independent of the parties.

10.2 An arbitrator requested to accept appointment shall disclose in writing any circumstances likely to give rise to justifiable doubts as to his impartiality or independence. It shall be the responsibility of the appointing party to provide the requested arbitrator with the necessary information for this purpose concerning the parties and the matter in dispute. An arbitrator, once appointed, shall immediately disclose such circumstances to the parties and the other members of the arbitral tribunal unless they have already been informed by him of these circumstances. An arbitrator shall confirm his independence and impartiality in writing upon his appointment. He shall likewise confirm that he is submitting to these Rules in his capacity as arbitrator, especially the confidentiality provisions.

### *Article 11*

11.1 Any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence. The challenge must be made to the arbitrator concerned, with an indication of the reasons, within 15 days from receipt of the communication of the appointment or after that party becomes aware of the relevant circumstances.

11.2 A party may challenge the arbitrator appointed by it only for reasons of which it becomes aware after the appointment has been made.

11.3 Within 15 days from receipt of the challenge, the challenged arbitrator must withdraw or communicate to all parties and the other arbitrators in writing that he is not withdrawing. A copy of the challenge letter must accompany this communication to the extent other parties have not yet received it. If the challenged arbitrator does not withdraw, the challenging party may, within 7 days from receipt of the respective communication or after the time-limit has expired without action, demand a decision by the commissioner on the challenge. The commissioner shall decide on the challenge within 30 days from when it is received.

### *Article 12*

If an arbitrator fails to perform his functions despite a written warning and reasonable deadline imposed by the other arbitrators or a party, the commissioner may, after duly

hearing the matter, remove the arbitrator from office at the request of a party or arbitrator. The decision is final.

### **Replacement of an arbitrator**

#### *Article 13*

If an arbitrator appointed by a party deceases or becomes unable to perform his functions due to any reasons beyond his control, the party that appointed the arbitrator is required to appoint a replacement arbitrator within a time-limit of 21 days from certain knowledge of this circumstance. If the party fails to honour this obligation even after being warned by another party or an arbitrator with a grace period of 14 days, the commissioner shall on request of a party or an arbitrator appoint a replacement arbitrator. This rule also applies if an arbitrator has been successfully challenged, has been otherwise removed or has resigned, or if several parties appointed the arbitrator but failed to agree on a successor.

#### *Article 14*

If an arbitrator is replaced, the proceedings shall as a rule resume at the stage where the arbitrator who was replaced ceased to perform his functions, unless the arbitral tribunal decides otherwise.

## **C. Arbitral proceedings**

### **General provisions**

#### *Article 15*

- 15.1 Subject to these Rules, the provisions of the arbitration clause or arbitration agreement and the parties' agreements, the arbitral tribunal may conduct the arbitration in such manner as it considers appropriate, provided that it ensures equal treatment of the parties and their right to be heard. Within its discretion, it shall endeavour to conduct fair, efficient and cost-effective proceedings. The parties are required to participate in good faith.

- 15.2 At an early stage of the arbitral proceedings and in consultation with the parties, the arbitral tribunal shall prepare a provisional time-table for the arbitral proceedings up until delivery of the award.
- 15.3 In consultation with the parties, the arbitral tribunal shall determine the language of the proceedings, unless already agreed by the parties.
- 15.4 Unless otherwise agreed or determined by the arbitral tribunal, at least one exchange of submissions shall take place in the form of the statement of claim, the statement of defence, and where applicable the statement of defence in reply to the counterclaim. The arbitral tribunal shall decide on the admissibility of additional submissions and shall determine the time-limits. Thereby the arbitral tribunal shall honour the parties' right to be heard.
- 15.5 New or amended claims after submission of the statement of claim or the statement of defence require admission by the arbitral tribunal. The arbitral tribunal shall in this regard take account of the closeness of the substantive connection, the interests of the parties and the consequences for the conduct of the proceedings.

### **Jurisdiction of the arbitral tribunal**

#### *Article 16*

- 16.1 Objections to the jurisdiction of the arbitral tribunal must be raised at the latest in the statement of defence or, in the case of a counterclaim, set-off defence or amendment of the requests for legal remedy or relief (in accordance with Article 15.5) or of the legal bases of the claim, in the first comments thereto. The arbitral tribunal may permit a later objection if it deems the delay excusable in that specific case. Subject to the admission of a later objection by the arbitral tribunal, consent to consideration of the matter by the arbitral tribunal shall be deemed given if an objection to the arbitral tribunal's jurisdiction has not been raised on time.
- 16.2 The arbitral tribunal shall have the power to rule in an interim or in the final decision on jurisdictional objections , including any objections with respect to the existence or validity

of the arbitration clause or of the separate arbitration agreement. The arbitral tribunal may continue the proceedings in its discretion and make an award, even if a decision on jurisdiction is being contested in court.

- 16.3 The arbitral tribunal shall have jurisdiction in principle to hear a set-off defence. It may refuse to hear a set-off defence if the relationship out of which this defence is said to arise as such would not fall within the jurisdiction of the arbitral tribunal and either the consideration of the set-off defence would delay or complicate the proceedings such that the justifiable interests of the other party would be significantly affected or other justifiable interests of the other party so require.
- 16.4 The arbitral tribunal shall have jurisdiction to hear a counterclaim only if the counterclaim is subject to the same arbitration agreement of the parties.

### **Interim measures of protection**

#### *Article 17*

- 17.1 At the request of a party, the arbitral tribunal may take any interim measures it deems necessary or appropriate.
- 17.2 Such interim measures may be established in the form of an interim award. The arbitral tribunal shall be entitled and expected to order the provision of appropriate security and to adjust that security if needed.
- 17.3 If the arbitral tribunal has already been constituted and the parties have not agreed otherwise, no party may address requests to a state court concerning interim or provisional measures without consent by the arbitral tribunal. In the case of an arbitral tribunal with three arbitrators, the presiding arbitrator shall decide alone on consent to requests by parties for provisional measures addressed to state courts. It shall be in his discretion whether or not to hear the other side first. No reasons need be given for a consent, and a consent should not be delivered to opposing parties or other parties to the arbitration proceedings before the state court has decided.

17.4 If a party breaches this rule, the arbitral tribunal may at the request of an opposing party make appropriate arrangements as a remedy. Moreover, the breach may constitute a violation of the confidentiality provisions, and the opposing parties may demand compensation and payment in accordance with Article 29.7.

## **Evidence**

### *Article 18*

18.1 The arbitral tribunal shall decide independently on matters of evidence. A party shall not have a claim to a hearing unless it is mandatory by law.

18.2 The production (disclosure) of documents by the other party shall in principle be governed by §§ 303 ff. of the Liechtenstein Code of Civil Procedure. If the requesting party can show an interest in the confidentiality of the materials, the arbitral tribunal shall, at the request of the producing party, order that documents and evidence shall not be handed over to the other party, but rather be presented for inspection only either at the seat of the arbitral tribunal or at another suitable location. The arbitral tribunal shall furthermore make all appropriate arrangements to protect justifiable confidentiality interests of the parties and third parties. In particular, it may order that an expert who in turn is subject to professional secrecy reviews the documents and reports on any relevant content to the arbitral tribunal without the need to produce the documents for inspection by the arbitral tribunal or the other side.

18.3 Failure to produce documents that a party is not required to produce pursuant to §§ 303 ff. of the Liechtenstein Code of Civil Procedure or the substantive law applicable to this question may not be considered to the detriment of that party.

18.4 If a person has a right to refuse to give evidence and is not discharged from a confidentiality obligation by a party, this may not be considered to the detriment of that party.

18.5 Anyone may be a witness, even a party itself. The parties shall in principle be responsible themselves for the appearance of their witnesses. If a witness does not appear or refuses

to participate, the arbitral tribunal shall at the request of a party and at its discretion decide whether to set a new date for the hearing, to examine the witness by judicial process or to continue without the testimony. In this regard, the arbitral tribunal shall in particular take account of the interests of the parties. Witnesses may on an exceptional basis and to the extent appropriate also be examined by video conference or telephone.

18.6 The arbitral tribunal, after consulting with the parties, may appoint one or more experts. The parties shall give the expert any relevant information and produce for his inspection any relevant materials or goods. The expert shall be required to maintain the strictest secrecy in relation to third parties regarding the facts of which he gains knowledge as part of the arbitration proceedings or pursuant to his position as an expert. After conclusion of his task, the expert shall return all materials and goods and destroy all copies.

18.7 The arbitral tribunal shall assess the evidence freely.

## **Default**

### *Article 19*

19.1 If, within the period of time set out in Article 5.1, the respondent has failed to communicate its statement of defence without showing sufficient cause for such failure, the arbitral tribunal shall order that the proceedings continue, without taking this failure as recognition of the actual assertions of the claimant. The same shall apply to a failure of the claimant to answer a counterclaim.

19.2 The additional costs associated with late submissions due to a delay of the proceedings may at the request of a party be imposed immediately on the party responsible for the delay (partial award).

19.3 If one of the parties, duly notified under these Rules, fails to appear at a hearing, without showing sufficient cause for such failure, the arbitral tribunal may proceed with the arbitration.

19.4 If a party, duly invited by the arbitral tribunal to produce documentary evidence or other evidence it is required to produce, fails to do so within the established period of time, without showing sufficient cause for such failure, the arbitral tribunal may make the award on the evidence before it.

### **Closure of proceedings**

#### *Article 20*

20.1 After the evidence procedure is completed, the arbitral tribunal may declare the proceedings closed. The parties shall then be precluded from further submissions.

20.2 The arbitral tribunal may, if it considers it necessary owing to exceptional circumstances, decide, on its own motion or upon application of a party, to reopen the proceedings at any time before the award is made.

### **Waiver of objections**

#### *Article 21*

A party who knows or should know that any provision of, or requirement under, these Rules, the applicable procedural law at the seat of the arbitral tribunal, or the arbitration agreement or any order of the arbitral tribunal has not been complied with and yet proceeds with the arbitration without stating its objection to such non-compliance without unnecessary delay or within any time-limit provided for that purpose, shall be deemed to have approved the violation and waived its right to object for that reason.

## **D. The award**

### **Decisions**

#### *Article 22*

- 22.1 When the arbitral tribunal is composed of more than one arbitrator, any award or other decision of the arbitral tribunal shall be made by a majority of the arbitrators. In the event of a tie vote, the presiding arbitrator's vote shall decide. No arbitrator may abstain.
- 22.2 In the case of questions of procedure, when the parties or the arbitral tribunal so authorise, the presiding arbitrator may decide on his own, subject to later revision, if any, by the arbitral tribunal. Subject to any other arrangements by the parties or the arbitral tribunal, the presiding arbitrator may decide on the imposition and extension of time-limits on his own.

### **Form and effect of the award**

#### *Article 23*

- 23.1 In addition to making a final award, the arbitral tribunal shall be entitled to make interim, interlocutory, or partial awards.
- 23.2 The award shall be made in writing and shall be delivered to the parties. It shall be final and binding on the parties. The parties undertake to carry out the award without delay. The parties shall waive the right to appeal the award in any way to judicial authorities, to the extent such a waiver is legally permissible.
- 23.3 The arbitral tribunal shall state the reasons upon which the award is based, unless the parties have agreed that no reasons are to be given.
- 23.4 An award shall be signed by the arbitrators and it shall contain the date on which the award was made and the place of arbitration. Where there are several arbitrators and one or more of them fail to sign, the award shall state the reason for the absence of the signature(s).

23.5 Any correction, explanation, or completion of the award shall be governed by § 627 of the Liechtenstein Code of Civil Procedure.

### **Applicable law**

#### *Article 24*

24.1 The arbitral tribunal shall decide the case in accordance with the rules of law agreed upon by the parties or, in the absence of a choice of law, by applying the rules of law with which the dispute has the closest connection.

24.2 The arbitral tribunal shall decide as *amiable compositeur* or *ex aequo et bono* only if the parties have expressly authorised the arbitral tribunal to do so.

24.3 In all cases, the arbitral tribunal shall decide in accordance with the terms of the applicable contracts, trust settlements or articles of association and shall take into account the usage of the trade applicable to the transaction.

## **E. Costs**

### **Determination of costs**

#### *Article 25*

25.1 The arbitral tribunal shall determine the costs of arbitration in its award. The term "costs" includes only:

- (a) the fees of the arbitral tribunal to be stated separately as to each arbitrator and to be determined by the tribunal itself in accordance with Appendix A, as well as appropriate fees of the experts called to the arbitral tribunal;
- (b) appropriate travel and other expenses incurred by the arbitrators, experts and witnesses, to the extent their costs have been approved by the arbitral tribunal;
- (c) the costs for legal representation and assistance of the parties, as well as for their experts and witnesses, if such costs were claimed during the arbitral proceedings,

and only to the extent that the arbitral tribunal determines that the amount of such costs is reasonable;

(d) the costs for obtaining and securing evidence;

(e) any costs incurred by the LCCI or a commissioner for administration of the arbitration in accordance with Appendix A (Schedule of the costs of arbitration).

25.2 No additional fees may be charged by an arbitral tribunal for any interpretation or correction or completion of its award.

### *Article 26*

26.1 The fees of the arbitral tribunal shall be determined in conformity with Appendix A (Schedule of the costs of arbitration).

26.2 The arbitral tribunal shall decide on the allocation of the fees among its members. As a rule, the Chairman shall receive between 40% and 50% and each co-arbitrator between 25% and 30% of the total fees, in view of the time and efforts spent by each arbitrator.

26.3 If a party or an arbitrator believes the schedule of the costs set out in Appendix A is obviously unreasonable in the specific case, if a party believes the determination by the arbitral tribunal of the amount in dispute used to calculate their fees is obviously excessive, or if the arbitrators do not agree on the allocation of the fees (Article 26.2), then the party or any arbitrator may request that the commissioner determine their fees accordingly. Such a request shall not hinder continuation of the proceedings or the enforceability of the other decisions of the arbitral tribunal or of the other operative parts of the award.

26.4 Pursuant to a request in accordance with Article 26.3, the commissioner shall deviate from the schedule of the costs set out in Appendix A only if, in the individual case, the schedule of the costs is obviously unreasonable in light of the complexity of the subject-matter, the time reasonably spent by the arbitrators, and any other relevant circumstances. The commissioner's decision shall be deemed an arbitral award with respect to the question of the arbitrators' fees.

### *Article 27*

The costs of arbitration shall in principle be borne by the unsuccessful party, to the extent it was unsuccessful. However, the arbitral tribunal may provide a different apportionment of costs if it determines that such apportionment is reasonable and correct, taking into account the circumstances of the case.

### **Deposit of costs**

### *Article 28*

- 28.1 The arbitral tribunal, on its establishment, shall request each side to deposit an equal amount as an advance for the costs referred to in Article 25.1, paragraphs (a), (b) and (d), unless the parties have arranged otherwise with respect to allocation of the costs. The arbitral tribunal shall hear the parties before determining the relevant amount in dispute, unless that amount follows from the parties' quantified requests for legal remedy.
- 28.2 If, after being requested to do so by the arbitral tribunal, a party fails to meet its obligation within thirty days to make deposits as referred to in Article 28.1, the other party shall be free to deposit the advance on costs for the non-paying party. If no payment is made, the arbitral tribunal may order the suspension or termination of the arbitral proceedings. The arbitral tribunal may refuse to take evidence associated with costs and offered only by the party in default. Moreover, the party making payments for another party in default shall be granted at its request appropriate interim measures against the party in default to safeguard its claim to repayment.
- 28.3 When requested by the respondent, the claimant shall provide appropriate security to the respondent for the legal costs, unless the parties have arranged otherwise. The arbitral tribunal shall decide on the admissibility and amount of a security.
- 28.4 Where a respondent submits a counterclaim, or it otherwise appears appropriate in the circumstances, the arbitral tribunal may in its discretion order separate deposits.
- 28.5 During the course of the arbitral proceedings the arbitral tribunal may request supplementary deposits from the parties.

28.6 If a party asserts and adequately proves insufficient funds for the proceedings, the arbitral tribunal shall call upon the other parties to deposit the advance on costs in lieu of the party lacking funds, or the share corresponding to the lack of funds, within a reasonable period of time. If this payment is not made, the arbitral tribunal may discontinue the proceedings in respect of the party lacking funds without a decision on the merits. The arbitral tribunal may, however, demand that the party with insufficient funds pays or secures the amounts it is able to.

28.7 In its final award, the arbitral tribunal shall render an accounting to the parties of the deposits received. Any unexpended balance shall be returned to the parties.

## **F. Confidentiality**

### *Article 29*

29.1 Unless the parties expressly agree in writing to the contrary, the parties, their representatives, experts, the arbitrators, any commissioner, the secretariat and their auxiliary persons shall as a general principle keep confidential all awards and orders as well as all materials submitted and facts made available by other participants in the proceedings in the framework of the arbitral proceedings, unless a right to them exists in other ways, save and to the extent that a disclosure by a party may be imperative to fulfil a legal duty, to protect or pursue a legal right or to enforce or challenge an award.

29.2 The deliberations of the arbitral tribunal are confidential. The parties shall recognise this confidentiality and undertake to protect it.

29.3 The arbitral tribunal shall take any additional measures called for to protect a party's needs for confidentiality. In particular, it may require the parties to keep strict confidentiality regarding facts of which they attain knowledge in their respective capacity and it may exhaustively determine the circle of persons entitled to know such facts, and it may, in special circumstances, hand documents over to an expert for review, who is subject to a secrecy obligation, without granting the other parties access to the documents.

- 29.4 Parties, their representatives, experts, the arbitrators and any commissioner shall take appropriate organisational measures to safeguard the confidentiality of the arbitral proceedings. At the request of a party, the arbitral tribunal may order that communication by e-mail is impermissible or must be protected by appropriate encryption. At all times, materials must be kept with such care that third parties are unable to gain knowledge of their existence or content.
- 29.5 To the extent a possibility of refusing to testify on the arbitral proceedings and the confidential information received within the framework of such proceedings exists, it shall be used. The parties undertake not to call persons subject to confidentiality pursuant to Article 29.1 as witnesses with respect to the information subject to confidentiality in any judicial or other proceedings connected with the arbitral proceedings.
- 29.6 The obligation to maintain confidentiality shall persist even after conclusion of the arbitral proceedings.
- 29.7 If a party, its representative, an expert, an arbitrator, any commissioner or one of their auxiliary persons breaches the confidentiality obligation set out in Article 29.1, that person or those persons shall pay a contractual penalty in the amount of CHF 50,000 to the injured parties, unless the parties have agreed otherwise. Parties shall also be liable for the conduct of their counsel. The liability of auxiliary persons shall be governed by law. Several persons breaching the confidentiality obligation shall be held jointly and severally liable. A court or arbitral tribunal may mitigate the contractual penalty if the breach was without serious fault, material and immaterial damage is ruled out and no confidential fact was widely disseminated. This shall be without prejudice to claims of more far-reaching damage if the breach was deliberate.
- 29.8 With respect to a claim for a contractual penalty or compensation under article 29.7, the competence of an arbitral tribunal under these rules shall be deemed as agreed. If the breach concerns a party, the entitled party may until closure of the proceedings submit the request to the arbitral tribunal with jurisdiction for the original proceedings. Otherwise, the entitled party shall have the choice between initiating new proceedings at the place selected in the original arbitration agreement or at the domicile or residence of the respondent in the new proceedings.

**G. Exclusion of liability***Article 30*

None of the LCCI or its employees, the arbitrators, the commissioner, the secretariat, the tribunal-appointed experts or any secretary of the arbitral tribunal shall be liable for any act or omission in connection with an arbitration conducted under these Rules, save where such liability is mandatory by law. This provision is subject to Article 29.7.

**H. Secretariat and commissioner***Article 31*

31.1 The LCCI shall appoint a secretary for arbitration (the "secretary") and two deputies who together form the secretariat. The secretariat shall be staffed by the LCCI with independent, legally trained or otherwise suitable persons who preferably are not professional representatives of parties (lawyers, professional trustees, patent lawyers, tax advisors, etc.).

31.2 The secretariat shall adopt its own rules of procedure and shall make its contact information available in suitable form.

31.3 Requests for appointment of a commissioner shall be made directly to the secretariat.

31.4 Decisions of the secretariat are final and need not include reasons.

*Article 32*

32.1 On request, the secretariat shall appoint an independent commissioner for specific arbitral proceedings. The appointment shall apply to the entire proceedings. The request must only designate the parties, their representatives, any directly affected third parties (especially such as companies, foundations, trusts, etc.) and, if already appointed, the arbitrators. If several arbitral proceedings have been initiated between the parties, such additional information shall be provided to designate the specific arbitral proceedings unambiguously.

- 32.2 Article 10 apply to the commissioner *mutatis mutandis*. A commissioner may be challenged under the provisions of Article 11 *mutatis mutandis* or on other important grounds and be removed by the secretariat.
- 32.3 If a time-limit exists to call for a commissioner and if no commissioner has been appointed yet, the request pursuant to Article 32.1 must be made within that time-limit.
- 32.4 If a time-limit exists for the decision of the commissioner, that time-limit shall in any event not commence before the appointment of the commissioner.
- 32.5 The commissioner shall independently make decisions that are assigned to the commissioner under these Rules. The decisions of the commissioner are final and not subject to legal remedy. He shall decide independently on any preliminary questions, such as whether a party allegedly in default is in fact in default. The adjudication of preliminary questions by the commissioner shall not bind the arbitral tribunal.
- 32.6 Parties and arbitrators directing requests to the commissioner shall make the necessary submission and transmit a copy each to the commissioner and the other parties and arbitrators. The commissioner shall grant all parties the right to be heard, to the extent their rights may be affected.
- 32.7 The commissioner shall not participate in the rest of the arbitral proceedings. The presiding arbitrator shall merely notify the commissioner and the secretariat of the end of the proceedings in writing. If no commissioner has been appointed, no notification need be made to the secretariat.
- 32.8 The LCCI shall not be liable for decisions, acts or omissions of the arbitral tribunal, the commissioner or the secretariat. The secretariat shall not be liable for decisions, acts or omissions of the arbitral tribunal or the commissioner. The commissioner shall not be liable for decisions, acts or omissions of the secretariat or the arbitral tribunal.

## II. Appendix A – Schedule of the costs of arbitration

### A. Costs of the secretariat

A.1 Anyone requesting decisions or appointments by the secretariat shall be liable for the administrative costs of the secretariat and shall immediately pay those costs at the request of the secretariat and, if demanded by the secretariat, in advance. He may, however, claim amounts paid as costs in the arbitral proceedings. Several applicants shall be held jointly and severally liable.

A.2 The administrative costs of the secretariat shall be:

- for the appointment of a commissioner CHF 1,000
- for the removal of a commissioner CHF 10,000

### B. Costs of the commissioner

B.1 Anyone requesting a decision by the commissioner shall be liable for the administrative costs of the commissioner and shall pay these costs immediately upon receiving the invoice. He may, however, claim amounts paid as costs in the arbitral proceedings. Several applicants shall be held jointly and severally liable.

B.2 The commissioner may demand advance payment of his administrative costs. If these costs are not paid, he shall inform the parties and discontinue the proceedings.

The administrative costs of the commissioner shall be:

- for the appointment of an arbitrator for a party or consent under Article I.B.6.1 CHF 2,000
- for the appointment of an arbitrator for several parties CHF 3,000
- for the decision on removal of an arbitrator CHF 10,000
- for the decision on the fee of the arbitral tribunal CHF 8,000
- for the decision on allocation of the fee among the arbitrators CHF 3,000

## C. Arbitrators' fees

- C.1 The arbitrator's fee shall cover the activities of the arbitral tribunal from the moment the file is transmitted until the last award. The fees shall be reduced appropriately in case of termination of the proceedings without consideration of the claim on the merits by the arbitral tribunal by way of dismissal without prejudice, acknowledgement, withdrawal of the claim, settlement, etc.
- C.2 Deposits by the parties must be made to a separate bank account that is used only for the arbitral proceedings in question and is identified accordingly.

### Sole arbitrator

Amount in dispute		Arbitrator's fee
from	to	
0	250,000	14,000
250,000	500,000	28,000
500,000	1,000,000	42,000
1,000,000	2,000,000	60,000
2,000,000	3,000,000	80,000
3,000,000	5,000,000	90,000
5,000,000	7,500,000	105,000
7,500,000	10,000,000	125,000
10,000,000	15,000,000	160,000
15,000,000	20,000,000	185,000
20,000,000	25,000,000	200,000
25,000,000	50,000,000	225,000
50,000,000	100,000,000	275,000
100,000,000	-	350,000

(amounts in CHF)

**Three-member arbitral tribunal**

Amount in dispute		Arbitrator's fee
from	to	
0	250,000	29,000
250,000	500,000	68,000
500,000	1,000,000	105,000
1,000,000	2,000,000	140,000
2,000,000	3,000,000	180,000
3,000,000	5,000,000	210,000
5,000,000	7,500,000	255,000
7,500,000	10,000,000	300,000
10,000,000	15,000,000	370,000
15,000,000	20,000,000	420,000
20,000,000	25,000,000	455,000
25,000,000	50,000,000	510,000
50,000,000	100,000,000	620,000
100,000,000	-	850,000

(amounts in CHF)

**D. Taxes and duties**

- D.1 The parties are required to pay additionally any value added tax or other taxes and duties on the charges and fees referred to above. Collecting such taxes and duties from the parties shall be the responsibility of the person entitled to the charge or fee in question.

### III. Model arbitration clauses

#### For contractual disputes

Any dispute, controversy or claim arising out of or in relation to this contract, including the validity, invalidity, breach or termination thereof as well as non-contractual claims, shall be resolved by arbitration in accordance with the Rules of Arbitration of the Liechtenstein Chamber of Commerce and Industry to the exclusion of the judicial authorities.

The number of arbitrators shall be \_\_\_\_ (one or three).

The seat of the arbitral tribunal shall be \_\_\_\_\_ (insert desired place of arbitration).

The arbitral proceedings shall be conducted in \_\_\_\_\_ (insert desired language).

#### For trusts

Any dispute, controversy or claim of any kind arising from or in relation to this trust – including the existence and scope of any beneficial interest, the designation of beneficiaries, the validity, invalidity, amendment or dissolution of the trust, the appeal of decisions, and supervisory measures – shall be resolved by arbitration in accordance with the Rules of Arbitration of the Liechtenstein Chamber of Commerce and Industry to the exclusion of the judicial authorities. In any event by accepting a beneficial interest, the beneficiary shall submit to this arbitration agreement. The trustee may call upon the beneficiary to confirm this by signature. Refusal of this confirmation shall be deemed a waiver of the beneficial interest.

The number of arbitrators shall be \_\_\_\_ (one or three).

The seat of the arbitral tribunal shall be \_\_\_\_\_ (insert desired place of arbitration).

The arbitral proceedings shall be conducted in \_\_\_\_\_ (insert desired language).

If a party is indigent, the trustee may in his discretion for the duration of the proceedings provisionally assume the costs of the proceedings, including advances on costs and reasonable representation of that party, at the expense of the trust, subject to a decision by the arbitral tribunal in the award on the final obligation to bear the costs.

**For foundations**

Any dispute, controversy or claim arising between the foundation, its executive bodies, the founder or beneficiaries in relation to the foundation, its formation, activity or liquidation, including the existence or scope of a beneficial interest, the designation of beneficiaries, the validity, invalidity, amendment or dissolution of the foundation, appeal of decisions, and supervisory measures, shall be resolved by arbitration in accordance with the Rules of Arbitration of the Liechtenstein Chamber of Commerce and Industry to the exclusion of the judicial authorities. In any event by accepting a beneficial interest, the beneficiary shall submit to this arbitration agreement. The foundation may call upon the beneficiary to confirm this by signature. Refusal of this confirmation shall be deemed a waiver of the beneficial interest.

The number of arbitrators shall be \_\_\_\_ (one or three).

The seat of the arbitral tribunal shall be \_\_\_\_\_ (insert desired place of arbitration). On request, the arbitral tribunal may transfer the seat of the arbitral tribunal to the domicile of the foundation if this is necessary for the award to be valid for the foundation under company law.

The language of the arbitral tribunal shall be \_\_\_\_\_ (insert desired language).

If a party is indigent, the foundation may in its discretion for the duration of the proceedings provisionally assume the costs of the proceedings, including advances on costs and reasonable representation of that party, reserving the right to reclaim these costs after a decision of the arbitral tribunal on the final obligation to bear the costs.

**For companies**

Any dispute, controversy or claim arising between the company, its executive bodies, its shareholders or partners in relation to the company, its formation, activity or liquidation, including the existence or scope of a shareholding or partnership, the validity, invalidity, amendment or dissolution of the company, appeal of decisions, and supervisory measures, shall be resolved by arbitration in accordance with the Rules of Arbitration of the Liechtenstein Chamber of Commerce and Industry to the exclusion of the judicial authorities. In any event by acquiring shares or partnership rights, the shareholder or partner shall submit to this arbitration agreement. On request, the arbitral tribunal may transfer the seat of the arbitral tribunal to the domicile of the company if this is necessary for the award to be valid for the company under company law.

The number of arbitrators shall be \_\_\_\_ (one or three).

The seat of the arbitral tribunal shall be \_\_\_\_\_ (insert desired place of arbitration).

The arbitral proceedings shall be conducted in \_\_\_\_\_ (insert desired language).