

Chandigarh Arbitration Centre (CAC) Rules, 2018

WHEREAS the establishment of the Chandigarh Arbitration Centre (CAC) is an initiative of the High Court of Punjab and Haryana;

AND WHEREAS the High Court of Punjab and Haryana hereby makes the following Rules for Chandigarh Arbitration Centre (CAC):

PRELIMINARY

1. Title, Scope and Commencement

1.1 These rules may be called the Chandigarh Arbitration Centre (CAC) Rules, 2018.

1.2 These rules shall apply where the parties have chosen Chandigarh Arbitration Centre as a venue and seat or an Arbitrator is appointed from the panel of Chandigarh Arbitration Centre (CAC) or an Arbitrator is appointed by the Chairperson or where any court has referred the parties to the Chandigarh Arbitration Centre (CAC)

(a) under section 89 of the Code of Civil Procedure, 1908; or

(b) under Sections 8, 9, 11, 45 or 54 of the Arbitration and Conciliation Act, 1996 or any other related statute, as amended from time to time, as the case may be.

1.3 These Rules shall come into force with effect from the date of notification.

2. Definitions

2.1 In these rules, unless the context otherwise requires:-

(a) "Act" means The Arbitration and Conciliation Act, 1996 and the amendments thereto including the Arbitration and Conciliation (Amendment Act, 2015) or any re-enactment or modification thereof.

(b) "Advisory Council", means the council constituted under Rule 8 of these Rules.

(c) "Arbitral Award" means as defined in the Arbitration and Conciliation Act, 1996.

(d) "Arbitrator" means person appointed as an arbitrator from the CAC Panel of Arbitrators.

(e) "Arbitration Committee" means the Arbitration Committee of the Chandigarh Arbitration Centre (CAC).

(f) "Centre" means Chandigarh Arbitration Centre.

(g) "Chairperson" means the Chief Justice of High Court of Punjab and Haryana or his nominee.

(h) "CAC Panel of Arbitrators" means the Panel of Arbitrators (for short, the Panel) prepared by Arbitration Committee in accordance with Rule 11 of these Rules.

(i) "Party" means a party to an arbitration agreement.

- (j) "Request" means a written communication addressed to the Coordinator of Chandigarh Arbitration Centre (CAC) for using Chandigarh Arbitration Centre (CAC) for arbitration in accordance with these Rules.
- (k) "Rules" mean the Chandigarh Arbitration Centre (CAC) Rules, 2018.

2.2 The words and phrases not defined here shall bear the same meaning as used or defined in the Act.

PART-I ARBITRATION COMMITTEE

3. The Arbitration Committee

3.1 There shall be an Arbitration Committee consisting of members as under:

- (a) The Chief Justice who shall be Chairperson of the Arbitration Committee;
- (b) Two Judges of the High Court to be nominated by the Chief Justice, the senior most amongst them shall preside over the meetings of the Committee in the absence of Chief Justice and shall also exercise such powers and duties as may be assigned by the Chairperson;
- (c) Advocates General for the States of Punjab and Haryana;
- (d) Assistant Solicitor General of India attached to the Punjab and Haryana High Court;
- (e) Senior Standing Counsel for the Chandigarh Administration;
- (f) Four members to be nominated by the Chief Justice out of whom at least two shall be designated senior advocates, while the remaining two may be the arbitration experts or Advocates having specialization in the field of arbitration laws, as the case may be.

3.2 The Coordinator shall be the ex-officio member of the Arbitration Committee, without having any voting rights, and shall convene the meetings of the Arbitration Committee as may be desired by the Chairperson or his nominee.

3.3 The members of the Arbitration Committee shall meet as and when required for the smooth and efficient functioning of the Centre.

4. Powers of the Arbitration Committee

- 4.1 To take decisions for smooth and effective functioning of the Centre;
- 4.2 To formulate rules for internal functioning of the Arbitration Committee and lay down guidelines for the Secretariat and the Advisory Council;
- 4.3 To prepare and update the Panel and to take such decisions as may be required from time to time;
- 4.4 To remove an arbitrator from the Panel if:

- (a) Any complaint of breach of duty or misconduct is received against him and the Arbitration Committee is of the opinion that it would be expedient in the interest of the Centre not to continue such Arbitrator on its Panel of Arbitrators; or
- (b) He is declared to be of unsound mind or becomes incapacitated; or
- (c) He has incurred any disqualification under the Act.
- (d) For any other reason deemed appropriate by the Committee.

5. Functions of the Arbitration Committee

- 5.1 To monitor and oversee administration of the Centre.
- 5.2 To appoint members on the Panel.
- 5.3 To promote the cause of Arbitration in the manner as may be found expedient from time to time.
- 5.4 Arbitration Committee shall meet twice in a year to assess and review the activities of Chandigarh Arbitration Centre (CAC).

PART-II THE SECRETARIAT

6. The Secretariat

- 6.1 There shall be a secretariat to supervise and manage the Chandigarh Arbitration Centre and shall consist of:
 - (a) A member of the Punjab/Haryana Higher Judicial Service to be appointed by the Chief Justice as Coordinator who will be in-charge of the Centre and will act under the supervision of Chairperson and the Arbitration Committee.
 - (b) Two Members of Punjab/Haryana Judicial Service to be appointed by the Chief Justice as Additional Coordinators to assist the Coordinator.
 - (c) Notwithstanding anything contained in Clause (a) and (b), the Chief Justice may appoint a person, who, in the opinion of the Chief Justice, is well qualified and suitable to be appointed as Coordinator or Additional Coordinator.
 - (d) Such staff as may be appointed/deputed by the Chief Justice.

7. Duties and responsibilities of the Coordinator

- 7.1 The Coordinator shall be responsible for the day to day functioning of the Centre.
- 7.2 The Coordinator shall be the Principal Officer of the Chandigarh Arbitration Centre (CAC) and shall be the custodian of all assets, accounts, records, funds at the disposal of the Chandigarh Arbitration Centre (CAC) and other necessary records.
- 7.3 Without prejudice to the generality of the provision (7.1 & 7.2) above, the Coordinator shall undertake the following:

- (a) To decide and pass order regarding request received for arbitration of disputes at Chandigarh Arbitration Centre (CAC).
 - (b) Initiate action in accordance with the Rules of the Centre.
 - (c) Maintain and update from time to time a profile of each arbitrator on the Panel of the Centre, and make it available to the parties, on request.
 - (d) Maintain data of arbitration cases dealt with in the Centre.
 - (e) To organize events or seminars in the field of Law of Arbitration and to promote the use of the Centre for resolution of disputes under the orders of Arbitration Committee.
 - (f) Carry out directions given by the Arbitration Committee from time to time.
- 7.4 All correspondence and communications to the Centre shall be addressed to the Coordinator and all correspondence and communications on behalf of the Centre shall be made by the Coordinator.

PART-III ADVISORY COUNCIL

8. Advisory Council

8.1 There shall be an 'Advisory Council' consisting of:

- (a) A Chief Counsel as the Head of the Advisory Council, who shall be a Senior Advocate with vast experience in the field of Arbitration to render pro bono services to the Centre.
- (b) Two or more General Counsel who shall be advocates with sufficient experience in arbitration to render pro bono services to the Centre.

8.2 The term of office of the members of the Advisory Council shall be, determined by the Chief Justice from time to time and unless decided otherwise, the term of office shall be:

- (a) One year for the Chief Counsel, subject to extension.
- (b) Two years for the General Counsel, subject to extension.

Provided, that Chief Justice shall have the power to terminate the tenure of any of the members of the Advisory Council at his discretion without assigning any reason.

9. Functions of the Advisory Council

9.1 The following shall be the functions of Advisory Council:

- (a) To render assistance by way of legal research, if called upon or requested to by the Arbitral Committee or Arbitral Tribunal.
- (b) To suggest ways and means to promote arbitration.
- (c) To make suggestions for the improvement of the working of Chandigarh Arbitration Centre (CAC).

**PART-IV
PANEL OF ARBITRATORS**

10. Panel of Arbitrators

- 10.1 The Arbitration Committee shall prepare and maintain a Panel of Arbitrators from amongst persons who are suitable and willing to serve as arbitrators. Provided that suitability shall be determined by the Arbitration Committee.
- 10.2 Tenure of an empanelled Arbitral will be three years from the date of empanelment. Provided Arbitrator is not removed earlier by Arbitration Committee.
- 10.3 The Secretariat shall maintain an up-to-date Panel of Arbitrators together with information as to their qualifications and experience.
- 10.4 The parties may choose any person from the Panel to be appointed as an arbitrator in respect of their disputes, subject to the work-load and availability of the Arbitrator.
- 10.5 If the parties so desire, the Chairperson may appoint an Arbitrator for a particular matter whose name is not in the Panel of Chandigarh Arbitration Centre (CAC).

11. Procedure for formation of panel

- 11.1 An application in the form of resume may be submitted for empanelment as an Arbitrator in the office of Coordinator, Chandigarh Arbitration Centre (CAC). In case of retired officers including the officers from the District Judiciary, or any other department, the copies of ACRs for the last 05 years shall be appended with the applications.
- 11.2 An application for empanelment shall be put up by the Coordinator before the Arbitration Committee for scrutiny.
- 11.3 Arbitration Committee shall decide on the empanelment of the applicant as an Arbitrator in Chandigarh Arbitration Centre (CAC) and the decision of the Arbitration Committee shall be final.
- [1] 11.4 The rules above shall not be applicable to the Retired Judges of Hon'ble Supreme Court, this High Court and other High Courts, and their consent or upon receiving an intimation of interest by them for empanelment will be the only pre-requisite with the formal approval of the Arbitration Committee.

12. Conduct of an Arbitrator

An Arbitrator on the panel of Chandigarh Arbitration Centre (CAC) while conducting arbitration proceeding shall keep in view and abide by the guidelines/timelines prescribed under the Act and further ensure that his conduct is in strict adherence to Schedule-V, Schedule-VI and Schedule-VII wherein the grounds enumerated giving rise to justifiable doubt as to the independence and impartiality of the Arbitrator have been specifically provided.

[1] Substituted vide correction slip no. 80 Rules/II.D4 dated 20.07.2019

**PART-V
REQUEST FOR USE OF CAC**

13. Procedure

The Chandigarh Arbitration Centre (CAC) may be used in the following cases:-

- (1) If request in the form of application by one or both parties is made to the Chandigarh Arbitration Centre (CAC), and the said request is allowed. The parties along with the application shall give an undertaking to abide by these Rules and any order applicable to Chandigarh Arbitration Centre (CAC).
- (2) In pursuance to the order passed by any Court referring parties to the Chandigarh Arbitration Centre (CAC).

13 a. Summary Procedure

- (1) Notwithstanding anything contained hereinbefore, the parties may mutually agree, in writing, adopting the summary procedure for resolution of their disputes or differences.
- (2) In adopting the summary procedure the parties shall sign an undertaking (Schedule III) in writing to the effect that they shall dispense with the necessity of oral evidence.

**PART-VI
EMERGENCY ARBITRATION**

14. Emergency Arbitrator

- (1) If a party requires an urgent arbitration, that cannot await formation of the Arbitration Tribunal, it may make an application to the Secretariat addressed to the Coordinator, with a simultaneous copy thereof to the other parties to the arbitration agreement for such measures.
- (2) The party making such an application shall:
 - a) Describe the circumstances and the nature of the urgency and the measures sought;
 - b) Pay the relevant application fee for appointment of the Emergency Arbitrator;
 - c) Submit proof of service of such application upon the opposite parties.
- (3) The party invoking the provision of Emergency Arbitrator shall deposit fees prescribed in the Schedule.
- (4) The Secretariat with the consent of the Chairperson shall appoint the Emergency Arbitrator from Chandigarh Arbitration Centre (CAC) within two days of making of such request (Excluding non-business days).
- (5) The Emergency Arbitrator shall ensure that the entire process from the appointment of the Emergency Arbitrator to making the Order shall be completed within fifteen (15) days (excluding non-business days).

**PART-VII
FEES & EXPENSES**

15. Arbitrators' Fees

15.1 The fees payable by the parties to the Arbitrators on the panel of Chandigarh Arbitration Centre (CAC) for conducting arbitration in Chandigarh Arbitration Centre (CAC) shall be determined, unless otherwise agreed to by the parties, in accordance with the scales specified in Schedules A & B to these rules.

Schedule A – Fee Schedule

Sum in dispute	Model fee
Up to `5,00,000	`45,000
Above `5,00,000 and up to `20,00,000	`45,000 plus 3.5 per cent of the claim amount over and above `5,00,000
Above `20,00,000 and up to `1,00,00,000	`97,500 plus 3 per cent of the claim amount over and above `20,00,000
Above `1,00,00,000 and up to `10,00,00,000	`3,37,500 plus 1 per cent of the claim amount over and above `1,00,00,000
Above `10,00,00,000 and up to `20,00,00,000	`12,37,500 plus 0.75 per cent of the claim amount over and above `1,00,00,000
Above `20,00,00,000	`19,87,500 plus 0.5 per cent of the claim amount over and above `20,00,00,000 with a ceiling of `30,00,000

- Note:-
- Any claim of dispute which is not valued in terms of money, shall attract a minimum fee of `1,00,000/- (Rupees One Lakh only), any fee in excess of the same shall be as agreed upon by the parties.
 - Fee shall be paid by the parties to Arbitrator(s) directly. It shall not be paid through Chandigarh Arbitration Centre (CAC).
 - In cases where the Arbitral Tribunal consists of three or more members, the Coordinator shall, in consultation with the Chairperson, decide the fees payable to each of the Arbitrators.

Schedule B - Arbitrators' fees in Emergency Arbitration

Fee	Additional 15% of the fees payable to the Arbitrator in accordance with the fee structure in Schedule A.
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16. Administrative Expenses

The parties shall deposit Administrative Expenses as indicated below, before using Chandigarh Arbitration Centre (CAC) as venue for Arbitration.

Initial one-time fee

If the value of the claims/disputes does not exceed `50,00,000/- (Rupees Fifty Lakh only)	`10,000/- (Rupees Ten Thousand only)
If the value of the claims/disputes is between `50,00,001/- (Rupees Fifty Lakh and One only) upto `5,00,00,000/- (Rupees Five Crore only)	`20,000/- (Rupees Twenty Thousand only)
If the value of the claims/disputes exceeds `5,00,00,000/- (Rupee Five Crores only)	`30,000/- (Rupees Thirty Thousand only)

Emergency Arbitration	`35,000/- (Rupees Thirty Five Thousand only) irrespective of value of claim
	In addition to the Administrative Expenses as above, the parties shall also pay a sum of `3,000/- (Rupees Three Thousands only) per hearing (irrespective of the duration of the sitting on a given day) for the use of the facilities of the Centre on the day(s) the Arbitral Tribunal holds its sittings. The above expenses shall be shared by all the parties, equally.

- Note:-1. Any claim or dispute which is not valued in terms of money, shall attract a minimum deposit of `20,000/- (Rupees Twenty Thousand only).
2. Lien to the Award -The Centre shall have a lien on the Arbitral Award for any unpaid costs of the Arbitration including adjournment cost, miscellaneous expenses and the fees of the Arbitrator and the Award will not be notified to the parties unless all such costs have been fully paid to the Centre by the parties or by one of them.
 3. The Arbitrator shall ensure that the fees and expenses are deposited by the respective parties before the commencement of the Arbitral proceedings on the date fixed.
 4. Each matter which is connected or identical or has been bunched together shall be treated as a separate matter for the deposit of administrative expenses.
 5. The Chandigarh Arbitration Centre (CAC) will provide secretarial services only for purposes of arbitration. The direction(s), if any, including service of summons, summoning of the record etc. by the Arbitrator for compliance shall be issued only to the respective parties to the arbitration proceedings and to no other person or body.

[1] The Chairperson, at his discretion, may exempt any party from the payment of above expenses.

If one of the parties is exempted, then the other non-exempted party to the dispute shall have to pay the expenses as per its share.

PART-VIII ACCOUNTS & PROCEDURES

17. Accounts and Procedures

- (1) Funds of the Chandigarh Arbitration Centre (CAC) shall comprise of administrative expenses and per sitting charges.
- [2] (2) All the amounts as received by way of administrative expenses and per sitting charges shall be deposited in the Government Treasury under receipt head 0070 through Cash branch of Punjab and Haryana High Court on daily basis.
- (3) The said account shall be operated by the Coordinator as per these Rules.

[1] & [2] Substituted vide correction slip no. 80 Rules/II.D4 dated 20.07.2019.

- (4) The Coordinator may require the parties, before referring the case to the Arbitral Tribunal, to deposit in advance in one or more installments, such sums of money as he deems necessary.
- (5) The deposits (per sitting charges) shall be called for in equal shares from the parties and shall be paid before the commencement of the sitting on the day fixed. The Coordinator may during the course of the arbitration proceedings; require further per sitting charges to be deposited by the Parties or anyone of them regarding use of Chandigarh Arbitration Centre (CAC).
- (6) In default of payment of sitting charges, as and when directed, further services of Chandigarh Arbitration Centre (CAC) shall be discontinued.
- (7) In case of discontinuation of further services of Chandigarh Arbitration Centre (CAC), the sums already paid by way of administrative expenses and sitting charges shall stand forfeited being non-refundable.
- (8) All expenditure necessary for carrying out the various functions of the Chandigarh Arbitration Centre (CAC) including expenses required for meetings shall be incurred out of the funds of the Chandigarh Arbitration Centre (CAC) with the approval of the Coordinator of the Chandigarh Arbitration Centre (CAC).
Provided that for an expense of more than `50,000/-, approval of the Chairperson or his nominee shall be taken.
- (9) Annual accounts of the Chandigarh Arbitration Centre (CAC) shall be placed before the Arbitration Committee after the completion of the financial year.

**PART-IX
REFERRAL TO MEDIATION**

18. Referral to Mediation

- (1) During arbitral proceedings, if Arbitrator deems it proper, in accordance with the Section 30 of the Act, to refer parties to mediation for settlement of dispute then the referral may be sent, signed by both the parties or their authorized representatives, to the office of the Coordinator.
- (2) The Coordinator shall mark the referred dispute to the Mediation Centre of High Court of Punjab and Haryana.
- (3) Once mediation starts, it shall be governed by the Rules applicable to the Mediation Centre of the High Court of Punjab and Haryana.

**PART-X
MISCELLANEOUS**

19. Final award/order

After termination of the arbitral proceedings, a copy of the final award/order shall be submitted to the Chandigarh Arbitration Centre (CAC). The Chandigarh Arbitration Centre (CAC) shall not keep the record of arbitral proceedings. The record of arbitral proceedings shall be kept by Arbitrator.

20. Removal of difficulties:-

If any difficulty arises in giving effect to the provisions of these Rules, the Arbitration Committee may pass order as appears to it to be necessary or expedient for removing the difficulty.

21. Repeal

The Chandigarh Arbitration Centre (CAC) (Internal Management) Rules, 2014, The Chandigarh Arbitration Centre (CAC) (Arbitration Proceedings) Rules, 2014 and The Chandigarh Arbitration Centre (CAC) (Administrative Cost and Arbitrators' Fees) Rules, 2014 are hereby repealed.

1. Chapter 4-E is substituted vide Correction Slip No. 75 Rules/II.D.4 dated 01.06.2018