

AIAC Arbitration Rules 2023: A Summary of Key Changes

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Introduction

The [Asian International Arbitration Centre](#) ("**AIAC**") regularly revises its arbitration rules ("**AIAC Rules**") to keep up-to-date with modern arbitration practice. On 24 August 2023, the [AIAC Arbitration Rules 2023](#) ("**2023 Rules**") came into effect. This easy-to-digest set of Rules promotes certainty, and by extension, provides the end user with confidence when seeking to rely on these Rules. This update highlights four key changes introduced in the 2023 Rules.

Key Changes to AIAC Rules

Commencement of arbitration

Under Rule 2 of the 2023 Rules, an arbitration is taken to have commenced when AIAC receives the complete notice of arbitration and the accompanying documents. This change places AIAC in a central position between parties and removes the potential uncertainty which may arise when the commencement of an arbitration is pegged to service on the respondent.

Summary determinations

The second is in respect of the Tribunal's power to make summary determinations (previously introduced in the AIAC Arbitration Rules 2021 ("**2021 Rules**")). The new Rule 11 maintains this power, but the earlier procedural and time

limitations have been removed altogether. This provides greater flexibility about when such an application may be made, and how the Tribunal may deal with such applications.

Disclosure of third-party funding

Third-party funding was first explicitly made permissible under the 2021 Rules. Originally, Rule 13.5(e) of the 2021 Rules empowered the tribunal to enquire on the existence of any third-party funding arrangements, and direct parties to disclose the same.

Instead, the new Rule 12 requires parties to an arbitration to disclose the existence of any third-party funding and the identity of the funder. This Rule conforms with the international standard and duty of disclosure.

Dynamic role for arbitrators

Finally, the addition of Rule 14 creates a dynamic role for the arbitrator. As the arbitrator is in the best position to weigh the evidence led by both parties to the arbitration, this Rule empowers the arbitrator to "take steps to facilitate the settlement of the dispute" if the parties so agree. Such agreement will constitute a waiver of the right to challenge an arbitrator's impartiality based on the arbitrator's participation and knowledge acquired in taking the agreed steps.

The Rule is drafted widely so as to provide the arbitrator with the freedom and discretion to facilitate the settlement as befits the specific facts of each arbitration.

Concluding Remarks

The AIAC Rules were last revamped a mere two years ago, which we covered in our February 2022 article titled "[What You Need to Know about the AIAC Arbitration Rules 2021](#)". The ongoing updating of the AIAC Rules demonstrates AIAC's commitment to maintaining relevance with commercial practicalities and expectations.

All in all, the 2023 Rules remove the bells and whistles which previously adorned the 2021 Rules, and leave a clear and core set of arbitration rules designed to encourage rather than clutter the arbitration process.

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