INSTITUTE OF ARBITRRATION

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digital tribunal : **www.lisdirect.net**



Traditional court proceedings are cumbersome, complex and painfully slow, often to an unacceptably prolonged extent, making them economically unjustifiable in many cases. Arbitration avoids these lengthy court delays and the associated costs. Lengthy litigation is never cheaper; quite the opposite.

● WHAT IS ARBITRATION?

Arbitration is an expedited dispute resolution procedure governed by law, in which a dispute is decided by professional arbitrators whose decision has the same legal effect as a court judgment. This simplified, expedited procedure is intended to ease the burden on the state courts by providing parties with a faster decision through a single universal procedure, enabling them to pursue non-paying debtors or enforce other rights more quickly.

● EXPEDITED PROCEEDINGS

The main advantage of arbitration is that parties receive an enforceable decision quickly (within 1 to 5 months), thereby avoiding lengthy litigation.

● ONE CENTRAL REGISTRY, *simple and digital*

The Institute is bound by strict neutrality, confidentiality and independence, in compliance with arbitration legislation. It is therefore neither affiliated with nor established under the auspices of any professional association.

● LAWYER / MANDATARY

Anyone who engages a lawyer/mandatary is entitled to a procedural costs allowance. Arbitration primarily saves lawyers valuable time on behalf of their clients or enables them to recover their fees discreetly.

quick / easy / discrete / digital

ONE SENTECE is enough in contracts, invoices, terms & conditions

against non-paying debtors or other conflicts

1 CONTRACTS

Contracts clearly set out the rights and obligations of the parties signing them. They include provisions governing failure to fulfil obligations and limiting liability and risks. It is sensible to establish a step-by-step procedure for disputes, non-payment or breach of contract by either party. This saves everyone a great deal of time and trouble.

Expedited arbitration protects you against delaying tactics by the other party.

2 TERMS and CONDITIONS

Rights and obligations are often set out in general terms and conditions. Well-drafted terms and conditions provide for the shortest possible dispute resolution procedure. Customers must receive and accept those terms and conditions before entering into the contract. Consumers must agree to those terms and conditions in writing. The most commonly used arbitration clause* is set out below*.

> Any dispute shall be governed by the law and the competent courts of the seat of our company only, ***unless one party as first claimant asks the Institute of Arbitration (www.euro-arbitration.org) to designate the Arbitral Court that shall settle the dispute in accordance with the Standard Dispute Rules. This clause replaces all authority clauses contrary to it.***

3 QUOTATIONS AND/OR ORDERS

If a customer places an order by accepting your quotation, you can avoid many subsequent disputes by stating, immediately above the space for the customer's signature, that the quotation is subject to your general terms and conditions printed on the reverse or attached.

- In **e-commerce**, you must be able to demonstrate that the customer accepted your general terms and conditions, whether payment is made online or subsequently.
  Check that your website contains a properly drafted arbitration clause.
- If a customer places an order on the basis of their own **purchasing terms and conditions** or refuses to accept your general terms and conditions, you should exercise caution. It is best to send an order confirmation expressly requesting acceptance of your general terms and conditions before the order can be fulfilled; otherwise, you bear all the risks in the event of a dispute.

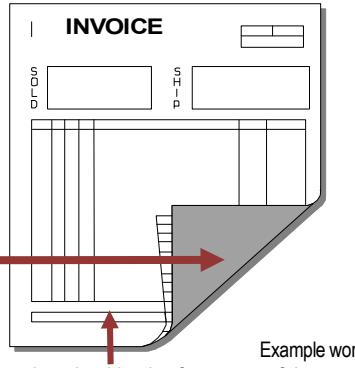
4 DELIVERY NOTES OR JOB SHEETS

On your delivery notes or job sheets, also refer to your general terms and conditions printed on the reverse, attached or available on your website. If the delivery note or job sheet is also signed, this reinforces the previously accepted general terms and conditions.

5 INVOICES

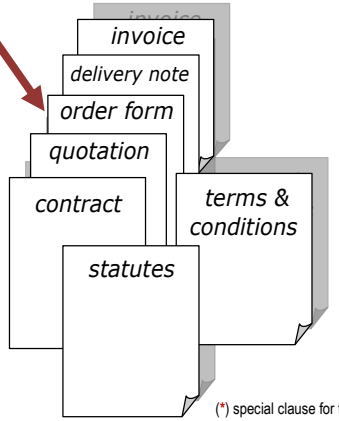
In a **B2B relationship**, the invoice may be the only document binding the parties. Prevent disputes and protect your invoices by including an arbitration provision.

If the arbitration clause cannot appear on the front of the invoice, it is advisable to **state on the front** that the clause forms part of your general terms and conditions printed on the reverse or attached. If no objection is raised, you can then rely on acceptance of your general terms and conditions.



Example wording for the front :

" A settlement though arbitration forms part of the general terms and conditions on the reverse or attached. "



6 Statutes or M&A

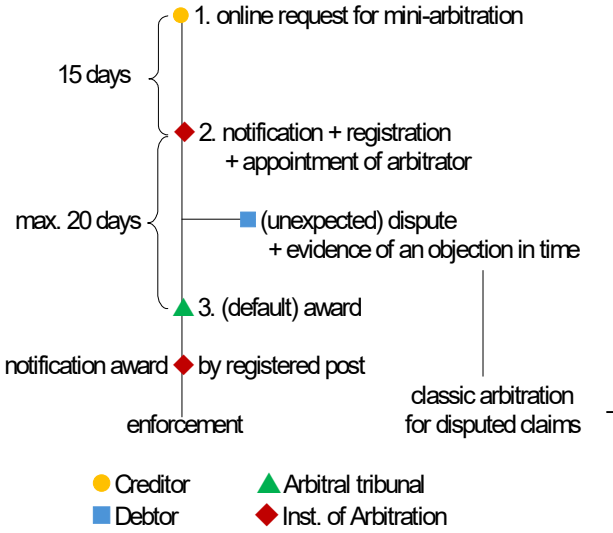
Do you value discretion in business? Then provide for arbitration in your articles of association and in mergers or acquisitions (M&A).
Any dispute involving or between directors, management, shareholders, or arising from a merge or acquisition, can then be resolved outside the public courtroom, away from the media and competitors.
Arbitration offers the best protection against adverse publicity.

(*) special clause for transport CMR art.33 or alternatives available on request

MINI-ARBITRATION – uncontested claim

Debt collection through mini-arbitration, **smarter, faster and cheaper** than issuing a summons. For undisputed monetary claims, you can obtain a (default) award within a maximum of **1 month**, at a fixed fee (excluding VAT) throughout Europe:

- for a claim of up to €15,000 : **€55** per party
- for a claim of €15.000 or more : **€250** per party



● ONE UNIVERSAL PROCEDURE

Different legal systems in each country and local courts with their own priorities and organisational structures lead to a lack of transparency, reduced predictability, inefficiency, higher costs and more travel.

Thanks to the **Standard Dispute Rules** (SDR), arbitration offers a single universal procedure, available in 9 languages, for obtaining an enforceable decision anywhere in the world within an economically reasonable timeframe.

This **standard procedure**, with its **centralised registry** and **remote hearings**, makes access to justice easier for everyone.

- The arbitral tribunal is authorised to sit in any country.
- Each party retains its fundamental right to appeal.

● DIGITALE TRIBUNAL - visit www.lisdirect.net

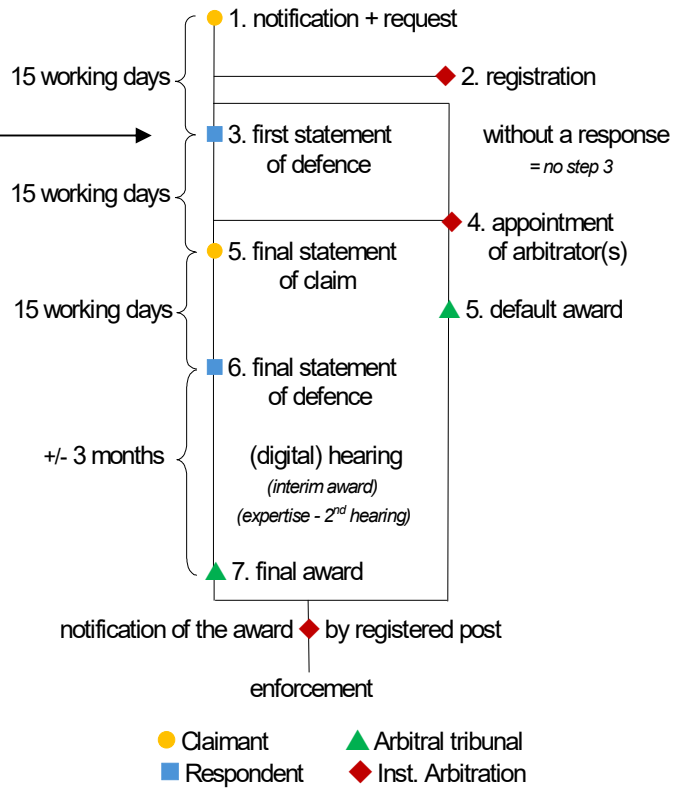
The digital court makes justice simpler, less expensive and more accessible to everyone. You can participate from your office or home, without having to travel. From the commencement of proceedings and the hearing through to the decision.

● FIXED COSTS PER CASE

No costs for issuing a summons, an initial hearing or travel. All costs are charged per case according to a fixed fee schedule, not by the hour. Arbitrators therefore have no financial incentive to work slowly.

CLASSIC ARBITRATION – any dispute

Having disputed cases resolved more quickly by professional arbitrators saves everyone valuable time and reduces the many incidental costs associated with lengthy litigation. Parties obtain an award after an average of **5 months**, even in complex cases, enabling them to refocus on their core business sooner.



● CLAIMS / DISPUTES, *large or small*

Large companies primarily seek **confidentiality** and **speed** in arbitration, whereas **SMEs and start-ups**, as well as **private individuals**, who are more vulnerable, tend to choose arbitration for **economic** reasons.

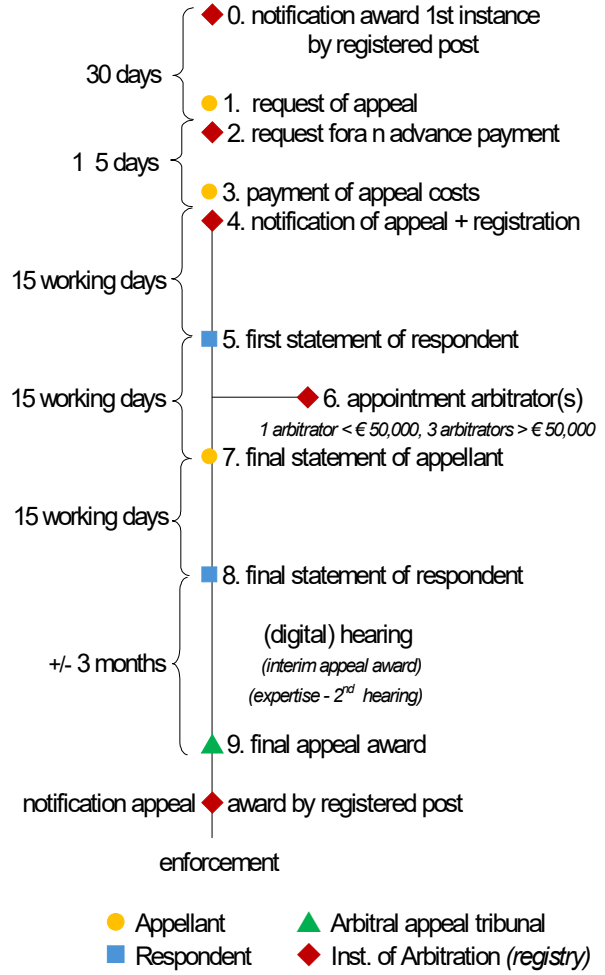
● CONFIDENTIALITY - ENFORCEABLE RESOLUTION

The Institute of Arbitration does not provide advice, only solutions, drawing on more than a quarter of a century of experience. This confidential procedure fosters more constructive discussions and greater respect between the parties.

An arbitral award places the procedural costs allowance and all arbitration and enforcement costs on the losing party.

APPEAL – a fundamental right

The Standard Dispute Rules guarantee the fundamental right to an arbitral appeal. This procedure, too, is relatively swift (taking an average of **6 months**). This means that parties are not unnecessarily faced with annulment proceedings, and there is little advantage in allowing a default award to be made against them at first instance.



● WORLDWIDE *(domestic, international or offshore)*

Arbitration replaces the state courts of one party to ensure greater neutrality. Unlike public courts, arbitrators are entitled to sit in any country and are multilingual, thereby avoiding unnecessary translation costs.