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TEHRAN REGIONAL  
ARBITRATION CENTRE

Established under the Auspices of the  
Asian-African Legal Consultative Organization

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ARBITRATION RULES OF  
THE TEHRAN REGIONAL  
ARBITRATION CENTRE

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IN FORCE AS OF 1 MARCH 2018



## Model Arbitration Clause

Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Tehran Regional Arbitration Centre ("TRAC") in accordance with the Arbitration Rules of the Tehran Regional Arbitration Centre ("TRAC Rules") for the time being in force, which rules are deemed to be incorporated by reference in this clause.

### *Recommended additions:*

The arbitral tribunal shall be composed of three arbitrators / a sole arbitrator.

The place of arbitration shall be [...].

The language of the arbitration shall be [...]. This contract shall be governed by the substantive law of [...].

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# ARBITRATION RULES OF THE TEHRAN REGIONAL ARBITRATION CENTRE

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ADOPTED BY THE ASIAN-AFRICAN LEGAL  
CONSULTATIVE ORGANIZATION (AALCO) AND  
IN FORCE AS OF 1 MARCH 2018\*

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## Section I: Introductory rules

### Article 1: Scope of application

1. Where parties have agreed that disputes between them in respect of a defined legal relationship, whether contractual or not, shall be referred to arbitration under the Rules of Arbitration (the “Rules”) of the Tehran Regional Arbitration Centre (the “Centre”), then such disputes shall be settled in accordance with these Rules subject to such modification as the parties may agree.
2. The parties to an arbitration agreement shall be presumed to have referred to the Rules in effect on the date of commencement of the arbitration, unless the parties have agreed to apply a particular version of the Rules.

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\*The English text prevails over other language versions.

3. These Rules shall govern the arbitration except that where any of these Rules is in conflict with a provision of the law applicable to the arbitration from which the parties cannot derogate, that provision shall prevail.

## **Article 2: Notice and calculation of periods of time**

1. A notice, including a notification, communication or proposal, may be transmitted by any means of communication that provides or allows for a record of its transmission.
2. If an address has been designated by a party specifically for this purpose or authorized by the Arbitral tribunal, any notice shall be delivered to that party at that address, and if so delivered shall be deemed to have been received. Delivery by electronic means such as facsimile or e-mail may only be made to an address so designated or authorized.
3. In the absence of such designation or authorization, a notice is:
  - a) Received if it is physically delivered to the addressee; or
  - b) Deemed to have been received if it is delivered at the place of business, habitual residence or mailing address of the addressee.
4. If, after reasonable efforts, delivery cannot be effected in accordance with paragraphs 2 or 3, a notice is deemed to have been received if it is sent to the addressee's last-known place of business, habitual residence or mailing address by registered letter or any other means that provides a record of delivery or of attempted delivery.
5. A notice shall be deemed to have been received on the day it is delivered in accordance with paragraphs 2, 3 or 4, or attempted to be delivered in accordance with paragraph 4. A notice transmitted by electronic means is deemed to have been received on the day it is sent, except that a notice of arbitration so transmitted is only deemed to have been received on the day when it reaches the addressee's electronic address.

6. For the purpose of calculating a period of time under these Rules, such period shall begin to run on the day following the day when a notice is received. If the last day of such period is an official holiday or a non-business day at the residence or place of business of the addressee, the period is extended until the first business day which follows. Official holidays or non-business days occurring during the running of the period of time are included in calculating the period.

### **Article 3: Notice of arbitration**

1. The party or parties initiating recourse to arbitration (hereinafter called the “claimant”) shall file with the Centre a notice of arbitration and the Centre shall communicate it to the other party or parties (hereinafter called the “respondent”).
2. Arbitral proceedings shall be deemed to commence on the date on which the notice of arbitration is received by the Centre.
3. The notice of arbitration shall be submitted in as many copies as there are other parties, together with an additional copy for each arbitrator and one copy for the Centre, and shall include the following:
  - a) A demand that a dispute be referred to arbitration;
  - b) The names and contact details of the parties;
  - c) Identification of the arbitration agreement that is invoked;
  - d) Identification of any contract or other legal instrument out of or in relation to which the dispute arises or, in the absence of such contract or instrument, a brief description of the relevant relationship;
  - e) A brief description of the claim and an indication of the amount involved, if any;
  - f) The relief or remedy sought;
  - g) A proposal as to the number of arbitrators, language and place of arbitration, if the parties have not previously agreed thereon; and
  - h) Proof of payment of the registration fee.

4. The notice of arbitration may also include:
  - a) A proposal for the appointment of a sole arbitrator referred to in article 9;
  - b) Notification of the appointment of an arbitrator referred to in article 10 or 11 and a copy of the letter whereby he or she accepts to act as arbitrator.
  
5. In case the claimant fails to comply with any of the requirements under paragraph 3 of this article, the Centre will request the claimant to remedy the defects within an appropriate period of time fixed by it. The Centre may also request within such time limit a translation of the notice of arbitration if it is not submitted in English or Farsi. If the claimant complies with such directions within the time limit, the notice of arbitration shall be deemed to have been validly filed on the date when the notice of arbitration was received by the Centre.

#### **Article 4: Response to the notice of arbitration**

1. Within 30 days of the receipt of the notice of arbitration, the respondent shall file with the Centre for communication to the other party or parties a response to the notice of arbitration, which shall include:
  - a) The name and contact details of each respondent; and
  - b) A response to the information set forth in the notice of arbitration, pursuant to article 3, paragraphs 3 (c) to (g).
  
2. The response to the notice of arbitration may also include:
  - a) Any plea that an arbitral tribunal to be constituted under these Rules lacks jurisdiction;
  - b) A proposal for the appointment of a sole arbitrator referred to in article 9;
  - c) Notification of the appointment of an arbitrator referred to in article 10 or 11 and a copy of the letter whereby he or she accepts to act as arbitrator;
  - d) A brief description of counterclaims or claims for the purpose of a set-off, if any, including where relevant, an indication of the amounts involved, and the relief or remedy sought;
  - e) A notice of arbitration in accordance with article 3 in case the respondent formulates a claim against a party to the arbitration agreement other than the claimant.

3. In case the respondent fails to comply with any of the requirements under paragraph 1 of this article, the Centre will request the respondent to remedy the defects within an appropriate period of time fixed by it.
4. The constitution of the arbitral tribunal shall not be hindered by any controversy with respect to the respondent's failure to communicate a response to the notice of arbitration, or an incomplete or late response to the notice of arbitration, which shall be finally resolved by the arbitral tribunal.

#### **Article 5: Expedited procedure**

1. Prior to the constitution of the arbitral tribunal, a party may file an application with the Centre for the arbitral proceedings to be conducted in accordance with the expedited procedure under these Rules, provided that any of the following criteria is satisfied:
  - a) The amount in dispute does not exceed the equivalent amount of EUR 1,000,000, including claim, counterclaim and claim for the purpose of set-off;
  - b) The parties so agree; or
  - c) In cases of exceptional urgency.

The party requesting the arbitral proceedings to be conducted in accordance with the expedited procedure under these Rules shall, at the same time as it files an application for the proceedings to be conducted in accordance with the expedited procedure with the Centre, send a copy of the application to the other party or parties and shall inform the Centre that it has done so, specifying the mode of service employed and the date of service.

2. Where a party has filed an application with the Centre under paragraph 1 of this article, and where the Centre determines, after considering the views of the parties, and having regard to the circumstances of the case, that the arbitral proceedings shall be conducted in accordance with the expedited procedure, the following procedure shall apply:

- a) The Centre may abbreviate any time limits under these Rules;
  - b) The case shall be referred to a sole arbitrator, unless the Centre determines otherwise;
  - c) The Arbitral tribunal may, in consultation with the parties, decide if the dispute is to be decided on the basis of documentary evidence only, or if a hearing is required for the examination of any witness and expert witness as well as for any oral argument;
  - d) The final award shall be made within six months from the date when the arbitral tribunal is constituted unless, in exceptional circumstances, the Centre extends the time for making such final award; and
  - e) The arbitral tribunal may state the reasons upon which the final award is based in summary form, unless the parties have agreed that no reasons are to be given.
3. By agreeing to arbitration under these Rules, the parties agree that, where arbitral proceedings are conducted in accordance with the expedited procedure under this article, the rules and procedures set forth under paragraph 2 of this article shall apply even in cases where the arbitration agreement contains contrary terms.
4. Upon application by a party, and after giving the parties the opportunity to be heard, the arbitral tribunal may, having regard to any further information as may subsequently become available, and in consultation with the Centre, order that the arbitral proceedings shall no longer be conducted in accordance with the expedited procedure. Where the arbitral tribunal decides to grant an application under paragraph 4 of this article, the arbitration shall continue to be conducted by the same arbitral tribunal that was constituted to conduct the arbitration in accordance with the expedited procedure, unless the Centre determines otherwise.

## **Article 6: Representation and assistance**

Each party may be represented or assisted by one or more persons chosen by it. The names and addresses of such person or persons must be communicated to the Centre. Such communication must specify whether the appointment is being made for purposes of representation or assistance. Where a person is to act as a representative of a party, the arbitral tribunal, on its own initiative or at the request of any

party, may at any time require proof of authority granted to the representative in such a form as the arbitral tribunal may determine.

### **Article 7: Decision not to proceed with the arbitral proceedings**

The Centre may decide not to proceed with the arbitral proceedings if it manifestly lacks jurisdiction over the dispute.

## **Section II: Composition of the arbitral tribunal**

### **Article 8: Number of arbitrators**

If the parties have not previously agreed on the number of arbitrators, and if, within 30 days after the receipt by the respondent of the notice of arbitration, the parties have not agreed that there shall be only one arbitrator, or the Centre has not determined that the nature of the dispute requires the appointment of a sole arbitrator, three arbitrators shall be appointed.

### **Article 9: Appointment of arbitrators (articles 9 to 11)**

Unless otherwise agreed by the parties, in an arbitration with a sole arbitrator, the parties shall appoint the sole arbitrator by mutual consent, within thirty (30) days from the receipt of the notice of arbitration by the respondent or from the date on which the parties have agreed or the Centre has determined that a sole arbitrator shall be appointed. If the parties fail to agree, the sole arbitrator shall be appointed by the Centre.

### **Article 10**

Unless otherwise agreed by the parties, in an arbitration with three arbitrators, the claimant and the respondent shall each appoint one arbitrator and the two arbitrators thus appointed shall appoint the president.

If the respondent fails to appoint an arbitrator and secure his acceptance within thirty (30) days from receipt of the notice of arbitration, or if, in the absence of a previous agreement on the number of arbitrators, the parties do not agree within 30 days from the receipt of the notice of arbitration by the respondent that there shall be only one arbitrator, and a party fails to appoint an arbitrator and secure his

acceptance within thirty (30) days from that date, or if the appointed arbitrators fail to agree on the appointment of the president and secure his acceptance within thirty (30) days after their date of appointment, the arbitrator of the defaulting party or the president, as the case may be, shall be appointed by the Centre.

## Article 11

1. For the purposes of article 10, where three arbitrators are to be appointed and there are multiple parties as claimant or as respondent, unless the parties have agreed to another method of appointment of arbitrators, the multiple parties jointly, whether as claimant or as respondent, shall appoint an arbitrator.
2. If the parties have agreed that the arbitral tribunal is to be composed of a number of arbitrators other than one or three, the arbitrators shall be appointed according to the method agreed upon by the parties.
3. In the event of any failure to constitute the arbitral tribunal under these Rules, the Centre shall, at the request of any party, constitute the arbitral tribunal and, in doing so, may revoke any appointment already made and appoint or reappoint each of the arbitrators and designate one of them as the presiding arbitrator.
4. When appointing arbitrators pursuant to articles 9, 10, 11 or 15, the Centre shall have regard to such considerations as are likely to secure the appointment of an independent and impartial arbitrator and shall take into account the advisability of appointing an arbitrator of a nationality other than the nationalities of the parties.

## Article 12: Disclosures by and challenge of arbitrators (articles 12 to 14)

When a person is approached in connection with his or her possible appointment as an arbitrator, he or she shall disclose any circumstances likely to give rise to justifiable doubts as to his or her impartiality or independence. An arbitrator, from the time of his or her appointment and throughout the arbitral proceedings, shall without delay disclose any such circumstances to the Centre, the parties and the other arbitrators unless they have already been informed by him or her of these circumstances.

### Article 13

1. Any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence.
2. A party may challenge the arbitrator appointed by it only for reasons of which it becomes aware after the appointment has been made.
3. In the event that an arbitrator fails to act or in the event of the *de jure* or *de facto* impossibility of his or her performing his or her functions, the procedure in respect of the challenge of an arbitrator as provided in article 14 shall apply.

### Article 14

1. A party that intends to challenge an arbitrator shall send notice of its challenge to the Centre within 15 days after it has been notified of the appointment of the challenged arbitrator, or within 15 days after the circumstances mentioned in articles 12 and 13 became known to that party.
2. A copy of the notice of challenge shall be communicated to all other parties, to the arbitrator who is challenged and to the other arbitrators. The notice of challenge shall state the reasons for the challenge.

3. The party making the challenge shall pay the requisite challenge fee under these Rules in accordance with appendix II. If the party making the challenge fails to pay the challenge fee within the time limit set by the Centre, the challenge shall be considered as withdrawn.
4. When an arbitrator has been challenged by a party, all parties may agree to the challenge. The arbitrator may also, after the challenge, withdraw from his or her office. In neither case does this imply acceptance of the validity of the grounds for the challenge.
5. If, within 15 days from the date of the notice of challenge, all parties do not agree to the challenge or the challenged arbitrator does not withdraw, the party making the challenge may, within 30 days from the date of the notice of challenge, seek a decision on the challenge by the Centre. In that case, the decision on the challenge shall be made by the Centre.

#### **Article 15: Replacement of an arbitrator**

1. Subject to paragraph 2, in any event where an arbitrator has to be replaced during the course of the arbitral proceedings, a substitute arbitrator shall be appointed or chosen pursuant to the procedure provided for in articles 9 to 12 that was applicable to the appointment or choice of the arbitrator being replaced. This procedure shall apply even if during the process of appointing the arbitrator to be replaced, a party had failed to exercise its right to appoint or to participate in the appointment.
2. If, at the request of a party, the Centre determines that, in view of the exceptional circumstances of the case, it would be justified for a party to be deprived of its right to appoint a substitute arbitrator, the Centre may, after giving an opportunity to the parties and the remaining arbitrators to express their views: (a) appoint the substitute arbitrator; or (b) after the closure of the hearings, authorize the other arbitrators to proceed with the arbitration and make any decision or award.

## **Article 16: Repetition of hearings in the event of the replacement of an arbitrator**

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

## **Article 17: Exclusion of liability**

Save for intentional wrongdoing, the parties waive, to the fullest extent permitted under the applicable law, any claim against the Centre, the arbitrators and any person appointed by the arbitral tribunal based on any act or omission in connection with the arbitration.

## **Section III: Arbitral Proceedings**

### **Article 18: General provisions**

1. Subject to these Rules, the arbitral tribunal may conduct the arbitration in such manner as it considers appropriate, provided that the parties are treated with equality and that at an appropriate stage of the proceedings each party is given a reasonable opportunity of presenting its case. The arbitral tribunal, in exercising its discretion, shall conduct the proceedings so as to avoid unnecessary delay and expense and to provide a fair and efficient process for resolving the parties' dispute.
2. As soon as practicable after its constitution and after inviting the parties to express their views, the arbitral tribunal shall establish the provisional timetable of the arbitration. The arbitral tribunal may, at any time, after inviting the parties to express their views, extend or abridge any period of time prescribed under these Rules or agreed by the parties.
3. If at an appropriate stage of the proceedings any party so requests, the arbitral tribunal shall hold hearings for the presentation of evidence by witnesses, including expert witnesses, or for oral argument. In the absence of such a request, the arbitral tribunal shall decide whether to hold such hearings or whether the proceedings shall be conducted on the basis of documents and other materials.

4. All communications to the arbitral tribunal by one party shall be communicated by that party to all other parties and to the Centre. Such communications shall be made at the same time, except as otherwise permitted by the arbitral tribunal if it may do so under applicable law.
5. The arbitral tribunal may, at the request of any party, allow one or more third persons to be joined in the arbitration as a party provided such person is a party to the arbitration agreement, unless the arbitral tribunal finds, after giving all parties, including the person or persons to be joined, the opportunity to be heard, that joinder should not be permitted because of prejudice to any of those parties. The arbitral tribunal may make a single award or several awards in respect of all parties so involved in the arbitration.

#### **Article 19: Place of arbitration**

1. If the parties have not previously agreed on the place of arbitration, the place of arbitration shall be Tehran. The award shall be deemed to have been made at the place of arbitration.
2. The arbitral tribunal may meet at any location it considers appropriate for deliberations. Unless otherwise agreed by the parties, the arbitral tribunal may also meet at any location it considers appropriate for any other purpose, including hearings.

#### **Article 20: Language**

1. Subject to an agreement by the parties, the arbitral tribunal shall, promptly after its appointment, determine the language or languages to be used in the proceedings. This determination shall apply to the statement of claim, the statement of defence, and any further written statements and, if oral hearings take place, to the language or languages to be used in such hearings.
2. The arbitral tribunal may order that any documents annexed to the statement of claim or statement of defence, and any supplementary documents or exhibits submitted in the course of the proceedings, delivered in their original language, shall be accompanied by a translation into the language or languages agreed upon by the parties or determined by the arbitral tribunal.

## Article 21: Statement of claim

1. The claimant shall communicate its statement of claim in writing to the respondent, to each of the arbitrators and to the Centre within a period of time to be determined by the arbitral tribunal. The claimant may elect to treat its notice of arbitration referred to in article 3 as a statement of claim, provided that the notice of arbitration also complies with the requirements of paragraphs 2 to 4 of this article.
2. The statement of claim shall include the following particulars:
  - a) The names and contact details of the parties;
  - b) A statement of the facts supporting the claim;
  - c) The points at issue;
  - d) The relief or remedy sought; and
  - e) The legal grounds or arguments supporting the claim.
3. A copy of any contract or other legal instrument out of or in relation to which the dispute arises and of the arbitration agreement shall be annexed to the statement of claim.
4. The statement of claim should, as far as possible, be accompanied by all documents and other evidence relied upon by the claimant, or contain references to them.

## Article 22: Statement of defence

1. The respondent shall communicate its statement of defence in writing within a period of time to be determined by the arbitral tribunal. The respondent may elect to treat its response to the notice of arbitration referred to in article 4 as a statement of defence, provided that the response to the notice of arbitration also complies with the requirements of paragraph 2 of this article.
2. The statement of defence shall reply to the particulars (b) to (e) of the statement of claim (art. 21, para. 2). The statement of defence should, as far as possible, be accompanied by all documents and other evidence relied upon by the respondent, or contain references to them.

3. In its statement of defence, or at a later stage in the arbitral proceedings if the arbitral tribunal decides that the delay was justified under the circumstances, the respondent may make a counterclaim or rely on a claim for the purpose of a set-off provided that the arbitral tribunal has jurisdiction over it.
4. The provisions of article 21, paragraphs 2 to 4, shall apply to a counterclaim, a claim under article 4, paragraph 2 (e), and a claim relied on for the purpose of a set-off.

### **Article 23: Amendments to the claim or defence**

During the course of the arbitral proceedings, a party may amend or supplement its claim or defence, including a counterclaim or a claim for the purpose of a set-off, unless the arbitral tribunal considers it inappropriate to allow such amendment or supplement having regard to the delay in making it or prejudice to other parties or any other circumstances. However, a claim or defence, including a counterclaim or a claim for the purpose of a set-off, may not be amended or supplemented in such a manner that the amended or supplemented claim or defence falls outside the jurisdiction of the arbitral tribunal.

### **Article 24: Pleas as to the jurisdiction of the arbitral tribunal**

1. The arbitral tribunal shall have the power to rule on its own jurisdiction, including any objections with respect to the existence or validity of the arbitration agreement. For that purpose, an arbitration clause that forms part of a contract shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitral tribunal that the contract is null shall not entail automatically the invalidity of the arbitration clause.
2. A plea that the arbitral tribunal does not have jurisdiction shall be raised no later than in the statement of defence or, with respect to a counterclaim or a claim for the purpose of a set-off, in the reply to the counterclaim or to the claim for the purpose of a set-off. A party is not precluded from raising such a plea by the fact that it has appointed, or participated in the appointment of, an arbitrator. A plea that the arbitral tribunal is exceeding

the scope of its authority shall be raised as soon as the matter alleged to be beyond the scope of its authority is raised during the arbitral proceedings. The arbitral tribunal may, in either case, admit a later plea if it considers the delay justified.

3. The arbitral tribunal may rule on a plea referred to in paragraph 2 either as a preliminary question or in an award on the merits. The arbitral tribunal may continue the arbitral proceedings and make an award, notwithstanding any pending challenge to its jurisdiction before a court.

### **Article 25: Further written statements**

The arbitral tribunal shall decide which further written statements, in addition to the statement of claim and the statement of defence, shall be required from the parties or may be presented by them and shall fix the periods of time for communicating such statements.

### **Article 26: Periods of time**

The periods of time fixed by the arbitral tribunal for the communication of written statements (including the statement of claim and statement of defence) should not exceed 45 days. However, the arbitral tribunal may extend the time limits if it concludes that an extension is justified.

### **Article 27: Interim and emergency interim measures**

1. The arbitral tribunal may, at the request of any party, issue an order or an award granting an injunction or any other interim measure it deems appropriate. The arbitral tribunal may order the party requesting interim measure to provide appropriate security in connection with the measure sought.
2. A party that wishes to seek emergency interim measure prior to the constitution of the arbitral tribunal may apply for such measure pursuant to the procedures set forth in appendix I.
3. A request for interim measures addressed by any party to a judicial authority shall not be deemed incompatible with the agreement to arbitrate, or as a waiver of that agreement.

## Article 28: Evidence

1. Each party shall have the burden of proving the facts relied on to support its claim or defence.
2. Witnesses, including expert witnesses, who are presented by the parties to testify to the arbitral tribunal on any issue of fact or expertise may be any individual, notwithstanding that the individual is a party to the arbitration or in any way related to a party. Unless otherwise directed by the arbitral tribunal, statements by witnesses, including expert witnesses, may be presented in writing and signed by them.
3. At any time during the arbitral proceedings the arbitral tribunal may require the parties to produce documents, exhibits or other evidence within such a period of time as the arbitral tribunal shall determine.
4. The arbitral tribunal shall determine the admissibility, relevance, materiality and weight of the evidence offered.

## Article 29: Hearings

1. In the event of an oral hearing, the arbitral tribunal shall give the parties adequate advance notice of the date, time and place thereof.
2. Witnesses, including expert witnesses, may be heard under the conditions and examined in the manner set by the arbitral tribunal.
3. Hearings shall be held in camera unless the parties agree otherwise. The arbitral tribunal may require the retirement of any witness or witnesses, including expert witnesses, during the testimony of such other witnesses, except that a witness, including an expert witness, who is a party to the arbitration shall not, in principle, be asked to retire.
4. The arbitral tribunal may direct that witnesses, including expert witnesses, be examined through means of telecommunication that do not require their physical presence at the hearing (such as videoconference).

## Article 30: Experts appointed by the arbitral tribunal

1. After consultation with the parties, the arbitral tribunal may appoint one or more independent experts to report to it, in writing, on specific issues to be determined by the arbitral tribunal. A copy of the expert's terms of reference, established by the arbitral tribunal, shall be communicated to the parties and to the Centre.
2. The expert shall, in principle before accepting appointment, submit to the arbitral tribunal and to the parties a description of his or her qualifications and a statement of his or her impartiality and independence. Within the time ordered by the arbitral tribunal, the parties shall inform the arbitral tribunal whether they have any objections as to the expert's qualifications, impartiality or independence. The arbitral tribunal shall decide promptly whether to accept any such objections. After an expert's appointment, a party may object to the expert's qualifications, impartiality or independence only if the objection is for reasons of which the party becomes aware after the appointment has been made. The arbitral tribunal shall decide promptly what, if any, action to take.
3. The parties shall give the expert any relevant information or produce for his or her inspection any relevant documents or goods that he or she may require of them. Any dispute between a party and such expert as to the relevance of the required information or production shall be referred to the arbitral tribunal for decision.
4. Upon receipt of the expert's report, the arbitral tribunal shall communicate a copy of the report to the parties, which shall be given the opportunity to express, in writing, their opinion on the report. A party shall be entitled to examine any document on which the expert has relied in his or her report.
5. At the request of any party, the expert, after delivery of the report, may be heard at a hearing where the parties shall have the opportunity to be present and to interrogate the expert. At this hearing, any party may present expert witnesses in order to testify on the points at issue. The provisions of article 29 shall be applicable to such proceedings.

## Article 31: Default

1. If, within the period of time fixed by these Rules or the arbitral tribunal, without showing sufficient cause:
  - a) The claimant has failed to communicate its statement of claim, the arbitral tribunal shall issue an order for the termination of the arbitral proceedings, unless there are remaining matters that may need to be decided and the arbitral tribunal considers it appropriate to do so;
  - b) The respondent has failed to communicate its response to the notice of arbitration or its statement of defence, the arbitral tribunal shall order that the proceedings continue, without treating such failure in itself as an admission of the claimant's allegations; the provisions of this subparagraph also apply to a claimant's failure to submit a defence to a counterclaim or to a claim for the purpose of a set-off.
2. If a party, 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.
3. If a party, duly invited by the arbitral tribunal to produce documents, exhibits or other evidence, 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.

## Article 32: Closure of hearings

1. The arbitral tribunal may inquire of the parties if they have any further proof to offer or witnesses to be heard or submissions to make and, if there are none, it may declare the hearings closed.
2. The arbitral tribunal may, if it considers it necessary owing to exceptional circumstances, decide, on its own initiative or upon application of a party, to reopen the hearings at any time before the award is made.

## Article 33: Waiver of right to object

A failure by any party to object promptly to any non-compliance with these Rules or with any requirement of the arbitration agreement shall be deemed to be a waiver of the right of such party to make such an objection, unless such party can show that, under the circumstances, its failure to object was justified.

## Section IV: The award

### Article 34: Decisions

1. When there is more than one arbitrator, any award or other decision of the arbitral tribunal shall be made by a majority of the arbitrators.
2. In the case of questions of procedure, when there is no majority or when the arbitral tribunal so authorizes, the presiding arbitrator may decide alone, subject to revision, if any, by the arbitral tribunal.

### Article 35: Form and effect of the award

1. The arbitral tribunal may make separate awards on different issues at different times.
2. All awards shall be made in writing and shall be final and binding on the parties. The parties shall carry out all awards without delay.
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.
4. Before signing the award, the arbitral tribunal shall submit the draft award to the Centre for review as to the form and for consultation on the decision as to the assessment of the costs. The Centre may, where necessary, lay down modifications as to the form of the award and, without affecting the arbitral tribunal's liberty of decision, may also draw its attention to points of substance.

5. An award shall be signed by the arbitrators and it shall contain the date on which the award was made and indicate the place of arbitration. Where there is more than one arbitrator and any of them fails to sign, the award shall state the reason for the absence of the signature.
6. An award may be made public with the consent of all parties or where and to the extent disclosure is required of a party by legal duty, to protect or pursue a legal right or in relation to legal proceedings before a court or other competent authority.
7. Originals of the award signed by the arbitrators shall be communicated to the parties by the Centre provided that the costs of the arbitration have been fully paid to the Centre by the parties or by one of them.

#### **Article 36: Applicable law, *amiable compositeur***

1. The arbitral tribunal shall apply the rules of law designated by the parties as applicable to the substance of the dispute. Failing such designation by the parties, the arbitral tribunal shall apply the law which it determines to be appropriate.
2. The arbitral tribunal shall decide as *amiable compositeur* or *ex aequo et bono* only if the parties have expressly authorized the arbitral tribunal to do so.
3. In all cases, the arbitral tribunal shall decide in accordance with the terms of the contract, if any, and shall take into account any usage of trade applicable to the transaction.

#### **Article 37: Settlement or other grounds for termination**

1. If, before the award is made, the parties agree on a settlement of the dispute, the arbitral tribunal shall either issue an order for the termination of the arbitral proceedings or, if requested by the parties and accepted by the arbitral tribunal, record the settlement in the form of an arbitral award on agreed terms. The arbitral tribunal is not obliged to give reasons for such an award.

2. If, before the award is made, the continuation of the arbitral proceedings becomes unnecessary or impossible for any reason not mentioned in paragraph 1, the arbitral tribunal shall inform the Centre and the parties of its intention to issue an order for the termination of the proceedings. The arbitral tribunal shall have the power to issue such an order unless there are remaining matters that may need to be decided and the arbitral tribunal considers it appropriate to do so.
3. Originals of the order for termination of the arbitral proceedings or of the arbitral award on agreed terms, signed by the arbitrators, shall be communicated to the parties. Where an arbitral award on agreed terms is made, the provisions of article 35, paragraphs 2, 4, 5 and 6, shall apply.

#### **Article 38: Interpretation of the award**

1. Within 30 days after the receipt of the award, a party, with notice to the Centre and the other parties, may request that the arbitral tribunal give an interpretation of the award. The arbitral tribunal may invite the other parties to comment on the request within 15 days.
2. If the arbitral tribunal considers the request justified, it shall give the interpretation in writing within 45 days after the expiry of the date of commenting on the request. The interpretation shall form part of the award and the provisions of article 35, paragraphs 2 to 7, shall apply.

#### **Article 39: Correction of the award**

1. Within 30 days after the receipt of the award, a party, with notice to the Centre and the other parties, may request the arbitral tribunal to correct in the award any error in computation, any clerical or typographical error, or any error or omission of a similar nature. If the arbitral tribunal considers that the request is justified, it shall make the correction within 45 days of receipt of the request.
2. The arbitral tribunal may within 30 days after the communication of the award make such corrections on its own initiative.

3. Such corrections shall be in writing and shall form part of the award. The provisions of article 35, paragraphs 2 to 7, shall apply.

#### **Article 40: Additional award**

1. Within 30 days after the receipt of the termination order or the award, a party, with notice to the Centre and the other parties, may request the arbitral tribunal to make an award or an additional award as to claims presented in the arbitral proceedings but not decided by the arbitral tribunal. The arbitral tribunal may invite the other parties to comment on the request within 15 days.
2. If the arbitral tribunal considers the request for an award or additional award to be justified, it shall render or complete its award within 60 days after the expiry of the date of commenting on the request. The arbitral tribunal may extend, if necessary, the period of time within which it shall make the award.
3. When such an award or additional award is made, the provisions of article 35, paragraphs 2 to 7, shall apply.

#### **Article 41: Confidentiality**

The arbitration conducted under these Rules is confidential. The parties, including counsel and experts appointed by them, the arbitrators, the arbitral tribunal's appointed experts and secretaries, as well as the Centre, undertake not to disclose to third parties any documents, facts or other information relating to the dispute or the arbitration proceedings.

### **Section V: The costs**

#### **Article 42: Costs of arbitration**

1. The costs of the arbitration shall include the arbitral tribunal's fees and the administration fees fixed by the Centre in accordance with appendix II of these Rules, the expenses, if any, of the Centre and the arbitrators, the fees and expenses of any experts, and the reasonable legal costs incurred by the parties.

2. The parties may agree to alternative methods of determining the arbitral tribunal's fees prior to the constitution of the arbitral tribunal.

#### **Article 43: Decision as to costs of arbitration**

1. Before making the final award, the arbitral tribunal shall request the Centre to finally determine the costs of the arbitration. The costs of the arbitration shall in principle be borne by the unsuccessful party or parties. However, the arbitral tribunal may apportion each of such costs between the parties if it determines that apportionment is reasonable, taking into account the circumstances of the case.
2. When the arbitral tribunal issues an order for the termination of the arbitration proceedings or makes an award on agreed terms, it shall request the Centre to finally determine the costs of the arbitration having regard to when the arbitration terminates, the work performed by the arbitral tribunal and other relevant circumstances.
3. The Centre may fix the arbitral tribunal's fees at a figure higher or lower than that which would result from the application of appendix II of these Rules, if it may be justified by the exceptional circumstances of the case.
4. No additional fees may be charged by the Centre or the arbitral tribunal for interpretation or correction or completion of its award under articles 38 to 40 of these Rules.

#### **Article 44: Deposit of costs**

1. The Centre may request each party to deposit an equal amount as an advance for the costs of arbitration referred to in article 42, prior to constitution of the arbitral tribunal. The Centre may fix separate deposits on costs for claims and counterclaims, respectively.
2. Where the amount of the claim or the counterclaim is not quantifiable at the time payment is due, a provisional estimate of the costs of the arbitration shall be made by the Centre. Such estimate may be based on the nature of the controversy and the circumstances of the case. This estimate may be adjusted in light of such information as may subsequently become available.

3. The Centre may from time to time request parties to make further deposits towards the costs of the arbitration.
4. Parties are jointly and severally liable for the costs of the arbitration. Any party is free to pay the whole of the deposits towards the costs of the arbitration should the other party fail to pay its share.
5. If the requested deposits are not paid either wholly or in part within the time limit set by the Centre, the Centre shall so inform the parties in order that one or another of them may make the required payment. If the payment is not made within the time limit set by the Centre, the Centre may order the suspension or termination of the arbitration proceedings with respect to the claims and/or counterclaims, as the case may be, without prejudice to the party reintroducing the same claims or counterclaims in another proceeding.
6. Where one of the parties claims a right to a set-off with regard to either claims or counterclaims, the Centre shall take such set-off into account in determining the advance to cover the costs of arbitration in the same way as a separate claim insofar as it may require the arbitral tribunal to consider additional matters.
7. All deposits towards the costs of the arbitration shall be made to and held by the Centre. Any interest which may accrue on such deposits shall be retained by the Centre.

## Appendix I: Emergency arbitrator

1. A party that wishes to seek emergency interim measure may, concurrent with or following the filing of a notice of arbitration but prior to the constitution of the arbitral tribunal, file an application for emergency interim measure with the Centre. The party shall, at the same time as it files the application for emergency interim measure, send a copy of the application to all other parties. The application for emergency interim measure shall include:
  - a) The nature of the measure sought;
  - b) The reasons why the party is entitled to such measure; and
  - c) A statement certifying that all other parties have been provided with a copy of the application or, if not, an explanation of the steps taken in good faith to provide a copy or notification to all other parties.
2. Any application for emergency interim measure shall be accompanied by payment of the non-refundable administration fee and the requisite deposits under these Rules towards the emergency arbitrator's fees and expenses for proceedings pursuant to this appendix. In appropriate cases, the Centre may increase the amount of the deposits requested from the party making the application. If the additional deposits are not paid within the time limit set by the Centre, the application shall be considered as withdrawn.
3. The Centre shall, if it determines that it should accept the application for emergency interim measure, seek to appoint an emergency arbitrator within one day of receipt by the Centre of such application and payment of the administration fee and deposits.
4. If the parties have agreed on the place of the arbitration, such place shall be the place of the proceedings for emergency interim measure. Failing such an agreement, the place of the proceedings for emergency interim measure shall be Tehran.
5. When a person is approached in connection with his or her possible appointment as an emergency arbitrator, he or she shall disclose any circumstances likely to give rise to justifiable doubts as to his or her impartiality or independence. Any challenge to the appointment of the

emergency arbitrator must be made within two days of the communication by the Centre to the parties of the appointment of the emergency arbitrator or the circumstances disclosed.

6. An emergency arbitrator may not act as an arbitrator in any future arbitration relating to the dispute, unless otherwise agreed by the parties.
7. The emergency arbitrator shall, as soon as possible but, in any event, within two days of his or her appointment, establish a schedule for consideration of the application for emergency interim measure. Such schedule shall provide a reasonable opportunity for the parties to be heard, but may provide for proceedings by telephone or videoconference or on written submissions as alternatives to a hearing in person. The emergency arbitrator shall have the powers vested in the arbitral tribunal under these Rules, including the authority to rule on his or her own jurisdiction, without prejudice to the arbitral tribunal's determination.
8. The emergency arbitrator shall have the power to order or award any interim measure that he or she deems necessary, including preliminary orders that may be made pending any hearing, telephone or videoconference or written submissions by the parties. The emergency arbitrator shall give summary reasons for his or her decision in writing. The emergency arbitrator may modify or vacate the preliminary order, the interim order or award for good cause.
9. The emergency arbitrator shall make his or her interim order or award within 14 days from the date of his or her appointment unless, in exceptional circumstances, the Centre extends the time. No interim order or award shall be made by the emergency arbitrator until it has been approved by the Centre as to its form.
10. The emergency arbitrator shall have no power to act after the arbitral tribunal is constituted. The arbitral tribunal may reconsider, modify or vacate any interim order or award issued by the emergency arbitrator, including a ruling on his own jurisdiction. The arbitral tribunal is not bound by the reasons given by the emergency arbitrator. Any interim order or award issued by the emergency arbitrator

shall, in any event, cease to be binding if the arbitral tribunal is not constituted within 90 days of such order or award or when the arbitral tribunal makes a final award or if the claim is withdrawn.

11. Any interim order or award by the emergency arbitrator may be conditioned on provision by the party seeking such measure of appropriate security.
12. The parties agree that an order or award by an emergency arbitrator under this appendix shall be binding on the parties from the date it is made, and undertake to carry out the interim order or award immediately and without delay. The parties also irrevocably waive their rights to any form of appeal, review or recourse to any state court or other judicial authority with respect to such award insofar as such waiver may be validly made.
13. The costs associated with any application under this appendix may initially be apportioned by the emergency arbitrator, subject to the power of the arbitral tribunal to determine finally the apportionment of such costs.
14. These Rules shall apply as appropriate to any proceeding under this appendix, taking into account the urgency of such a proceeding. The emergency arbitrator may decide in what manner these Rules shall apply as appropriate, and his decision as to such matters is final and not subject to appeal, review or recourse. The Centre may abbreviate any time limits under these Rules in applications made pursuant to proceedings commenced under article 27, paragraph 2 and this appendix.

## Appendix II: Schedule of fees

This schedule of fees is effective as of 1 March 2018 and is applicable to all arbitrations commenced on or after 1 March 2018.

### 1. Registration fee (non-refundable)

A registration fee of EUR 500.00 is applicable to all arbitrations administered by the Centre, and to each claim or counterclaim.

### 2. Administration fees

The administration fees calculated in accordance with the schedule below applies to all arbitrations administered by the Centre.

Amount in dispute (EUR)	Administration fees
Up to 50,000	EUR 1,500
From 50,001 up to 100,000	1,500 + 2% of excess over 50,000
From 100,001 up to 500,000	2,500 + 1% of excess over 100,000
From 500,001 up to 1,000,000	6,500 + 0.80% of excess over 500,000
From 1,000,001 up to 2,000,000	10,500 + 0.40% of excess over 1,000,000
From 2,000,001 up to 5,000,000	14,500 + 0.15% of excess over 2,000,000
More than 5,000,000	19,000 + 0.10% of excess over 5,000,000
	Up to a limit of EUR 60,000.

The administration fee does not include the followings:

- a) Fees and expenses of the arbitral tribunal;
- b) Usage cost of facilities and support services for and in connection with any hearing (e.g. hearing rooms and equipment, transcription and interpretation services); and
- c) The Centre's administrative expenses.

The Centre will charge a minimum administration fee of EUR 1,500.00, payable for all cases, unless the Centre determines otherwise.

### 3. Challenge fee (non-refundable)

A notice of challenge must be accompanied by payment of EUR 2,000.00 pursuant to article 14, paragraph 3 of these Rules.

### 4. Arbitrator's fees

For arbitrations conducted pursuant to and administered under these Rules, the fees calculated in accordance with the schedule below is the minimum and maximum amounts payable to each arbitrator, unless the parties have agreed to an alternative method of determining the arbitral tribunal's fees pursuant to article 42, paragraph 2 of these Rules.

Amount in dispute (EUR)	Minimum	Maximum
Up to 50,000	EUR 1,000	11%
From 50,000 to 100,000	2%	7%
From 100,001 to 500,000	1%	4%
From 500,001 to 1,000,000	0.75%	2.50%
From 1,000,001 to 5,000,000	0.50%	1%
From 5,000,001 to 10,000,000	0.1%	0.5%
From 10,000,001 to 50,000,000	0.05%	0.15%
From 50,000,001 to 100,000,000	0.03%	0.1%
Over 100,000,001	0.01%	0.05%

## 5. Emergency interim measure fees

The following fees shall be payable in an application for emergency interim measure under article 27, paragraph 2 and appendix I of these Rules:

- a) An application for emergency interim measure must be accompanied by payment of the administration fees of EUR 2,500.00. (non-refundable); and
- b) The deposits towards the emergency arbitrator's fees and expenses shall be fixed at EUR 12,500.00, unless the Centre determines otherwise pursuant to appendix I of these Rules. The Emergency Arbitrator's fees shall be fixed at EUR 10,000.00, unless the Centre determines otherwise pursuant to appendix I of these Rules.

## 6. Appointment fees (non-refundable)

The appointment fee is payable where a request for appointment of arbitrator or arbitrators is made in an ad hoc case. The fee is payable by the party requesting the appointment. A request for appointment must be accompanied by payment of the appointment fee prescribed below.

1 arbitrator	2 arbitrators	3 arbitrators
EUR 1,500	EUR 2,000	EUR 2,500

INTERNAL REGULATIONS OF  
THE TEHRAN REGIONAL ARBITRATION CENTRE

## INTERNAL REGULATIONS OF THE TEHRAN REGIONAL ARBITRATION CENTRE

### Article 1: Objectives

The Tehran Regional Arbitration Centre (the “Centre”) is established pursuant to the Agreement dated 3 May 1997 (the “Agreement”), between the Islamic Republic of Iran and the Asian-African Legal Consultative Organization (AALCO) and its objectives are as follow:

- a) Conducting arbitration under the auspices of the Centre;
- b) Promotion of international commercial arbitration in the region;
- c) Coordinating the activities of, and offering assistance to, the existing arbitration institutions in the region;
- d) Providing assistance to ad hoc arbitrations, including acting as appointing authority, particularly in cases where they are taking place in accordance with the UNCITRAL Rules;
- e) Providing assistance in the enforcement of arbitral awards; and
- f) Providing assistance in the settlement of disputes.

### Article 2: Administration

1. The Centre shall be administered by a Director who shall be appointed in accordance with the Agreement.
2. The Director shall have all necessary powers for the application of the Rules of Arbitration and the Internal Regulations. He or she shall be assisted in his or her works by a Secretariat.
3. The Director shall implement the Rules of Arbitration and the Internal Regulations with independence and impartiality, and may consult with the Arbitration Boards, on any matters relating to the implementation of the Rules of Arbitration.
4. Decisions on the jurisdiction of the Centre pursuant to article 7 of the Rules of Arbitration and decisions on the challenge of an arbitrator pursuant to article 14, paragraph 5 of the Rules of Arbitration shall be made by a committee comprising three members of the Arbitration Boards. The members of the committee shall be appointed

by the Director. They shall be independent from the parties and the arbitrators involved.

5. When the draft award is submitted by the arbitral tribunal to the Centre pursuant to article 35, paragraph 4 of the Rules of Arbitration, the Director shall submit the draft award to a committee comprising three members of the Arbitration Boards for scrutiny. Each member of the committee shall provide its comments on matters of form and substance of the award. The Director shall notify the comments to the arbitral tribunal.

### **Article 3: Arbitration Boards**

1. The Centre shall have one International Arbitration Board and one Domestic Arbitration Board (the "Arbitration Boards"), each consisting of one Chairman, one Vice Chairman, and twelve members at the most to be appointed by the Director, after consultation with the Secretary General of the AALCO.
2. The members of the Arbitration Boards shall be appointed from among eminent personalities, specialized in the fields of arbitration and trade.
3. The members of the Arbitration Boards may be appointed up to two third from amongst nationals of countries other than the member States of the AALCO.
4. The members of the Arbitration Boards shall be appointed for three years. If a member resigns or is no longer in a position to exercise his functions, his successor shall be appointed in accordance with the above paragraph for the remainder of the term.

### **Article 4: Confidentiality**

1. The Director, the members of the Secretariat and the members of the Arbitration Boards shall respect the confidential nature of the work of the Centre and the documents submitted by the parties or the arbitrators in relation to cases administered under the auspices of the Centre. They shall in particular refrain from disclosing any information or document that has been communicated to them in connection with their duties under the Rules of Arbitration or the Internal Regulations.

2. For the purposes of promoting international arbitration, the Centre may publish the full text of the awards, or their extracts, after having deleted the names and other such references that may give an indication as to the identity of the parties.

#### **Article 5: Participation of the members of the Centre in arbitrations**

1. The Director and the members of the Secretariat shall not act as arbitrator or as counsel in cases submitted to the Centre.
2. The Centre shall not appoint members of the Arbitration Boards as arbitrator.
3. Members of the Arbitration Boards may however be appointed by either of the parties as counsel or arbitrator. In such events, and more generally when a member of the Arbitration Boards is involved in any capacity in proceedings pending before the Centre, he or she shall immediately inform the Director of such involvement, and shall refrain from participating in the discussions or in the recommendations of the Arbitration Boards concerning such proceedings. He or she shall further refrain from participating in the meetings of the Arbitration Boards whenever matters in relation to those proceedings are discussed and shall not receive any documentation or information pertaining to such proceedings.

#### **Article 6: Modification of the Rules of Arbitration**

Whenever necessary, the Director may, after consultation with the Arbitration Boards, suggest modifications to the Rules of Arbitration or the Internal Regulations. The modifications shall be submitted to the Secretary General of the AALCO and shall become effective after his or her approval.

#### **Article 7: Other rules**

The Director may, in consultation with the Arbitration Boards and the Secretary General of the AALCO, prepare rules for alternative dispute resolution mechanisms.