

The SIAC publishes new arbitration rules for 2025

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The Singapore International Arbitration Centre (SIAC) has recently published <u>the 7th edition of its arbitration rules</u> (SIAC Rules 2025), which will come into force on 1 January 2025

The new rules, which are aimed at enhancing efficiency and transparency, were developed following public consultation with SIAC's users and stakeholders. They provide several amendments and updates to the 2016 version of the rules.

Some of the key highlights include:

- new and enhanced options for accelerated and emergency proceedings;
- procedural innovations for more efficient proceedings; and
- new requirements for cases involving third-party funding.

These new features are a substantial improvement on an already highly regarded set of arbitration rules. We summarise these new features and discuss some practical implications for parties below.



Accelerated and emergency proceedings

Streamlined Procedure (Rule 13; Schedule 2)

A new procedure (dubbed the Streamlined Procedure) has been introduced. This procedure aims to resolve low value and low complexity disputes in a cost-effective and swift manner. It applies by default where the disputed amount is below SGD 1 million except where the SIAC President decides otherwise following an application by a party. The Streamlined Procedure will also apply to disputes larger than SGD 1 million if parties so agree at any time prior to the constitution of the arbitral tribunal.

The Streamlined Procedure dictates that a sole arbitrator shall be appointed and provides for a three-month timeframe (from the constitution of the tribunal) for the issuance of the award. The arbitration shall by default be decided on the basis of written submissions and any documentary evidence, without the need to conduct a hearing. The procedure also sets out cues on various procedural mechanisms that tribunals may adopt for the purpose of completing arbitrations within the three-month timeframe (e.g., no requests for document production; no filing of fact or expert witness evidence; setting time limits for the filing of interlocutory applications).

The arbitral tribunal's fees and the SIAC administrative fees are also capped at 50% of the maximum limits under the <u>Schedule of Fees</u>.

Expedited Procedure (Rule 14; Schedule 3)

For disputes of SGD 1 million and above, the existing Expedited Procedure has been amended to increase the scope of its application in two ways.

- 1. The default upper-value threshold for parties to request for it to apply has increased from SGD 6 million to SGD 10 million. This is one of the highest quantum thresholds for the application of an expedited procedure amongst institutional arbitral rules.
- 2. Parties may now request for the Expedited Procedure to apply where "the circumstances of the case warrant" its application, which is broader than the previous ground of "exceptional urgency" under the 2016 Rules.

Emergency Arbitrator Procedure (Rule 12.1; Schedule 1)

This has also been enhanced in two important ways:

- 1. Parties may now request the appointment of an Emergency Arbitrator prior to submitting a Notice of Arbitration (subject to the Notice being filed within seven days).
- 2. Parties may now seek protective preliminary orders (**PPOs**), which direct a party not to frustrate the purpose of the emergency interim or conservatory measure, on an *ex parte* basis. The emergency arbitrator is required to determine the PPO request within 24 hours of their appointment.

These improvements to the Emergency Arbitrator procedure give parties access to immediate remedies that were previously unavailable within the arbitration framework.

Procedural innovations

Several new procedures have been introduced to enhance both the tribunal and the SIAC's ability to conduct efficient proceedings and protect the integrity of the award. These include:

- **Preliminary Determination (Rule 46):** This new procedure expressly sets out the tribunal's inherent power to make a final and binding determination of any issue in an arbitration at a preliminary stage. A party may apply to the arbitral tribunal for a final and binding preliminary determination on one of three grounds:
 - 1. parties' agreement;
 - 2. demonstration that the preliminary determination is likely to contribute to savings of time and costs and a more efficient and expeditious resolution of the dispute; or
 - 3. the circumstances of the case otherwise warranting the determination of the issue on a preliminary basis.

Where the application is allowed, the arbitral tribunal must render its decision, ruling, order or award within 90 days from the date of the application.

The Preliminary Determinations procedure, which complements the existing Early Dismissal procedure (Rule 47), may be useful to dispose of or narrow down issues, which in turn may result in time and costs savings and potentially facilitate the amicable settlement of disputes.

• **Coordinated Proceedings (Rule 17):** A new Coordinated Proceedings mechanism has been introduced to allow a tribunal hearing multiple arbitrations that share common legal or factual issues to conduct the arbitrations concurrently or sequentially or to hear them together with aligned procedural steps, or to have one of the arbitrations suspended pending the determination of any of the other arbitrations. All coordinated arbitrations are by default to remain as separate proceedings unless the parties agree otherwise.

The Coordinated Proceedings mechanism may be useful in disputes arising from standard form agreements or projects involving back-to-back contracts (such as shipping and commodities disputes, infrastructure disputes, and standard banking documentation disputes).

• **Preliminary Jurisdictional Objections (Rule 8.1)**: A new *prima facie* jurisdictional objection procedure has been introduced to allow the Registrar to refer an issue of jurisdiction to the SIAC Court for a *prima facie* determination where a respondent is not participating in proceedings, or where any party objects to the existence, validity or applicability of an arbitration agreement prior to the constitution of a tribunal. Where the SIAC Court determines that the arbitration shall not proceed (whether in whole or in part), the Registrar will terminate the arbitration accordingly.

This procedure may help protect the integrity and enforceability of SIAC arbitral awards by allowing the SIAC to pre-emptively deal with potential jurisdictional issues that may go unheard due to the lack of participation by the respondent.

Third-party funding arrangements

A new provision in the SIAC Rules (Rule 38) now requires parties to disclose the existence of any third-party funding agreement and the identity and contact details of the third funder. The new rule also empowers arbitral tribunals to order such disclosures and to take into account any third-party funding agreement in apportioning costs.

While a party's disclosure requirement does not extend to the disclosure of more detailed funding information (such as the funding agreement itself), the arbitral tribunal is empowered to, after considering the views of the parties, make such orders for disclosure in respect of the third-party funding agreement as it sees fit, including in respect of details of the third-party funder's interest in the outcome of the proceedings and whether the third-party funder has committed to undertake adverse costs liability. Among other things, this could help avoid conflicts of interests that may arise from such financing arrangements.

Miscellaneous updates

Other notable updates to the SIAC Rules 2025 include:

- A provision for the integration of the SIAC Gateway (SIAC's cloud-based case management platform) into case management under the SIAC Rules (Rule 4).
- A 90-day timeline for tribunals to submit draft awards to the SIAC Secretariat for scrutiny, with the timeline beginning to run from the date of submission of the last directed oral or written submission in respect of the proceedings to which the award pertains (unless the SIAC Registrar determines otherwise) (Rule 53.2). Previously, the SIAC Rules imposed a 45-day time limit that began to run from the date on which the tribunal declared the proceedings closed, which gave rise to considerable uncertainty due to the flexibility accorded to tribunals on the closure of proceedings.
- Provisions to encourage the early settlement of disputes, with the inclusion of cues to the tribunal to prompt parties to consider amicable dispute resolution methods such as the SIAC Arb-Med-Arb Protocol (see Rules 32.4 and 50.2).

Conclusion

The SIAC's revamped rules certainly raise the bar on efficiency, transparency and cost-effectiveness,¹ addressing the oft-cited criticisms of the arbitral process. It will be crucial for parties to understand the new procedures and how they can be best leveraged to resolve their disputes.

Please reach out to us should you require further information on this article or on the SIAC Rules 2025.

¹ See <u>SIAC Registrar's Report on Public Consultation on the Draft 7th Edition of the SIAC Rules dated 22 August 2023</u>.

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