

# INTERNATIONAL ARBITRAL INSTITUTIONS

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## *Abstract*

*The present paper identifies the concept of International Commercial Arbitration and the role that the International Arbitral Tribunals have played in Arbitration in the World. The paper presents a comprehensive study on the three major Arbitral Tribunals, International Chamber of Commerce (ICC), Singapore International Arbitration Centre (SIAC) and London Court Of International Arbitration (LCIA), and their functioning. The paper also analyze how these Arbitral Tribunals are different from one another and how effective they have been to fulfill their roles for which they are made. The paper also studies whether requirement of the International Arbitration have been sufficiently managed by the existing International Arbitral Tribunals. The paper also discusses the specific requirements to cater to the Arbitration requirement in Asia and to develop Arbitral Institutions specifically for Asian setup.*

**Key Words:** International Commercial Arbitration, International Arbitral Tribunal, International Chamber of Commerce (ICC), Singapore International Arbitration Centre (SIAC), London Court Of International Arbitration (LCIA).

## **INTRODUCTION**

Arbitration is the nonexclusive term for a type of resolving dispute outside the judicial framework. Essentially there are two types of the ‘Commercial Arbitration’ and the interested people in the question have the opportunity of picking either of the two ways, if the parties pick arbitration as a method of dispute resolution which are either ad-hoc or institutional arbitration. It is a prerogative of the interested parties to select institutional arbitration or the Ad-hoc arbitration which is a self- administered form of arbitration process. Each case requires a different kind of approach and method for resolution and hence it’s very crucial to understand the mode of operation. This has to be incorporated in the contract or in agreement if commercial arbitration.

International Commercial Arbitration is a means of resolving disputes arising under international commercial contracts. It is used as an alternative to litigation and is controlled primarily by the terms previously agreed upon by the contracting parties, rather than by national legislation or procedural rules. Most contracts contain a dispute resolution clause specifying that any disputes arising under the contract will be handled through arbitration rather than litigation. The parties can specify the forum, procedural rules, and governing law at the time of the contract. Arbitration can be either “institutional” or “ad hoc.” The terms of the contract will dictate the type of arbitration. If the parties have agreed to have an arbitral institution administer the dispute, it is an institutional

arbitration. If the parties have set up their own rules for arbitration, it is an *ad hoc* arbitration. *Ad hoc* arbitrations are conducted independently by the parties, who are responsible for deciding on the forum, the number of arbitrators, the procedure that will be followed, and all other aspects of administering the arbitration. The types of law that are applied in arbitration include international treaties and national laws, both procedural and substantive, as well as the procedural rules of the relevant arbitral institution. Previous arbitral awards carry persuasive authority, but are not binding. Scholarly commentary, or “doctrine,” may also be applied.

## **INSTITUTIONAL ARBITRATION AND AD-HOC ARBITRATION**

The parties can have their own rules at play when it comes to ad-hoc arbitration and it’s a mode of arbitration where there is liberty to draft own rules and procedures for the respected arbitration. The guidelines which decide the arrangement of the arbitrators, the seat and venues and so on are those which fit the necessities of the parties and according to the question of dispute. Consequently, in a specially appointed arbitration like this the parties have the liberty to a high degree to concur and indicate those parts of method which they wish to be pursued, obviously, subject to the compulsory law of the seat of the arbitration.<sup>1</sup> In this kind of arbitration the parties are additionally required to plan with regard to secretarial administrations and so forth. Where the arbitration clause doesn’t speak about any reference of any institution for the conducting of the arbitration, the arbitration will be an ad hoc arbitration.<sup>2</sup> In case it’s not decided, then arbitral tribunal which will determine the procedure.<sup>3</sup>

When it comes to ‘Institutional Arbitration’, then it is a specific establishment with a permanent structure which intercedes and accept the elements of regulating the arbitral procedure, as given by the assigned guidelines of such foundations. These arbitral foundations do proclaim sets of procedural guidelines which become pertinent when the parties have consented to lead the dispute resolution according to such principles. In addition to other things, institutional principles set out the extremely fundamental procedural system and the time table for the arbitral procedures. These institutional standards additionally commonly approve the arbitral establishments to fill in as “Appointing Authority” to determine any challenges to arbitrators, to select the venue where the dispute resolution will be led, to fix or impact the expenses payable to the arbitrator. These arbitral institutes have a decision making bodies and a staff of their own.

## **INTERNATIONAL ARBITRAL INSTITUTIONS**

It would be prudent now to advance an outline of the incredibly famous establishments which are resolved to give speedy and reasonable settlements of commercial disputes by method of arbitration and different methods of ADR (Alternative Dispute Resolutions) and furthermore to guarantee that the administrations they give are useful and comprehensive. All these major arbitral organizations are built up and exist to serve the legal and business

<sup>1</sup> Law of the seat of the arbitration is also known as Lexarbitri. Any law chosen by the parties for conducting the arbitration is subject to the mandatory procedural law of the seat of the arbitration. For details, see Redfern and Hunter, Redfern and Hunter on International Arbitration (5th ed.), New York: Oxford University Press, 2009.

<sup>2</sup> Julian DM Lew et al , Comparative International Commercial Arbitration 32 (Wolters Kluwer (India) Pvt. Ltd. , New Delhi, 2007.

<sup>3</sup>Default procedural discretion of the arbitral tribunal. See article 19(2) of the UNCITRAL Model law, 1985.

networks, to cultivate the options in dispute resolution and to help grease up the working of worldwide market without profit motive.<sup>4</sup>

### **INTERNATIONAL CHAMBER OF COMMERCE (ICC)**

International Chamber of Commerce (ICC) has been a relentless reviving point for the individuals who trust that fortifying business ties among countries isn't useful for business however it is useful for Global expectations for everyday comforts and furthermore useful for Peace.<sup>5</sup> Other than this the ICC also works for promoting international trade and investment. A lot of its work is centered on making it simpler for business to work globally. ICC isn't an interstate association or an interstate Chamber of trade and Industry since its functioning is being controlled by private venture.<sup>6</sup>

ICC Arbitration is a very friendly process for dispute resolution of domestic as well as international commercial disputes. These ICC arbitral awards are adjudications which are binding in nature and are final and enforceable anywhere in the world.<sup>7</sup> Being set up in 1923 compliant with the ICC Rules of Arbitration, 1922, this organization is the world's driving body for the Dispute resolution mechanism. Working intimately with its Secretariat, the ICC Court of Arbitration's essential job is to manage ICC arbitration whether directed under the ICC Rules of Arbitration or some other Rules like UNCITRAL.

It performs the capacities which are depended to in under the ICC Rules of Arbitration and ceaselessly endeavors to help parties and arbitrators to beat any procedural snags that emerge in the discretion procedure. The International Court of Arbitration and its Secretariat is a free body inside ICC. Albeit some portion of the establishment is known as ICC, however the Court alongside its Secretariat keep running as an independent body which guarantees privacy. This is literally expressed in the Statutes of ICC International Court of Arbitration: As an independent body, the Court does the capacities in complete autonomy from the ICC and its organs.<sup>8</sup> The individuals from the Court are autonomous from ICC National Committees. Till now ten revisions have been made to the rules of ICC for arbitration since the earlier one which was made in 1922. This has been in use from 1 January, 2012.

### **The International Court of Arbitration and Its Secretariat**

The Court does not itself decide all these issues. It does not even award damages or any costs. The Court does perform the following specific functions under the Rules:

<sup>4</sup> The 2015 Survey Report highlights that 90% respondents preferred institutional arbitrations either as a standalone method(56%) or combined with any other form of ADR (34%) than ad-hoc one. This result is also consistent with the findings in the previous surveys. For details see the Survey Report at <http://www.arbitration.qmul.ac.uk/research/2015/index.html>, last visited on 9<sup>th</sup> May, 2019.

<sup>5</sup> <http://www.iccwbo.org/products-and-services/arbitration-and-adr/arbitration/>

<sup>6</sup> Verbist, Schafer et al., ICC Arbitration in Practice (Kluwer International, 2nd edition., 2015).

<sup>7</sup> Dispute resolution services , ICC, <http://www.iccwbo.org/products-and-services/arbitration-and-adr/arbitration/>, last visited on 9<sup>th</sup> May, 2019.

<sup>8</sup> Article 1, paragraphs 2 and 3 of Appendix I to the ICC Rules of Arbitration.

The ICC International Court of Arbitration consists of a President, Vice-President and different individuals. The President is chosen by the ICC World Council<sup>9</sup> upon the suggestion of the Executive Board of the ICC. The Vice-Presidents are selected by the ICC World Council and might be looked over from the individuals from the ICC International Court of Arbitration or somewhere else. The individuals from the ICC Court are concerned, every national advisory group and gathering will propose one name and the individuals to be selected by the ICC World Council. The members will stay independent from the national committee in the release of their capacities. The ICC Court isn't really a court in its legal sense.

The Court performs the accompanying explicit capacities under the Rules and doesn't grant damages or any cost, that is for independent arbitral tribunals to do like Fixing the place of arbitration, finding prima facie being of the ICC arbitration agreement, appointment of arbitrators and monitor arbitral proceedings.

### **Recent Steps to Maintain Transparency and Greater Efficiency in the Resolution of Commercial Disputes**

ICC Court Announces New Policies to Foster Transparency and Efficiency (5<sup>th</sup> January, 2016) since Speedy dispute resolution is foremost concern of ICC, the International Court of Arbitration of ICC reported two milestone arrangements which were collectively taken at the Court's Plenary Session held on seventeenth December, 2015. These arrangements, which are proposed to improve the productivity and straightforwardness of ICC mediation, are as follows<sup>10</sup>:

"Promoting Transparency for Users and different Stakeholders"- The Court will distribute and publish on its sites the names of the arbitrators, their arrangements in the case of being made by the Court or by the interested parties, the name who is going about as a chairperson of tribunal and so on. This approach will apply to every one of the cases which are enrolled from first of January, 2016. This data will stay on the site once the case is ended. This data distributed will demonstrate the nature of ICC Arbitral Tribunals and will give an extra motivator to advance territorial, generational and sex decent variety in the arrangement of the arbitrators.<sup>11</sup>

"Consequences for Unjustified Delays in Submitting Awards" - In another milestone step, the ICC Court has set down data with respect to the "cost consequences for unjustified postponements in submitting draft arbitral honors to the ICC Court".<sup>12</sup> Actually an ICC arbitral court must present its draft awards before a quarter of a year after the last hearing about the issues which are to be resolved. This time span is for two months in cases of sole-arbitrator. In case of default the court would bring down the remuneration of the authority except if the court is fulfilled that the reason for the deferral is outside the ability to control of the mediator or because of some uncommon conditions.

<sup>9</sup> World Council of ICC is the supreme authority in ICC and ensures the implementation of ICC Constitution and Charter. The World Council exercises all the prerogatives with which it is vested. This is equivalent to the General Assembly of any intergovernmental organization. For details see, (<http://www.iccwbo.org/abouticc/governance/world-council/>, last visited on 9<sup>th</sup> May, 2019).

<sup>10</sup>Ronald Ziade, ICC's recent transparency and efficiency measures: what impact for the MENA region?, <https://iccwbo.org/media-wall/news-speeches/iccs-recent-transparency-and-efficiency-measures-what-impact-for-the-mena-region/>, last visited on 9<sup>th</sup> May, 2019.

<sup>11</sup> ICC Court Announces New Policies to foster Transparency and Ensure Greater Efficiency, <https://iccwbo.org/media-wall/news-speeches/icc-court-announces-new-policies-to-foster-transparency-and-ensure-greater-efficiency/>, last visited on 9<sup>th</sup> May, 2019.

<sup>12</sup> Ibid.

### ICC Augments Transparency in Scrutiny Process (28th June, 2016)

As speedy adjudication is one of the necessary objectives of the institution, it has decided to impose monetary penalties on arbitrators if there is delay in submission of arbitral award to ICC Court.<sup>13</sup> Also focusing on more transparency, the unjustified delay in court's scrutiny process itself, would lead to reduction in administrative fees. This ensures that court is held liable for the delays relating to scrutiny. The report which is published on ICC's website explains that cases filed in 2015 involved parties from 133 countries and independent territories, which shows that it was more than any other arbitral institutions.<sup>14</sup> ICC has recorded its 2<sup>nd</sup> best number tally of cases in its ninety three years history (801 cases have been filed during the year 2015)<sup>15</sup> which includes parties around 2,283, in multiple disputes between parties around the world, raising the average „monetary value in disputes“ from USD 63 million to USD 84 million in the year 2014 and 2015 respectively.<sup>16</sup> Mr. Alexis Mourre, who is currently the President of ICC International Court of Arbitration, said that “as a world leader in commercial dispute resolution, it is crucial for ICC to lead by example and take steps to improve transparency and accountability wherever necessary”<sup>17</sup>.

### SINGAPORE INTERNATIONAL ARBITRATION CENTRE (SIAC):

Singapore is one of the famous spots for international arbitration in Asia. This is to give a perspective of Asian market that Singapore arbitration center is analyzed in this section. Speed and cost effective process is the key to the popular arbitration. Firstly, The SIAC Rules makes it mandatory for the for the institution to ensure the fair, expeditious and cost effective resolution of the disputes<sup>18</sup> and secondly the SIAC Code of Ethics for an Arbitrator (2009) makes it mandatory for the arbitrator to nod to an appointment only if he is able to avail himself to the arbitration with expected time allotment and reasonable attention.<sup>19</sup> The process under SIAC illustrates that a preliminary meeting must be conducted between the parties after the appointment of all arbitrators, for the understanding among them of the procedures which deem to be most appropriate and efficient for the case.<sup>20</sup>

SIAC, other than these two rules, it has also brought in more innovative provisions like in 2010 by introducing the 4<sup>th</sup> edition of the SIAC Rules 2010, one such rule was the Expedited Arbitration and the other one is Emergency Arbitrator. In these two provisions the parties can get recourse to justice by alternative means to attain expedite relief and at reduced cost.

<sup>13</sup> Plenary Session dated 17th December,2015, <https://iccwbo.org/publication/note-parties-arbitral-tribunals-conduct-arbitration/>, last visited on 9<sup>th</sup> May, 2019.

<sup>14</sup> <https://iccwbo.org/media-wall/news-speeches/icc-arbitration-posts-strong-growth-in-2015/>, last visited on 9<sup>th</sup> May, 2019.

<sup>15</sup> The Statistics of ICC Arbitration available at (<http://www.iccwbo.org/Products-and-Services/Arbitration-and-ADR/Arbitration/Introduction-to-ICC-Arbitration/Statistics/>), last visited on 9<sup>th</sup> May, 2019.

<sup>16</sup> Ibid.

<sup>17</sup> The Article section of Arbitration chapter in ICC official website. <http://www.iccwbo.org/News/Articles/2016/ICC-augments-transparency-in-scrutiny-process/>, last visited on 9<sup>th</sup> May, 2019.

<sup>18</sup> SIAC Rules (2013), Rule 16.1 & 37.

<sup>19</sup> SIAC Code of Ethics for an Arbitrator (2009). Para 1.1.

<sup>20</sup> Rule 16 of the SIAC Arbitration Rules, 2013.

## Expedited Arbitration

The expedited procedure is believed to facilitate the awarding by tribunal in a period of 6 months from the date of constitution of the tribunal. The same is given under Rule 5 of the 2010 and 2013 SIAC Rules and this provide for an Expedited Procedure.<sup>21</sup> This is only done and deemed proper when parties ask for it. This has to be asked for before the formation of the tribunal and the views of the parties are taken care of by the SIAC president before approval of such procedure. There is no concept of ex parte thing in this. But there are certain conditions which need to be considered first, the aggregate amount in dispute including the claim, does not exceed USD 5 million, and only than application is considered.<sup>22</sup> And also, it can be made in case of an agreement between the parties.

## Emergency Arbitrator

This is called for in cases of emergency as it is suggested by name and this is the reason it is introduced for interim reliefs. It is first of its kind to introduce such a provision in Asia.<sup>23</sup> In case the party wish to apply for the emergency arbitrators, it has to make an application either with or after filing of notice of arbitration. The President has the prerogative to decide whether to accept or reject application. In case of acceptance the arbitrator is appointed from the panel of arbitrators. This is required to be confirmed within one business-day. The powers enjoyed by this arbitrator are in consonance with that of any other arbitrator.

## LONDON COURT OF INTERNATIONAL ARBITRATION (LCIA)

The LCIA is another institute which works on the basis of effective administration with cost efficient work, and works under the auspices of LCIA rules of arbitration. Though the name suggests a special seat at England but it functions all around the world. There are 9 languages in which the rules are given under LCIA and most of the cases involve parties which are not from England.<sup>24</sup>

## Evolution of LCIA

It all started with the court of common council which established a committee in 1883 which focused on creating a tribunal to adjudicate both international and domestic commercial disputes inside London. It was finally in 1891 'London Chamber of Arbitration' came up. The tribunal had to be a quick adjudicator where the court of law lacked speed and also was cheap when compared to other method of adjudication. It was a peacemaker rather than making

<sup>21</sup> The Expedited Procedure is a time-cost saving option which is available to the parties who agree their disputes to be arbitrated under the SIAC Rules. Since its introduction in 2010, the expedited procedure has proved to be very popular. In 2015, SIAC received 69 requests for the Expedited Procedure of which SIAC accepted 27 requests. For details visit [http://www.siac.org.sg/images/stories/articles/annual\\_report/SIAC\\_Annual\\_Report\\_2015.pdf](http://www.siac.org.sg/images/stories/articles/annual_report/SIAC_Annual_Report_2015.pdf), last visited on 9<sup>th</sup> May, 2019.

<sup>22</sup> Rule 5(1)(a) of the SIAC Rules, 2013.

<sup>23</sup> The emergency arbitrator and expedited procedure in SIAC a new direction for arbitration in Asia, <http://www.siac.org.sg/2013-09-18-01-57-20/2013-09-22-00-27-02/articles/420-the-emergencyarbitrator-and-expedited-procedure-in-siac-a-new-direction-for-arbitration-in-asia>, last visited on 9<sup>th</sup> May, 2019.

<sup>24</sup> LCIA Rules, [http://www.lcia.org/Dispute\\_Resolution\\_Services/ARBPrintable\\_versions.aspx](http://www.lcia.org/Dispute_Resolution_Services/ARBPrintable_versions.aspx), last visited on 9<sup>th</sup> May, 2019.

things complicated by increasing strife.<sup>25</sup> It was further changed to “London Court of Arbitration” and later on as “London Court of International Arbitration” which meant that that it was famous internationally for doing international arbitrations. When in 1985 the rules were made for LCIA they had a great impact on its working. It is a company limited by guarantee which works for non-profit making motive and became an independent body. These alterations made sure that LCIA becomes fully equipped for increasing international arbitrations.<sup>26</sup>

### **The LCIA Today**

LCIA is a dynamic institution and it expanded categorically. In the management sphere the staff force increased to a large extent and secretariat expanded. There is a cent percent elevation in cases to LCIA between 1997 and 2007.<sup>27</sup> There was certain fluctuation in the numbers due to financial instability. The decline that was expected did not reach that mark even in case of declining economy. It was said in a particular report<sup>28</sup> that the decline of 10% in the filing of the cases at the time of 2010 was not a great decline. But again, the tides changed and the tribunal saw a steep rise in the year 2013, it was earmarked as reaching its record high in the number of referrals.<sup>29</sup>

### **Key changes introduced by the 2014 LCIA Rules:**

The most recent changes that have affected the LCIA Rules are 2014 Rules, which happened over long deliberations and were initiated in the secretariat of LCIA in 2009, which is five years before the Rules actually came into effect.<sup>30</sup> There has been an overhaul and almost every part was touched while making changes in 1998 rules. Some very essential amendments that have been resulted through the 2014 Rules are as follows:

### **Counsel Conduct**

This deals with the conduct of the counsel as the name suggests. The application of the amendment is found in the Article 18, where the base is taken from IBA Guidelines on Party Representation in International Arbitration. Under this system the arbitral tribunal can take care of the poor conduct by counsel of the parties and can see if the legal representative has violated these rules and in such cases sanctions could be passed against the wrongdoers. It can be simple reprimand or other step which becomes a requirement for fair and efficient working.<sup>31</sup> This is a remarkable step where the tribunal powers are extended to providing sanctions in cases of violation. “Each party

<sup>25</sup> (1893) IX LQR 86 accessed through <http://www.lcia.org/LCIA/history.aspx>, last visited on 9<sup>th</sup> May, 2019.

<sup>26</sup> Julian D.M. Lew, Harris Bor, et al. (eds), *Arbitration in England, with Chapters on Scotland and Ireland* 51-74 (Kluwer Law International, 2013) (<http://www.kluwerarbitration.com/booktoc?title=Arbitration%20in%20England%2C%20with%20chapters%20on%20Scotland%20and%20Ireland>, last visited on 9<sup>th</sup> May, 2019).

<sup>27</sup> Director General’s Report 2010 available <http://www.lcia.org/LCIA/reports.aspx>, last visited on 9<sup>th</sup> May, 2019.

<sup>28</sup> Ibid.

<sup>29</sup> Registrar’s Report 2013 available at <http://www.lcia.org/LCIA/reports.aspx>, last visited on 9<sup>th</sup> May, 2019.

<sup>30</sup> The LCIA Rules 2014 were finalized on 9<sup>th</sup> May, 2014.

<sup>31</sup> Ibid.

is to ensure that all its legal representatives have agreed as a condition precedent to comply with the direction/guidelines which are enumerated in Annex 1 of the LCIA Rules, 2014. (Rule 18.5)”

### **Multi-Party Arbitration**

The LCIA Rules 1998 ventured into new territory with the provision of then Art 22.1(h) on joinder. This provision allowed the tribunal to join a third party in the on-going proceedings even if one of the party's objects so. However, there was no such express provision in 1998 Rules in this regard. By 2013 all other major institutions except SIAC had incorporated rules on consolidation. This was an obvious step in the light of the growing number of multi-party and multi contract disputes referred to international commercial arbitration. The new express provisions of 2014 LCIA Rules of consolidation are found at Article 22 and the rules contemplate three possibilities.

Where the parties agree on writing, the tribunal may order for consolidation with the approval of the LCIA court. This provision confirms the existing practice of LCIA under the 1998 Rules.

Secondly the LCIA Court may now consolidate two or more arbitrations if the two arbitrations commenced under the same arbitration agreement between the same parties. Court can do such consolidation of two sets of proceedings without the agreement of all the parties.<sup>32</sup>

Third tribunal can also order consolidation without the parties' agreement in cases where there are multiple arbitrations between the same parties and one tribunal has been appointed. This still requires the approval of the LCIA Court.<sup>33</sup> The latter two approaches are a welcome addition and bring the LCIA Rules in the line of the modern international commercial arbitration practices.

### **Emergency Arbitrator**

By this provision the parties can give an application for sole emergency arbitrator before the tribunal is appointed. Before this the Article 9 of the previous rules that were the 1998 rules had a provision of expedited instituting of tribunal<sup>34</sup> but may be because of the promotional step it had to take up appointment of emergency arbitrator under Art.9B of the Rules.<sup>35</sup> From this point of view the 2014 LCIA Rules are now in the line of other leading institutional Rules like ICC, SIAC and HKIAC.<sup>36</sup>

<sup>32</sup> Article 22(6) of the LCIA Arbitration Rules 2014.

<sup>33</sup> Article 22(I)(IX) of the LCIA Arbitration Rules 2014.

<sup>34</sup> Maxi Scherer, Lisa Richman et. al., Arbitration under the 2014 LCIA Rules : A user's guide Kluwer Law International, 2015, Accessed through

<http://www.kluwerarbitration.com/booktoc?title=Arbitrating%20under%20the%202014%20LCIA%20Rules%3A%20A%20User%27s%20Guide>, last visited on 9<sup>th</sup> May, 2019.

<sup>35</sup> Rule 9B of LCIA Rules 2014 : In case of emergency at any time prior to the formation and expedited formation of the arbitral tribunal (under Articles 5 and 9A) any party may apply to the LCIA Court for the immediate appointment of a sole arbitrator to conduct emergency proceedings pending the formation or the expedited formation of the arbitral tribunal.

<sup>36</sup> This is to be noted that LCIA did not receive any application for the appointment of emergency arbitrator during the year 2014 & 2015. For details see the Annual Reports of LCIA.



## The Default Seat

One of the critical decisions that the parties need to take during the drafting of the arbitration agreement is the determination of the seat of arbitration. Law of the seat of arbitration<sup>37</sup> plays a major role in the outcome of the arbitration proceedings. By operation of Art.16.1 of the then 1998 Rules, in case the parties failed to designate the legal seat of the arbitration, London used to be the seat of the arbitration by default unless the LCIA Court determined that some other place would be the legal seat in the given circumstances of the particular case. This provision of making London as a default seat had been envisaged as a “safety net” and it contributed to the somewhat antiquated reputation of LCIA as an English Institution. It was expected that through its new Rules LCIA shall get rid of its reputation of being Anglo-centric but it has not. With the introduction of its new Rules parties agree their seat at any time prior to the formation of arbitral tribunal and in the period of post appointment, the decision of the parties need to be approved by the arbitral tribunal. In the absence of any agreement between the parties as to the seat of the arbitration, London still continues to be the default seat but with the modification that it continues to be so unless the arbitral tribunal (as opposed to LCIA Court under the 1998 Rules) decides otherwise. This modification of empowering arbitral tribunal and not the LCIA court seems logical because the tribunal is at a better place than the LCIA Court to decide the issue because of the proximity with the case. In practice, most of the times the parties decide their seat of arbitration and the cases where the LCIA Court had to decide or the Tribunal is now

## CONCLUSION

Human conflicts are inevitable as well as disputes are equally inevitable. Disputes may arise among people in relation to their personal, family, economic and political lives. Since disputes are inevitable, there is an urgent need to find a quick and easy method of their resolution. Disputes must be resolved at minimum possible cost both in terms of money and time, so that more time resources and energy can be utilized for constructive pursuits. The rationale and purpose of International Commercial Arbitration (ICA) mechanism are generally to provide an expedient, impartial, fair, speedy and effective environment for resolving disputes relating to international commercial issues. The Basic features which are found in the legal framework for disposal of such international commercial disputes can be summed-up into three stages, Jurisdiction of the forum, choice of law and the recognition and enforcement of foreign Arbitral Award. The law Commission of India in its 246<sup>th</sup> Report has clearly stated that institutional arbitration is minimal in India and “has unfortunately not really kick-started”. “Parties adopting ad-hoc arbitration in India seem to be driven by certain misconceived notions about the cost factor, which is perceived to be less expensive than the institutional arbitration.” We wish to see more of the confidence to be reposed in institutional arbitration by the people.

<sup>37</sup> Law of seat of arbitration is called Lexarbitri. Lexarbitri determines the scope of judicial intervention in ongoing arbitration proceedings. In general, Lexarbitri governs the relationship of national court and the arbitral tribunal.