

NEW RULES 'HELP PARTIES CHOOSE BEST DISPUTE RESOLUTION METHOD'

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New arbitration rules for international disputes will strengthen the ability of parties to choose the best dispute resolution mechanism available, according to the vice chair of the International Institute for Conflict Prevention & Resolution's (CPR) arbitration committee.

Felix Weinacht, head of industry litigation at Siemens AG, said CPR's new Rules for Administered Arbitration of International Disputes – which were launched in December last year – are “an important addition to the toolbox from which to choose the right dispute resolution mechanism”.

The rules were created by CPR's arbitration committee – which comprises a multinational team of in-house and law firm practitioners – to offer “both flexibility and party control, while reducing overall costs, for those seeking an administered approach to arbitrating cross-border business

disputes", according to Weinacht.

He added: "The rules reflect best practices, drawing among other things on the arbitration work of UNCITRAL [United Nations Commission on International Trade Law], and address current issues in international arbitration, such as lengthy time frames to reach resolution, and unpredictable administrative costs and requirements."

Weinacht said that, in order to tackle the controversial issue of arbitrator impartiality, the rules offer a "screened" selection process, whereby, if the parties wish, the party-designated arbitrators can be appointed without knowing which party selected them.

"I feel it is always a good idea first to seek to engage with your counterparty and strive to arrive at a negotiated resolution," Weinacht added. "If that fails, however, one dispute may lend itself more to a dispute board procedure, mediation or other kind of ADR mechanism, whereas another may better be handled through a certain kind of arbitration or even all-out court litigation.

"It is key to identify just that type of dispute settlement mechanism that best fits the disagreements arising from the particular underlying business transaction at hand – this is not always an easy task, but I believe it is an essential part of any viable risk mitigation system."

The European advisory board of the International Institute for Conflict Prevention & Resolution (CPR) is holding a conference on conflict resolution in Madrid on 26 March 2015.