



Maldives  
International  
Arbitration  
Centre

## ***MIAC Rules of Arbitration***

**Section I**  
**Arbitral Tribunal**

- Determining the number of arbitrators**
1. (a) The parties submitting a matter to arbitration are free to determine whether one or more arbitrators shall be appointed.
- (b) Notwithstanding (a) of this section, if more than one arbitrator is being appointed the total number of arbitrators shall be an odd number.
- (c) Failing the agreement between the parties to a dispute on the determination of a number of arbitrators to resolve the dispute submitted to arbitration, the following shall apply.
- (1) If the dispute submitted to arbitration involves a sum equivalent to or more than MVR 1.5 Million (One Million Five Hundred Thousand Maldivian Rufiyaa), 3 (three) arbitrators shall be appointed;
- (2) If the dispute submitted to arbitration involves a sum less than MVR 1.5 Million (One Million Five Hundred Thousand Maldivian Rufiyaa), a single arbitrator shall be appointed.
- No discrimination based on nationality**
2. (a) Maldivian nationals and nationals of any country with which Maldives has established diplomatic relations may be appointed as arbitrators in a matter submitted to arbitration.
- (b) In accordance with (a) of this section, unless otherwise agreed by the parties to a dispute submitted to arbitration, no person shall be precluded by reason of his nationality from acting as an arbitrator.
- Freedom to decide on appointment procedure**
3. The parties to a dispute that is submitted to arbitration are free to discuss and agree on a procedure of appointing the arbitrator or arbitrators.
- Procedure for appointing three arbitrators**
4. (a) If the parties to a dispute that is submitted to arbitration agree on 3 (three) arbitrators, each party shall appoint 1 (one) arbitrator. The 2 (two) arbitrators thus appointed shall unanimously agree on the third arbitrator.
- (b) Notwithstanding (a) of this section, under the following circumstance the arbitrator shall be appointed by the Arbitration Centre.
- (1) If the parties to the dispute fail to appoint their arbitrators within 30 (thirty) days;
- (2) If a party to the dispute requests another party to the dispute to appoint an arbitrator and within 30 (thirty) days of such request the party fails to appoint an arbitrator to represent that party; or

- (3) If the 2 (two) arbitrators fail to agree on the appointment of the third arbitrator, within 30 (thirty) days of their appointment.

**Procedure for appointing a sole arbitrator**

- 5. (a) If the parties to a dispute submitted to arbitration, determine that the matter shall be decided by a sole arbitrator, the parties are free to discuss and agree on the appointment of the arbitrator.
- (b) Where the parties fail to appoint an arbitrator in accordance with (a) of this section, the Arbitration Centre shall appoint the arbitrator upon request by either of the parties.

**Measures that the Arbitration Centre can implement**

- 6. (a) Where the parties to a dispute submitted to arbitration have decided on an appointment procedure, either party may request the Arbitration Centre to take necessary action under the following circumstances.
  - (a) If a party or parties that have to appoint an arbitrator fail to comply with the agreed procedure;
  - (b) If either of the parties to the dispute fails to act as required under such agreed procedure;
  - (c) If after the appointment of the 2 (two) arbitrators, the third arbitrator is not appointed in accordance with the agreed procedure.
  - (d) If a third party, fails to perform any function entrusted to it under such procedure.
- (b) The parties to a dispute may agree that a decision made by the Arbitration Centre under this section is not subject to appeal.
- (c) If the total number of arbitrators appointed under this section is 3 (three) or more arbitrators, the arbitrators shall determine a presiding arbitrator amongst themselves. Unless otherwise decided by such tribunal, the presiding arbitrator shall have the responsibility to chair such an arbitral tribunal.

**Matters to be considered by the Arbitration Centre in appointing arbitrators**

- 7. The Arbitration Centre shall have due regard to the following in appointing an arbitrator or arbitrators.
  - (a) The competence required of such an arbitrator;
  - (b) The qualifications required by such an arbitrator;
  - (c) Independence and impartiality required to resolve a dispute submitted to arbitration;

- (d) In the circumstances where 1 (one) arbitrator is appointed, if the parties to the dispute are of different nationalities, appointing an arbitrator of a nationality other than those of the parties.
- Disclosure of Conflicts of Interest**
8. (a) When a person is approached in connection with his possible appointment as an arbitrator, he shall disclose to the requesting party any circumstances likely to give rise to any doubts as to his impartiality or independence and recuse himself from accepting the appointment.
- (b) Even after the appointment as an Arbitrator, if there is reason to believe that he may not be able to discharge his duties with impartiality and independence such circumstances shall be disclosed to the party that appointed the Arbitrator and he shall recuse himself from the position. And if the arbitrator is presiding over a tribunal of more than one arbitrator, the rest of the arbitral tribunal shall be notified in such an event.
- Ethical Conduct of Arbitrators**
9. A person acting as an Arbitrator shall maintain ethical conduct in accordance with the standards set out in the Bangalore Principles.
- Grounds for challenging an arbitrator**
10. An arbitrator appointed shall be challenged and removed from the post only under the following four circumstances.
- (a) If circumstances exist that give rise to justifiable doubts as to his impartiality or independence;
- (b) If he does not possess the necessary qualifications required of an arbitrator to that dispute;
- (c) If there are unreasonable delays on the arbitrator in the discharge of his duties;
- (d) If the arbitrator fails to discharge duties properly.
- Procedure for removal of an arbitrator**
11. (a) The parties to a dispute submitted to arbitration, may decide on a procedure for challenging and removal of an Arbitrator in circumstances set out in section 10 of this Rules.
- (b) Failing an agreement between parties to a dispute submitted to arbitration, on a procedure in accordance with (a) of this section, the party who wishes to challenge and remove an arbitrator, as set out in section 10 of this Rules, shall submit it a challenge to the arbitral tribunal within 15 (fifteen) days of the constitution of the arbitral tribunal. Or if the party became aware of such a circumstance after 15 (fifteen) days from its constitution, the party shall submit the challenge to the arbitral tribunal within 15 (fifteen) days of becoming aware of such a circumstance.
- (c) Where an arbitral tribunal receives a statement of challenge, the challenged arbitrator may withdraw from office or if the other party or

parties to the dispute agree, he may be removed from office. If the other party does not accept the challenge, a decision on his removal shall be made by the arbitral tribunal. This applies if the arbitral tribunal consists of 3 or more arbitrators. If the tribunal consists of a sole arbitrator, the determination on a challenge shall be made by the Arbitration Centre.

- (d) If a challenge is submitted in accordance with (b) of this section and a decision is made in accordance with (c) of this section to not remove the arbitrator from office, the arbitral tribunal shall notify the challenging party of its decision within 30 (thirty) days and the challenging party may appeal this decision to the Arbitration Centre. The parties to the dispute may agree that a decision on such an appeal by the Arbitration shall be final.
- (e) Until a decision is made by the Arbitration Centre in accordance with (d) of this section, the challenged arbitrator may continue duties of his office.
- (f) If an arbitrator withdraws from office when a challenge is made against him in accordance with (b) of this section, it shall not amount to an admission to the subject matter of the challenge.

**Appointment of a substitute arbitrator**

- 12. (a) Where a position of an arbitrator becomes vacant pursuant to section 11 a substitute arbitrator shall be appointed.
- (b) A substitute arbitrator shall be appointed as set out in (a) of this section, in accordance with the rules that were applicable to the appointment of the arbitrator being replaced.

**Effect of the removal of an arbitrator on the proceedings**

- 13. (a) Unless otherwise agreed by the parties to a dispute submitted to arbitration, if a substitute arbitrator is appointed in accordance with section 12 of this Rules, and if that arbitrator is the sole arbitrator appointed to the arbitration, or if he is the presiding arbitrator of the arbitral tribunal, all previous proceedings in relation to the arbitration shall be void and proceedings shall be commenced again.
- (b) If a substitute arbitration is appointed in accordance with section 12 of this Rules and if that arbitrator is not the sole arbitrator or a presiding arbitrator of the arbitral tribunal, the parties to the dispute have the discretion to allow previous proceedings in the arbitration to stand.

## **Section II**

### **Power to Order Interim Measures and Preliminary Orders**

**Order of interim measures by the Arbitral Tribunal**

- 14. (a) Unless otherwise agreed by the parties to a dispute submitted for arbitration, the arbitral tribunal has the power, at the request of a party, to grant interim measures.

- (b) An “interim measure” stated in (a) of this section shall mean, an order by the tribunal, at any time prior to the issuance of the award by which the dispute is finally decided, in order to ensure the following.
  - (1) Maintain or restore the status quo of the relationship between the parties to the dispute submitted for arbitration, pending determination of the dispute; or
  - (2) To prevent an action that is likely to cause, or prejudice to the arbitral process itself; or
  - (3) Provide a means of preserving assets out of which a subsequent award may be satisfied; or
  - (4) Preserve evidence that may be relevant and material to the resolution of the dispute.
- (c) Unless otherwise provided for in this Rules, an order for an interim measure in accordance with (a) of this section shall be issued by the arbitral tribunal only after notifying the parties to the dispute, and giving the opportunity to the parties to respond to the matter.

**Granting an *Ex Parte* order for interim measures**

- 15. (a) Notwithstanding (c) of section 14 of this Rules, the arbitral tribunal has the power to grant an order for interim measures upon the application by one party without notice to the other party. Nevertheless, such an order shall be issued by the arbitral tribunal only if it considers that notice to the other party shall frustrate the purpose of the interim measure.
- (b) Upon the issuance of an order as stated in (a) of this section, the arbitral tribunal shall without delay provide all information related to the order to all parties to the dispute.
- (c) In providing the information stated in (b) of this section, all relevant information including, the request for an order for interim measures under (a) of this section, documents received by the arbitral tribunal in relation the subject matter and any oral statements in relation the subject matter shall be disclosed.
- (d) If a determination is made by the arbitral tribunal in accordance with (a) of this section, the party to whom the preliminary order is directed to shall be given the opportunity to respond and present its case. And once the party responds, the arbitral tribunal shall decide promptly on any objection to the preliminary order and inform its decision to all the parties to the dispute.

**Conditions to be satisfied for granting interim orders**

- 16. (a) The party requesting an interim measure under sections 14 and 15 of this Rules, shall satisfy the arbitral tribunal of the following conditions.

- (1) If it results in the damages provided by the Arbitral Award not being paid, in the event the measure is not ordered;
  - (2) If the harm that is likely to result if the measure is not granted substantially outweighs the harm to the party against whom the measure is directed;
  - (3) There is a reasonable possibility that the requesting party will succeed on the merits of the claim.
- (b) A decision by the arbitral tribunal pursuant to (3) of paragraph (a) of this section, shall not be reason enough to necessitate the arbitral tribunal from determining the merit of the dispute in that manner.
  - (c) With regard to a request for an interim measure under (a) of this section, the requirements in (1) to (3) of the paragraph shall apply only to the extent the arbitral tribunal considers appropriate.
- Modification of order for interim measures**
17. (a) The arbitral tribunal has the power to modify, suspend or terminate an interim measure or a preliminary order it has granted.
- (b) The power of the arbitral tribunal to make a decision in accordance with (a) of this section, shall be made upon application of any party and if it satisfied that such a decision shall be made in that matter or, in exceptional circumstances on the arbitral tribunal's own initiative
- Provision of security**
18. (a) The arbitral tribunal may require the party requesting an interim measure to provide appropriate security in connection with the measure. And it shall issue an order, without requiring the party to provide security only if it considers it inappropriate or unnecessary to do so.
- (b) The "provision of security" stated in (a) of this section shall mean, a deposit paid to the arbitral tribunal of an adequate amount by the party requesting an interim measure for costs that the party against whom the interim measure is directed to may incur or damages that may be awarded to that party. This can be in the form of a guarantee issued from an institution acceptable to the arbitral tribunal.
- Disclosure of modification**
19. The Arbitral tribunal may require prompt disclosure to the tribunal any change in factors or circumstances on the basis of which the measure was requested or granted.
- Costs and Damages**
20. (a) The party requesting an interim measure or applying for a preliminary order shall be liable for any costs and damages caused by the measure or the order to any party if the arbitral tribunal later determines that, in the circumstances, the measure or the order should not have been granted.
- (b) In accordance with (a) of this section, arbitral tribunal may award such

costs and damages at any point during the proceedings.

### **Section III Arbitral Proceedings**

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| <b>Equal treatment of parties</b>           | 21. | (a) All parties to a dispute submitted to the arbitral tribunal shall be treated with equality and each party shall be assured fairness.<br><br>(b) All parties to a dispute shall have the full opportunity of presenting their case in accordance with procedures set by the arbitral tribunal.   |
| <b>Commencement of arbitral proceedings</b> | 22. | Unless otherwise agreed by the parties, arbitral proceedings in respect of a particular dispute commence on the date on which a request for that dispute to be referred to arbitration is received by the respondent.   |
| <b>Language</b>                             | 23. | (a) Unless otherwise stated in this Rules, the parties are free to agree on the language to be used in the arbitral proceedings.<br><br>(b) If the parties have not agreed on the language to be used in the arbitral proceedings as stipulated in (a) of this section or if the parties have failed to come to an agreement with regard to the language, the arbitral tribunal shall determine the language to be used in the proceedings.<br><br>(c) If the language of arbitration has been determined as set out in (a) or (b) of this section and if the parties have not agreed otherwise, that language shall apply to any written statement by a party, any hearings and any award issued by arbitral tribunal during the course of the proceedings.<br><br>(d) The arbitral tribunal may order that any documentary evidence shall be accompanied by a translation into the language or languages agreed upon by the parties or determined by the arbitral tribunal as set out in (a) and (b) of this section. |
| <b>Statements of Claim and Defence</b>      | 24. | (a) Within the time agreed by the parties or failing an agreement by the parties as determined by the arbitral tribunal, the claimant shall state the facts supporting his claim, the points at issue and the relief or remedy sought to the arbitral tribunal.<br><br>(b) Within 15 (fifteen) days of the receipt of the statement of claim by the arbitral tribunal in accordance with (a) of this section, the respondent shall submit a statement of defence in respect of all particulars stated in the claimant's statement.  |
| <b>Submission of evidence</b>               | 25. | The parties shall submit all supporting or relevant documents or may add a reference to a document with the statement of claim and statement of defence as stipulated in (a) and (b) section 24. The parties shall also submit all the  |



written evidence and a summary of all other evidence they wish to present for consideration by the arbitral tribunal.

**Amending the Statements of Claim and Defence**

26. Unless determined other by the arbitral tribunal, or if the arbitral tribunal deems it inappropriate to do so, or unless otherwise agreed by the parties, the parties may amend or supplement the statement of claim and statement of defence submitted in accordance with (a) and (b) of section 24.

**Arbitral proceedings**

27. (a) Subject to an agreement to the contrary by the parties, the arbitral tribunal shall decide whether to hold hearings for the presentation or whether the proceedings shall be conducted on the basis of documents and other materials.
- (b) If the parties decide to hold oral hearings as stipulated in (a) of this section, the arbitral tribunal shall determine a procedure on how the parties should be given opportunities for oral arguments, presentation of evidence, rebuttals and cross examination of evidence.
- (c) If the parties decide to conduct the proceedings on the basis of documents and other materials as stipulated in (a) of this section, the arbitral tribunal shall determine a procedure on how the hearing should be conducted.

**Right to attend hearings**

28. Unless the parties have agreed that no hearings shall be held, the arbitral tribunal shall hold such hearings at an appropriate stage of the proceedings, and shall give the parties the opportunity to attend hearings, and reasonable opportunity to the parties for their oral arguments, present evidence and give the opportunity for rebuttals.

**Notice**

29. The parties to the dispute shall be given sufficient notice by the arbitral tribunal of any hearing or of any meeting for the purpose of inspection of goods, other property or documents.

**Written statements**

30. (a) All statements, documents or other information supplied to the arbitral tribunal by one party shall be communicated to the other party by the arbitral tribunal.
- (b) A copy of any expert report or evidentiary document on which the arbitral tribunal may rely in making its decision shall be communicated to the parties.

**Default of a party**

31. Unless otherwise agreed by the parties, if without showing sufficient cause,
- (a) The claimant fails to communicate his statement of claim within the time period given, the arbitral tribunal shall terminate the proceedings;
- (b) The respondent fails to communicate his statement of defence within the time period given, the arbitral tribunal shall continue the proceedings

without treating such failure in itself as an admission to the claimant's allegations;

- (c) Any party fails to appear at a hearing or to produce documentary evidence, the arbitral tribunal may continue the proceedings and make the award on the evidence before it.

**Appointments of experts**

- 32. (a) Unless otherwise agreed by the parties, the arbitral tribunal may appoint one or more experts or direct one party or parties to produce a report on a specific issue to be determined by the arbitral tribunal.
- (b) The arbitral tribunal may order a party to appoint an expert or experts appointed pursuant to (a) of this section, to provide a specific information, a specific document, to give access to a place or to facilitate for examination of documents.
- (c) Unless otherwise agreed by the parties or if one of the parties requests or if the arbitral tribunal or the arbitral tribunal considers it necessary, the expert shall, after delivery of his written or oral report, participate in a hearing where the parties have an opportunity to put questions to him and to present or to present additional evidence.

**Court assistance in taking evidence**

- 33. The arbitral tribunal or a party with the approval of the arbitral tribunal may request from a competent court for assistance in taking evidence. Evidence should be taken according to the procedures of the court.

## **Section IV**

### **Making of award and termination of proceedings**

**Decision making by the arbitral tribunal**

- 34. (a) In an arbitral proceeding with more than one arbitrator, any decision of the arbitral tribunal shall be made, unless otherwise agreed by the parties, by a majority of all its members.
- (b) Notwithstanding the (a) of this section, questions of procedure may be decided by a presiding arbitrator, if so authorized by the parties or all members of the arbitral tribunal.

**Settlement**

- 35. (a) If during arbitral proceedings, the parties settle the dispute, the proceedings shall be terminated.
- (b) If the parties come to an agreement as stipulated in (a) of this section and if requested by the parties, and not objected by the arbitral tribunal, the settlement shall be recorded in the form of an arbitral award on agreed terms.
- (c) The terms of settlement stipulated in (b) of this section shall be recorded as arbitral award issued by the arbitral tribunal.

- (d) A decision by the arbitral tribunal, pursuant to (b) of this section shall be determined in compliance with section 36 of this Rules.
- (e) A decision by the arbitral tribunal, pursuant to (b) of this section shall have the same status and effect as an arbitral award as stated in the Arbitration Act.
- Form and content of an award**      36. (a) The arbitral award shall be in writing and shall be signed by the arbitrator or arbitrators constituting the arbitral tribunal.
- (b) Notwithstanding (a) of this section, in an arbitration with more than one arbitrator, the signatures of the arbitrators forming the majority decision by the arbitral tribunal shall suffice.
- (c) If in an arbitration with more than one arbitrator and if the award lacks a signature of an arbitrator, the reasons for omitting the signature must be stated.
- (d) The award shall state the decision and reasons upon which it is based, unless the parties have agreed that no reasons are to be given or it is an award given pursuant to Section 35 of this Rules.
- (e) The award shall state its date and the place of arbitration. The award shall be deemed to have been made at that place.
- (f) After the award is made, a copy shall be delivered to each party.
- Termination of proceedings**      37. (a) The arbitral proceedings are terminated by two acts. It is by final award or in accordance with (b) of this Section.
- (b) In the following circumstances, the arbitral tribunal shall determine that that the proceedings are terminated.
- (1) The claimant withdraws his claim and the respondent does not object;
- (2) The parties agree on the termination of the proceedings;
- (3) The arbitral tribunal finds that the continuation of the proceedings has for any other reason become unnecessary or impossible.
- (c) If the respondent objects to the claimant's withdrawal of his claim as stipulated (1) of paragraph (a) of this section, and if the tribunal recognizes an interest for the respondent by issuing a final award, the arbitral tribunal may continue the proceedings.

- (d) The mandate of the arbitral tribunal terminates with the termination of the arbitral proceedings, subject to the provisions of Section 38 and 39 of this Rules.
- Correction of an award** 38. (a) Within thirty days of receipt of the award, a party with notice to the other party, may request the arbitral tribunal to correct in the award any typographical error or to give an interpretation of a specific point or part of the award.
- (b) If the arbitral award considers a request in accordance with (a), to be justified, it shall give the correction or interpretation within thirty days of receipt of the request.
- (c) Any corrections or interpretation to the arbitral award shall form part of the award.
- (d) The arbitral tribunal may correct any error referred to in (a), on its own initiative within thirty days of the date of the award.
- Additional award** 39. (a) Unless otherwise agreed by the parties or if a decision has not been made in the arbitral award, a party, with notice to the other party, may request, within thirty days of receipt of the award, the arbitral tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted in the award.
- (b) If the arbitral tribunal is to act in accordance with (a), the time period to issue the additional award will be deemed to be part of the proceedings.
- Confidentiality** 40. (a) Unless otherwise agreed by the parties to a dispute, all information, records, evidence and the Arbitral Award shall be confidential.
- (b) With the exception of the following two circumstances, the confidential information shall not be disclosed to a third party.
- (1) With the agreement and consent of the parties;
- (2) To the extent required to review a matter related to an arbitral award duly submitted to a court or other institution.
- (c) A court in reviewing a matter related to an ongoing or completed arbitration shall in making a determination undertake measures to keep documents and information related to the dispute confidential.
- Cost of arbitration** 41. (a) The cost of arbitration including the arbitrators fees and all other fees and expenses to be borne by the parties to a dispute can be shared among the parties as agreed by the parties.

(b) Failing an agreement between the parties on the cost of arbitration including the arbitrators fees and all other fees and expenses, the arbitral tribunal shall make a determination on how the costs shall be shared among the parties.

**Liability of arbitrators**

42. (a) An arbitrator shall not be held liable for an act or omission without the express intent to commit fraud or deception or an intent to commit a crime, or not being aware of a law, fact or procedure made in the course of arbitral proceedings.

(b) Notwithstanding (a) of this section, the arbitrator shall be held liable for his acts or omissions in the capacity of an arbitrator that amounts to fraud or deception or a criminal offence.

**Appointment of counsel**

43. The party to a dispute that is subject to arbitration under these Rules may, if he chooses to do so, appoint a legal practitioner or an authorized party as its representative.

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