



RÈGLEMENT

(En vigueur à compter du 1er Janvier 2000)

RULES OF ARBITRATION

(Effective 1st January 2000)

Bourse de Commerce - 75040 PARIS CEDEX 01
Tél. : 01 42 36 99 65 - Fax 01 42 36 08 54 - Téléc : 214.131F
EMail :cap@arbitrage.org

RULES OF PROCEDURE OF THE CHAMBRE ARBITRALE DE PARIS (ARBITRATION CHAMBER OF PARIS)

In the event of dispute as to interpretation of the text, the French text shall be valid.

INTRODUCTION

Article 1 :

The task of the Chambre Arbitrale de Paris is to settle disputes submitted to it by conciliation of the parties, mediation or by an arbitration which it shall arrange.

It is for the arbitrators appointed by the Chambre Arbitrale who, once they have accepted the role of arbitrator in compliance with the Rules of Arbitration herein, to examine and settle disputes within the framework of the Arbitration Tribunals on which they sit.

The same is true of disputes referred to the Chambre from Courts.

In addition, the Chambre Arbitrale de Paris provides the Arbitration Tribunals with all necessary material assistance either by placing at their disposal all the resources which it habitually uses or by implementing measures which may be decided by them in the course of proceedings in order to fully perform their mission.

The preceding provisions may be extended to ad hoc arbitrations. In such cases, arbitrators and/or parties who intend to make use of its services have to determine with the Chambre Arbitrale de Paris which services they wish it to perform.

Finally, the Chambre Arbitrale shall cause to be carried out all expert evaluations, analyses and formalities which are under its responsibility or which may be called for.

Article 2 :

The legal representative of the Chambre Arbitrale de Paris is its President, who exercises the powers hereby entrusted both to the Chambre Arbitrale de Paris and to himself in pursuance of these Rules of Arbitration.

Where the President is prevented from doing so, his powers shall be exercised by one of the Vice-Presidents officially designated as surrogate and only for the duration of such impediment.

RULES OF ARBITRATION

Article 3 :

The Chambre Arbitrale shall arrange arbitration between parties in dispute by forming an Arbitration Tribunal specific to each case referred to it.

The Chambre Arbitrale reserves the right to refuse any application for arbitration without obligation to explain such refusal.

When agreeing to request arbitration from the Chambre Arbitrale de Paris, parties shall be deemed to accept the Rules herein and to abide by their enforcement unless there is any expressly agreed provision to the contrary.

In order to facilitate the recovery of small money claims that qualify as being unquestionable, liquid and due, the parties may request implementation of the P.A.R.A.D. procedure as described in the appendix.

When the parties are bound by a contract involving the application of procedural rules specific to a particular branch of the trade, such shall be observed by the Arbitration Tribunal or Tribunals called upon to resolve the dispute. The rules herein shall apply where their provisions do not contradict the procedural rules of the trade so adopted.

JURISDICTION

Article 4 :

Once formed an Arbitration Tribunal shall be in each case the judge of its own competence to sit.

Under penalty of being considered unacceptable, any plea in bar of jurisdiction must be raised by the interested party before any defence on the merits of the case itself.

POWERS**Article 5 :**

Referral to a dispute to the Chambre Arbitrale de Paris necessarily implies the waiver by the parties involved of any right of appeal before the relevant Court. Awards shall be final and subject only to an application for the award to be set aside.

It also necessarily implies acceptance by them that the Court to which application is made for the award to be set aside may not rule on the merits of the case where the original award is so set aside.

Arbitration Tribunals constituted by the Chambre Arbitrale are under no obligation during proceedings to observe the procedure, time limits or formalities governing Courts. However, the general principles for the conduct of proceedings set out in Articles 4 to 10, 11 (first paragraph) and 13 to 21 of the Nouveau Code de Procédure Civile (French New Code of Civil Procedure) shall apply to arbitration proceedings.

Any Arbitration Tribunal shall settle the dispute referred to it according to the rules of law unless the parties expressly agree to request the Arbitrators to rule as amicable composers.

In this case the Arbitration Tribunal is appointed according to Article 15 covering First Degree Tribunals but the award, based on a majority vote, shall be final and the parties involved shall be deemed to have waived any possibility of requesting a new examination of the case by a second Degree Tribunal as provided for by Articles 17 and 18 below. Arbitration fees are those payable for First Degree proceedings.

If during proceedings which have already begun the parties agree to change the nature of their request from a request for a judgement according to the rules of law to a request that the Arbitrators rule as amicable composers, a statement recording this agreement shall be drawn up before the Tribunal and signed by the parties and the arbitrators. The award, based on a numerical majority, shall then be final.

THE ARBITRATORS**Article 6 :**

The Arbitration Tribunals shall be formed by Arbitrators who are either nominated or appointed according to Articles 15, 18 or 35 hereien.

When Arbitrators are appointed by the Chambre Arbitrale, they are selected, without prejudice to the exception provided for in Article 9, from the Single List of Arbitrators drawn up according to the provisions of Article 8 herein.

The parties in dispute shall have the right to nominate an Arbitrator not mentioned on the Single List if he satisfies the conditions laid down by Article 7. The appointment of this Arbitrator is within the competence of the President of the Chambre Arbitrale de Paris.

Article 7 :

The Arbitrators may be French nationals or foreigners. They must enjoy full citizen rights and must currently hold or have held a post of responsibility of a commercial, technical, legal, financial, industrial or professional nature.

Whatever the procedure by which they are appointed, the Arbitrators shall be Judges and as such enjoy all the rights and be governed by all the duties applicable to such status. In no event whatsoever may they act or intervene as representatives of any of the parties.

Article 8 :

The names of the Arbitrators are set out in a Single List drawn up by the Chambre Arbitrale de Paris under specialized sections after an application has been made for a position of Arbitrator made by the Professional Group, member of the Chambre Arbitrale to which they belong. Acceptation of said application is decided by the Board of the Chambre Arbitrale upon due consideration.

The names of recently enrolled Arbitrators are added to the end of the Single List awaiting their inclusion in the relevant specialist section list in the next edition of the List.

An Arbitrator may appear in more than one specialized section where this reflects his special expertise or in the limitative list provided for in article 14, paragraph 4, of the statutes of the Chambre Arbitrale de Paris.

Article 9 :

Notwithstanding Article 6 and in exceptional cases, when the nature of the dispute is such as to require it, the President of the Chambre Arbitrale may, in forming an Arbitration Tribunal, appoint any person whose name does not appear on the List of the Chambre Arbitrale, provided he or she satisfies the conditions laid down in Article 7.

Article 10 :

An Arbitrator may be challenged for the same reasons as a Judge. In particular, he must not be related to or be an associate of any of the parties and must have no personal interest in the settlement of the dispute.

The challenge of an Arbitrator for any reason preceding his appointment may be requested only within a period of 15 days following notification of his appointment. After this period, he may be challenged only for a reason which has become apparent or has come to exist since his appointment.

The decision as to whether such a challenge is justified and must be upheld is that of the President of the Chambre Arbitrale de Paris alone and is final.

An Arbitrator may be removed by the party having nominated him only with the agreement of the other party.

Article 11 :

In the event of the death, refusal, abstention, inability to sit of any kind, challenge, removal or loss of full citizen's rights of any Arbitrator due to sit or already sitting on the bench of an Arbitration Tribunal, the President of the Chambre Arbitrale shall replace him without needing to call for any new nomination by one or other of the parties.

However, if this replacement occurs during the debates or during consideration of the award by an Arbitration Tribunal, the debates must start again from the beginning before the newly appointed Arbitrator or Arbitrators.

Article 12 :

The President of the Chambre Arbitrale cannot be appointed or nominated as an Arbitrator.

However should an arbitrator be elected to the presidency of the Chambre Arbitrale while sitting at an Arbitration Tribunal, he shall carry out to its end his commission to arbitrate.

The same provisions shall apply to any Vice-President where he stands in for the President, and only for the period of such replacement.

REFERRAL - ARBITRATION AGREEMENTS - ARBITRATION APPLICATIONS

Article 13 :

A dispute is referred to the Chambre Arbitrale either by an agreement to do so signed by the parties, or by an application for arbitration based on an arbitration clause contained in writing in the main contract or in an appendix to that contract.

The Chamber shall arrange arbitration between parties in dispute in compliance with article 3 of these Rules.

The Arbitration agreement or application must include the names, professions and addresses of the parties, a summary of the main facts in the dispute and a precise definition of the subject of the request.

Whenever the Chambre Arbitrale receives an application for arbitration, it shall inform the defendant or defendants without delay.

Where the matter is referred to the Chambre Arbitrale by E-mail, telex or fax, same must be confirmed immediately in writing by a letter signed by the claimant in order to authenticate and date the application.

WRITS OF SUMMONS

Article 14 :

In the case of First Degree proceedings or of urgent arbitration or of summary procedure, the Chambre Arbitrale shall issue a summons to appear at an initial hearing before the Arbitration Tribunal once the claimant or counterclaimant has satisfied, on the one hand, the payment of the arbitration fees in compliance with Article 43 and, on the other hand, the supplying of all documents, observations or submissions supporting his application for arbitration and making it possible for the case to be judged.

Hearings may not be held until at least 15 days after the date of the summons to appear is sent to the parties, other than exceptions provided for herein.

Where Second Degree proceedings are concerned, the Chambre Arbitrale de Paris shall summon the parties to attend an initial hearing once the applicant for Second Degree proceedings has paid arbitration fees in compliance with Article 43.

ARBITRATION TRIBUNALS : FIRST DEGREE

Article 15 :

The dispute shall be referred to a so-called First Degree Arbitration Tribunal of which the bench shall comprise three members nominated or appointed as follows :

1) The President of the Chambre Arbitrale shall appoint an Arbitrator. This Arbitrator is invariably the Chairman of the Arbitration Tribunal.

2) Where proceedings are taken against a single defendant, the claimant shall have the right to nominate an Arbitrator within 15 days of the date of his arbitration application or of the arbitration agreement. This Arbitrator is chosen either from the list already drawn up by the Chambre Arbitrale or according to the criteria set out in Article 7 herein. Subject to a time limit of 15 days from date of receipt of notification of the arbitration application or of the arbitration agreement, the defendant shall have the same right to nominate an Arbitrator. The President of the Chambre Arbitrale appoints these arbitrators according to the provisions of articles 6 and 7 of the Rules of arbitration.

If, within the time allowed, either party has not availed himself of the option open to him to nominate an arbitrator, the President of the Chambre Arbitrale shall appoint said arbitrator ex officio.

3) If the dispute involves more than two parties, the President of the Chambre Arbitrale shall appoint the three members of the Arbitration Tribunal.

PROVISIONAL AWARD

Article 16 :

If the parties present or represented do not arrive at an arrangement during the proceedings, the Arbitration Tribunal shall issue a provisional award on the basis of a majority vote.

This provisional award shall include the names of the Arbitrators, the one of the Secretary in attendance, a concise summary of the cases of the parties, their respective arguments and the facts, the reasons for the award reached and a statement of the fines.

Copy thereof shall be signed by all the Arbitrators, except where a minority refuse to so sign, such refusal being recorded, and requires the visa of the Secretary in attendance appointed by the President of the Chambre Arbitrale.

An authenticated copy of the provisional award shall be sent to the parties by the Chambre Arbitrale.

Article 17 :

Each of the parties may request an examination of the case at second degree within 15 days following the date of receipt of notification of the provisional award.

If within the time allowed in the above paragraph the Chambre Arbitrale has not received written notice of withdrawal of the arbitration submission by mutual agreement between the parties, nor received a written request for institution of Second Degree proceedings, the provisional award shall become the final award on receipt of a simple request that it be so by one or other of the parties and notice thereof shall be served to the parties concerned.

Withdrawal of a request to institute Second Degree proceedings by one party or the failure to satisfy the requirements of Article 43 within the stipulated time limits, notice having been given to the other party, shall leave open the possibility for the other party to request such Second Degree proceedings subject to a time limit of 15 days from the date of notification.

ARBITRATION TRIBUNALS : SECOND DEGREE

Article 18 :

If within the time limit laid down by Article 17 above the Chambre Arbitrale has received an application for Second Degree proceedings, it shall form a second Arbitration Tribunal comprising five Arbitrators, all appointed by the President of the Chambre Arbitrale.

Each of the parties shall have the right to obtain the replacement of one of the Arbitrators thus appointed within 8 days from receipt of notification of the names of the Arbitrators sitting in the Second Degree Arbitration Tribunal.

This provision does not preclude the implementation of Article 11 concerning replacement of Arbitrators prevented from sitting.

Article 19 :

Arbitrators sitting on the bench of a First Degree Arbitration Tribunal cannot sit in a Second Degree Arbitration Tribunal examining the same case. This also applies to those Arbitrators nominated by one party for First Degree hearings and who have been replaced.

AWARD

Article 20 :

The provisional award of a First Degree Arbitration Tribunal shall become null and void once the formalities for a Second Degree arbitration application have been carried out within the stipulated time limit.

The award of a Second Degree Arbitration Tribunal shall be issued on the basis of a majority vote.

Article 21 :

The award shall include the names of the Arbitrators, the one of the Secretary in attendance, a concise summary of the cases of the parties, their respective arguments and the facts, the reasons for the award reached and a statement of the fines.

Copy thereof shall be signed by all the Arbitrators, except where a minority refuse to so sign, such refusal being recorded, and requires the visa of the Secretary in attendance appointed by the President of the Chambre Arbitrale.

An authenticated copy of the award shall be sent to the parties by the Chambre Arbitrale.

DEPOSIT WITH THE CLERK OF THE COURT

Article 22 :

Awards shall be deposited by the Chambre Arbitrale de Paris or by any mandated person at the office of the Clerk to the Tribunal de Grande Instance of Paris (District Court) pursuant to the law, but only when requested by one or the other of the parties.

ENFORCEMENT

Article 23 :

It is up to the parties to file suit, if necessary, to obtain execution of the awards.

DEPOSIT OF DOCUMENTS

Article 24 :

All documents, evidence and submissions must be handed or sent to the Secretariat of the Chambre Arbitrale for examination by the Arbitrators and for consultation by the parties on days and at times of opening of the Secretariat as from the date of the writ of summons.

Once the date of the hearing is set in compliance with article 14, the defendant is under the imperative obligation to file his dossier with the Secretariat at the latest on the eighth day preceding the date of the arbitration hearing of which he has been notified. All evidence after this date may if challenged be declared to have been filed too late and therefore inadmissible by the Arbitration Tribunal.

Any counterclaim must be duly formulated at First Degree at the latest 8 days before the date set for the hearing and at the latest within 15 days from the first summons to appear before a Second Degree Arbitration Tribunal. Its acceptance is dependant on payment of arbitration fees according to Articles 41 and 43 before the hearing.

Any counterclaim shall afford to the claimant the possibility of requesting that the Arbitration Tribunal adjourn in order to enable him to present a statement. The Arbitration Tribunal will in this event set a date for the next hearing and the time limits governing exchange of documents and submissions.

The applicant for Second Degree proceedings must file his dossier with the Secretariat within 15 days after depositing the costs, the dossier of the other party having to be filed no later than the eighth day preceding the date of the hearing.

Upon a motivated request to do so, the time limit of 15 days provided for by the preceding paragraph may be exceptionally prorogued by the Chairman of the Arbitration Tribunal, who will then eventually decide to postpone the hearing to a later date.

Article 25 :

The parties must notify each other of their files (statements and evidences) and deposit with the Chambre Arbitrale as many copies of said files as there are of Arbitrators sitting in First Degree or Second Degree Arbitration Tribunal, plus one for the Chambre Arbitrale.

Dossiers filed with the Secretariat for the First Degree proceedings and still in the possession of the Secretariat may, should the occasion arise, be authenticated for Second Degree proceedings by any or all of the interested parties.

Documents in foreign languages must be accompanied by a French translation.

There must be no communication of any kind whatsoever with the Arbitrators.

When samples are produced by parties, these samples must be delivered to the Secretariat of the Chambre Arbitrale before the commencement of the proceedings. They remain at the disposal of the party which has deposited them for a three months' period following the ruling of the Arbitration Tribunal or the withdrawal of the application for arbitration. Beyond this period, the Chambre Arbitrale may decide on disposal of such items.

APPEARANCE AT HEARINGS AND LEGAL REPRESENTATION

Article 26 :

Parties to the arbitration may appear at hearings in person or may be represented by a duly accredited representative. Barristers are dispensed from producing a mandate.

Parties may be accompanied by advisors.

The parties may present any remarks orally or in writting. Hearings are usually conducted in French.

Article 27 :

If in spite of a duly issued writ of summons the defendant does not appear, does not cause himself to be represented and produces no arguments or evidence, the Arbitration Tribunal may proceed with the arbitration on the basis of the evidence available.

CONDUCT AND PROGRESS OF HEARINGS

Article 28 :

The hearings of Arbitration Tribunals shall take place on premises placed at their disposal by the Chambre Arbitrale de Paris within the frame of its role of facilitating arbitration, other than in the exceptional circumstance that the Arbitration Tribunal chooses another location, notably should it decide to conduct proceedings on site.

The Chairman of the Arbitration Tribunal shall set the rules governing hearings and conduct the debates with regard to maintaining good order. The hearings imply cross-examination and are not open to persons not concerned by the dispute except where the Arbitrators decide otherwise with the agreement of the parties. Where persons not involved in the case are admitted they shall be reminded of their duty to avoid any disturbance of the hearings and to keep the matter confidential. During the debates and the private sitting, the Secretary in attendance appointed by the President of the Chambre Arbitrale assists the Arbitration Tribunal.

At the end of the hearing, except where the case is to be continued at a further hearing, the Chairman shall pronounce the hearing closed and the private sitting open. From this time on no further application or evidence may be brought before the Tribunal. Similarly, no remarks may be made and no documents produced, unless the Chairman of the Tribunal so wishes, duly notifying the parties in this event.

Where the proceedings are to continue, the Arbitration Tribunal shall set a date for the next hearing, relevant writs of summons being served later on its behalf by the Secretariat of the Chambre Arbitrale.

INVESTIGATION PROCEDURES**Article 29 :**

The Arbitration Tribunals have the widest possible powers to seek evidence.

They may for that matter request the parties to supply explanation of facts, order them to produce evidence or ask, even ex-officio, for submission of documentary evidence in the possession of third parties where no legal hindrance to this exists.

They may also and generally speaking order all and any investigation which they consider to be pertinent. The parties are required to provide assistance in the conduct of such investigation, the Arbitrators being at liberty to interpret as they wish any failure or refusal to so assist the Tribunal.

The Tribunals may finally decide to consult whomsoever they wish on any matter whatsoever.

ADJOURNMENT OF HEARINGS**Article 30 :**

At the request of one of the parties a case called for an initial hearing may be adjourned with the Chairman's consent.

Such an application for adjournment must be filed at least 8 days before the date set for the hearing, with the exception of specific cases on the merits of which the Arbitration Tribunal shall rule.

The Chairman of the Arbitration Tribunal shall evaluate the merits of any further request for adjournment made by the parties and decide whether such a request is to be granted or refused.

Article 31 :

If the resolution of a dispute is unduly delayed on the part of one of the parties to the extent that an adjournment is necessary, the fee required for consideration of the case at a further hearing of the Arbitration

Tribunal may be equal to one third of the standard arbitration fee and payable by the party having caused the adjournment.

The Arbitration Tribunal decides whether this measure is to be implemented.

TIME LIMITS GOVERNING ARBITRATION PROCEEDINGS

Article 32 :

Adoption of the Rules of Arbitration herein by the parties in arbitration shall necessarily imply their acceptance that the conventional time limit for consideration of any case by the Arbitrators of First and Second Degree Arbitration Tribunals is set at one year from the date of the formal recording of the undertaking to sit by each of the Arbitrators as well as of the setting up of the Arbitration Tribunal in which they are to sit.

However, after the First Degree Arbitration Tribunal has ruled on its provisional award, the proceedings are held to continue until expiry of the time limit for application at second Degree as provided for by Articles 17 and 18 above.

If application for Second Degree proceedings is made within the stipulated time limit, proceedings shall continue under the core of the Chambre Arbitrale until expiry of the assignment of the Arbitrators sitting in the Second Degree Arbitration Tribunal.

By authority of the parties in pursuance of the provisions herein, the President of the Chambre Arbitrale may decide, according to his own judgement as to what is necessary, to extend for one year the assignment of the Arbitrators making up each of the First and Second Degree Arbitration Tribunals. In this event, the Arbitrators and the parties shall be notified accordingly.

Where the above provision has not been applied by the President of the Chambre Arbitrale, the time limit of one year set by these Regulations may be extended by the President of the Tribunal de Grande Instance of Paris (District Court) either with the agreement of the parties involved or upon request of one of the parties or of the Arbitration Tribunal.

The latter clause may be applied if necessary at the expiry of the one-year extension granted by decision of the President of the Chambre Arbitrale.

Article 33 :

When at least one of the parties is resident outside France, the various time limits shall be extended as follows :

- British Isles and countries bordering on France 4 days
- Other countries in Europe 10 days
- Other countries 1 month

However, the extensions described above shall not apply to the time limit of 8 days governing the cases covered in Articles 24 (second and third paragraphs) and 30 (second paragraph).

Article 34 :

All time limits mentioned herein are calculated on the basis set out by Articles 641 and 642 of the Nouveau Code de Procédure Civile (French New Code of Civil Procedure).

When a period is expressed in days, the day of the notification setting into motion the period concerned shall not count.

All time limits expire on the last day at midnight.

Any period which would normally expire on a Saturday, a Sunday, a bank-holiday or a non-working day shall be extended until the first following working day.

A proceedings is barred by limitation when neither party has accomplished any diligence for a three-year period. This time limitation may be pronounced ex officio by the President of the Chambre Arbitrale after a reminder to parties made by registered letter with advice of receipt has given no result. In case of time-limitation, all advance deposits shall become the property of the Chambre Arbitrale de Paris.

URGENT ARBITRATION PROCEDURE

Article 35 :

Implementation of an exceptional urgent procedure may be requested at the time of the application for arbitration accompanied by the deposit of a non refundable lump sum amounting to four times the fixed part of the first bracket of the Chambre Arbitrale's scale of fees and being deductible from the advance deposit mentioned in article 38, paragraph 3.

It is incumbent on the President of the Chambre Arbitrale to decide at the earliest opportunity if such a procedure is to be implemented ; he is under no obligation to justify his decision.

If the application for urgent consideration of the case is refused, the application shall be treated according to standard procedure.

If the application for urgent consideration of the case is granted, the Arbitration Tribunal shall be composed of five Arbitrators nominated or appointed as follows :

1) The President of the Chambre Arbitrale shall appoint three Arbitrators, among them the Chairman of the Arbitration Tribunal.

2) Where the proceedings are taken against a single defendant, the claimant shall have the right to nominate in his application for arbitration one Arbitrator who may be chosen from the list already drawn up by the Chambre Arbitrale or who satisfies the criteria set out in Article 7 herein.

The defendant shall have the same right subject to a time limit of 8 days from the date of receipt of the notification of the application for arbitration.

If one of the parties has not availed himself of his right to nominate an Arbitrator, the President of the Chambre Arbitrale shall do so.

3) If there are more than two parties to the action, the President of the Chambre Arbitrale shall appoint all five Arbitrators on the panel of the Arbitration Tribunal.

Each of the parties shall have the right of obtaining the replacement of an Arbitrator appointed by the Chambre Arbitrale provided such replacement is requested within a time limit of five days following receipt of notification of the names of the Arbitrators. This right may be exercised only once by each party.

Arbitration proceedings shall take place as promptly as possible and the President of the Chambre Arbitrale shall set, notwithstanding all other provisions herein, the time limits governing the formalities of arbitration and in particular those governing the filing at the Secretariat of papers, documents, submissions and statements by the parties.

Article 36 :

Implementation of a special accelerated procedure may furthermore be requested where the arbitration required involves a small.

The implementation of this procedure shall be granted by the President of the Chambre Arbitrale after payment by the claimant of a fixed deposit equal to twice the amount shown in the first level of the scale of arbitration fees.

If the special accelerated procedure is applied, an Arbitration Tribunal shall be set up with a panel of five Arbitrators nominated or appointed according to Article 35 above.

Once the parties involved have been called to appear according to due process, the Arbitration Tribunal shall decide prior to any ruling on the existence of given characteristics of smell on the basis of samples contractually drawn at the time and place of delivery of the goods under dispute.

Continuation of proceedings in this connection shall be dependent firstly on the deposition by the claimant of papers, documents, statements or submissions supporting his application and such that the case may be duly considered and, secondly, on complete payment of arbitration fees due according to Article 38, paragraph 3 below, including the deposit paid in advance.

The Tribunal shall rule on the basis of a numerical majority (3 votes out of 5). Its ruling shall be final and not subject to appeal.

Article 37 :

The assignment of the Arbitrators forming the Tribunal ruling under the accelerated procedure shall last only six months, but by authority of the parties in pursuance of the implementation of the Rules herein and on his own initiative, the President of the Chambre Arbitrale may extend this duration by a renewable period of six months with the proviso that extensions do not exceed two in number. On each occasion the Arbitrators and parties shall be notified of any such extension.

In the exceptional circumstance where the task of the Arbitrators sitting in an Arbitration Tribunal has not been completed when such consecutive extensions have expired, a further extension may be granted by the President of the Tribunal de Grande Instance of Paris (District Court) either with the approval of the parties involved or upon request of one of the parties or of the Arbitration Tribunal.

The arbitration period shall begin to run from the date of the official document recording both of the willingness to sit of each of the Arbitrators and the setting up of the Arbitration Tribunal of which they are to form the panel.

Article 38 :

The ruling of a Arbitration Tribunal governed by this accelerated procedure shall be given on the basis of a straightforward numerical majority (3 votes out of 5) ; copy thereof shall be signed by all the Arbitrators, except where a minority refuse to do so, in which case this is mentioned in the record, and by the Secretary in attendance. An authenticated copy of the award shall be notified to the parties.

This award shall be final.

Arbitration fees for this accelerated procedure shall be twice those normally applicable for First Degree arbitration.

Article 39 :

If the benefit of the accelerated procedure is sought by one or other of the parties in order for the Tribunal to rule on an interim or warranty measure as in a summary procedure before the Courts, the Arbitration Tribunal shall be composed of three Arbitrators all appointed by the President of the Chambre Arbitrale de Paris.

Fees for this accelerated procedure shall be set at twice the amount shown for the first level of the scale of fees.

None of the three Arbitrators may sit or be asked to sit in the First Degree Arbitration Tribunal, and, if applicable, in the Second Degree Tribunal, called upon to examine the full case at issue.

sought. The Tribunal may under no circumstances sit in full judgment of the case nor anticipate the nature of its later settlement.

_____ :
The above provisions for Arbitration Tribunal using an accelerated procedure shall not prejudice

COSTS AND FEES

Article 41

At the beginning of each calendar year arbitration costs in all categories are determined by the President of the Chambre Arbitrale after due consideration by the Board. In particular, the scale of advance fee

Exceptionally the President of the Chambre Arbitrale may set the arbitration fees for First proceedings at a higher or smaller amount than the one which would result in the application of the scale of fees.

Arbitration fees for consideration of a case at Second Degree shall be one and a half times those which

Where no modification is made, the scale in force in the preceding year shall be simply and automatically carried forward to the new calendar year.

_____ :
In the absence of a decision to the contrary taken by an Arbitration Tribunal, all costs shall be payable

Article 43 :

in any proceedings shall stand as guarantor of the arbitration costs in all
shall be

this payment is not made within the time limit set by the Chambre Arbitrale, the application for arbitration shall be considered to have been withdrawn and the parties shall be notified accordingly.

made shall be returned to him after deduction of costs already incurred by the Chambre Arbitrale.

Advance deposits shall become the inalienable property of the Chambre Arbitrale once writs of implementation of measures which may put an end to arbitration.

MISCELLANEOUS PROVISIONS

_____ :
All cases referred to the Chambre Arbitrale for consultation or conciliation in pursuance of a Court Arbitrale.

A report on the case shall be drafted by the Chairman of the Commission and signed by the other with an accompanying statement of the expenses incurred by the later body.

DATE OF EFFECTIVENESS AND TRANSITORY PROVISIONSArticle 45 :

The issuing of the provisional award or award removes the case from the Arbitration Tribunal.

Nevertheless the Arbitration Tribunal may, on its own accord or at the petition of either party, interpret the deed qualified as an award or a provisional award, correct material errors or omissions which may affect this deed and supplement it when part of a claim has not been ruled on. Articles 461 to 463 of N.C.P.C. (French New Code of Civil Procedure) shall apply. Either party may lodge a form of review to a Court when the Arbitration Tribunal cannot sit again.

Article 46 :

The present edition of the Rules of the Chambre Arbitrale is effective as of January 1, 2000 for all proceedings introduced as of this date.

Paris, November 23th 1999

The Board of the Chambre Arbitrale de Paris

APPENDIX

P.A.R.A.D. PROCEDURE RULES

ACCELERATED PROCÉDURE FOR RESOLVING DISPUTES BY ARBITRATION
(in application of article 3 paragraph 4 of the rules of arbitration of the Chambre Arbitrale de Paris)

Article 3.A - PRELIMINARY

The P.A.R.A.D procedure is a contradictorily held arbitration procedure, expeditious and simplified to facilitate and to accelerate the recovery of small money claims that qualify as being unquestionable, liquid and due.

This procedure complements the existing proceedings provided for in the Arbitration Rules of the Chambre Arbitrale de Paris.

The collection of a money claim may be pursued under the P.A.R.A.D. procedure when the money claim has a contractual ground and does not exceed in principal the amount of 700,000 French Francs (or 106.714 euros or equivalent in another currency as of the date of the arbitration claim), not including damages and/or indemnities under article 700 of the N.C.P.C (New French Code of Civil Procedure).

The P.A.R.A.D. procedure shall not apply where several claimants or defendants are involved.

The mandate and powers of the Arbitration Tribunal ruling under the P.A.R.A.D. procedure are set forth exhaustively in the following provisions.

Article 3.B - THE ARBITRATION CLAIM

The arbitration claim, written on a special form and in duplicate must be handed over or sent to the Secretariat of the Chambre Arbitrale de Paris and despatched simultaneously to the other party by the speediest available method of communication.

Every claim shall be accompanied by the sum required for arranging the P.A.R.A.D. procedure in accordance with the provisions of the article 3.G.

The claim shall state :

- the names and addresses of the creditor and of the debtor ;
- the precise amount being claimed together with a detailed account of the various components of the money claim as well as the grounds of said claim ;
- the confirmation that the claim has been despatched to the debtor, stating by which means this has been done together with any relevant papers.

The claim must imperatively be accompanied by relevant papers and by a copy of the agreement having given rise to the money claim and mentioning the arbitration clause.

The Chambre Arbitrale de Paris notifies the defendant of the written case submitted by the claimant and indicates the date on which the sole arbitrator will hear the parties.

The defendant is informed as well of the name of the arbitrator constituted as Arbitration Tribunal and of the hearing dates.

Unless decided otherwise by the Arbitration Tribunal, additional claims shall not be admitted.

To be admissible, any counterclaim must be lodged within 5 days from the notification of the arbitration claim. This delay elapsed, the Secretariat shall invite the counterclaimant to lodge his case as an initial claim under an arbitration procedure independent from the procedure already engaged.

Article 3.C - CONSTITUTION OF THE ARBITRATION TRIBUNAL

The claim shall be referred to a sole arbitrator appointed by the President of the Chambre Arbitrale de Paris.

The arbitrator ruling in pursuance of the present Rules cannot act as an arbitrator in any subsequent procedure involving the same parties, in which a matter in connection with those heard under the P.A.R.A.D. procedure would be raised.

The appointment of the arbitrator may only be challenged, for a reason existing prior to his appointment, within 5 days following the notification of said appointment. This delay elapsed, he may be challenged only for a reason which has become apparent or has come to exist since his appointment.

Article 3.D - DEPOSIT OF DOCUMENTS

No document or additional paper shall be deposited by the claimant between the date of his arbitration claim and the opening of the debate.

The defendant is invited to deposit his file at the latest two working days before the hearing.

Documents shall be filed either in original or in copy form. In this latter case original documents have to be available for submission at the hearings.

Article 3.E - AWARD

If, upon examination of the documents that have been supplied, the claim appears to the Arbitration Tribunal as being partially or totally substantiated, the Tribunal shall make an award ordering payment of the money claim for the amount it has retained.

If the claim appears to be unsubstantiated or if the debate or the materials produced reveal, for whatever reason, that it is necessary to further investigate the case, the Arbitration Tribunal shall dismiss as such the whole or part of the payment claim and invite the claimant to refer it to the Chambre Arbitrale de Paris, should the occasion arise, under the ordinary proceedings provided for in its Rules of Procedure. In such a case, it is incumbent on either party to lodge an arbitration claim with the Secretariat of the Chambre Arbitrale de Paris which claim will rank on the day of its registration.

All awards, once notified to the parties, are final.

Article 3.F - TIME LIMITS GOVERNING ARBITRATION PROCEEDINGS

The duration of the mandate of the Arbitration Tribunal ruling under the P.A.R.A.D. procedure is of one month from the date of the formal recording of its acceptance to sit.

By authority of the parties, in pursuance of the provisions herein, the President of the Chambre Arbitrale may, on his own initiative and if he thinks fit, extend the mandate of the arbitrator for one month.

Article 3.G - FEES

The amount of advanced fees to be deposited by a claimant either for an initial claim and / or a counterclaim is equal to the unvarying part of the level of the Chambre Arbitrale de Paris scale of fees in force on the date of the arbitration claim corresponding to the amount of the litigious money claim.

Said fees shall definitively and entirely become the property of the Chambre Arbitrale de Paris as from the registration of the arbitration claim, whatever the outcome of the procedure might be or where the claimant withdraws for any reason whatsoever.

The Tribunal shall rule on the bearing and eventual sharing of said fees.

STANDARD ARBITRATION CLAUSE :

"Any dispute arising out of or under this contract shall be settled by arbitration in accordance with the Rules of the CHAMBRE ARBITRALE DE PARIS (61, Bourse de Commerce, 2, rue de de Viarmes, 75040 Paris cedex 01, Phone : (33) 01.42.36.99.65, fax : (33) 01.42.36.08.54), of which both Parties hereto declare to be cognisant and which they hereby accept".

STANDARD ARBITRATION AGREEMENT

Between the undersigned :

Company X... *(Name and address).*

Company Y... *(Name and address).*

The following has been set forth as preliminary:

(Expose succinctly the main facts in the dispute and describe precisely the subject of the dispute. If the parties cannot agree on a common exposition of the facts, each party will then have to expose its own version of the dispute).

Consequently the parties have agreed, by the present arbitration agreement to refer this dispute to the Chambre Arbitrale de Paris, who will intervene in accordance with its Rules, which both parties declare being cognisant and which they hereby accept.

Arbitrators will have to settle the following points :

(Define clearly the task assigned to the Arbitrators)

On the request of Company X...

On the request of Company Y...

The parties nominate (if necessary) the following arbitrators :

For company X : Mr

For company Y : Mr

**Written in three copies
in Paris, the**

Signature of the parties.

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