

**AGREEMENT
BETWEEN THE GOVERNMENT OF MALAYSIA
AND THE
ASIAN-AFRICAN LEGAL CONSULTATIVE COMMITTEE
RELATING TO THE REGIONAL CENTRE FOR ARBITRATION
IN KUALA LUMPUR (signed in 1981)**

WHEREAS the Asian-African Legal Consultative Committee (hereinafter referred to as the A.A.L.C.C.) at its Eighteenth Session in Baghdad (Iraq) held in February, 1977 had decided upon the establishment of regional centres for commercial arbitration with one centre to be located in Asia,

AND HAVING REGARD to the Exchange of Letters effected between the A.A.L.C.C. and the Government of Malaysia (hereinafter referred to as "the Government") on 3rd March 1978 and 14th March 1978 respectively, whereby the Government agreed in principle to the establishment of a regional centre for commercial arbitration in Kuala Lumpur and had further agreed to provide the facilities for the establishment and functioning of such a center,

AND the Government and the A.A.L.C.C. are now desirous of concluding an agreement for the purposes of the continued operation of the centre and the provision of facilities,

NOW IT IS HEREBY AGREED AS FOLLOWS:-

1. **OBJECTIVES**

The objects of establishing the Centre are as follows:

- (a) To act as a co-ordinating agency in the Asian-African Legal Consultative Committee's (A.A.L.C.C.'s) disputes Settlement system;
- (b) to promote the growth and effective functioning of national arbitration institutions;
- (c) to promote the wider use and application of the UNCITRAL Arbitration Rules of 1976 within the Asian and Pacific region;
- (d) to provide facilities for ad hoc arbitrations as well as arbitrations held under the auspices of the Centre and other arbitral institutions and the rendering of assistance in the enforcement of arbitral awards.

2. **FUNCTIONS**

The functions of the Centre are, inter alia : -

- (i) to promote international commercial arbitration in the region served by it including provision of facilities for holding of arbitration proceedings at the Centre;
- (ii) to co-ordinate and assist the activities of existing arbitral institutions in the region;
- (iii) to render assistance in the conduct of ad hoc arbitrations, particularly those held under the UNCITRAL Rules ;
- (iv) to assist in the enforcement of arbitral awards;
- (v) to provide for arbitration under its own auspices; and
- (vi) to carry out the functions envisaged in the agreement with the International Centre for the Settlement of Investment Disputes (I.C.S.I.D.).

3. ADMINISTRATION OF THE CENTRE

The Centre shall be administered by a Director under the supervision of the Secretary General of the A.A.L.C.C.

4. DIRECTOR, DEPUTY DIRECTOR AND STAFF

(a) The Director, who shall be a national of Malaysia, shall be appointed by the Government of Malaysia after consultations with the Secretary General of the A.A.L.C.C. and shall be assisted by a Deputy Director, Adviser or Consultant an staff.

(b) The Deputy Director, Adviser or Consultant shall be a national of a Member State of the A.A.L.C.C., other than Malaysia, to be appointed by the Secretary General after consultation with the Government of Malaysia.

(c) The Director, after consultations with the Secretary General of the A.A.L.C.C., shall appoint three professional/administrative staff, namely :-

one Research Associate,
one Executive Secretary/Public Relations Officer, and
one Administrative/Financial Officer.

(d) All members of the junior staff including : -

1 stenographer
2 clerks/typists
2 office boys
1 gardener
1 driver

shall be appointed by the Director.

5. OBLIGATIONS OF THE GOVERNMENT OF MALAYSIA

(i) The Government of Malaysia shall provide the following : -

(a) an annual grant towards the operating costs of the Centre,

(b) adequate office furniture, equipment, stationery, telephones, telex, etc.,

(c) an office car,

(d) quarters/chalet for the Deputy Director, Adviser or Consultant.

(ii) The existing building with all its fittings shall be the premises of the Centre but shall remain as the property of the Government. All necessary repairs to the building shall be carried out by the Government.

(iii) The costs of seminars and conferences to be conducted under the auspices of the Centre shall be subject to the approval of the Government.

6. OBLIGATIONS OF A.A.L.C.C.

(i) The A.A.L.C.C. shall make appropriate arrangements concerning the salaries and allowances of the Deputy Directors, Adviser or Consultant.

- (ii) The A.A.L.C.C. shall arrange to pay all expenses for conferences and seminars held outside Malaysia.
- (iii) Expenses for promotional work relating to the Centre, in addition to that carried out by the Centre itself, shall be borne by the A.A.L.C.C.,

7. INDEPENDENCE OF THE CENTRE

- (a) The Government of Malaysia shall guarantee that the Centre shall function independently.
- (b) The Centre shall enjoy such privileges and immunities as may be necessary for the purposes of executing its functions including immunity from judicial processes, inviolability of premises and its archives.

8. SETTLEMENT OF DISPUTES

Any matter or dispute arising between the Government of Malaysia and the A.A.L.C.C. regarding the Centre shall be resolved by negotiation.

9. DURATION OF AGREEMENT

- (i) The Agreement shall remain in force for a period of three years with effect from the date of the signing of this Agreement.
- (ii) Either party may request the revision and modification of this agreement after a period of one year.

IN WITNESS WHEREOF the Undersigned duly appointed representatives of the A.A.L.C.C. and the Government respectively have on behalf of the Parties signed the Agreement at Kuala Lumpur this 29th day of July, 1981.

For the Asian-African
Legal Consultative
Committee

For the Government
of Malaysia

B. SEN
Secretary-General,
Asian-African Legal
Consultative Committee.

TENGGU AHMAD RITHAUDDEEN
Minister of Commerce and Industry.

HEADQUARTER'S AGREEMENT FOR KUALA LUMPUR
CENTRE FOR INTERNATIONAL COMMERCIAL ARBITRATION
(signed in 1989)

WHEREAS a Regional Centre for Arbitration under the auspices of the Asian-African Legal Consultative Committee (hereinafter referred to as the 'Committee') in cooperation with and with the assistance of the Government of Malaysia (hereinafter referred to as the 'Host Government') was established in Kuala Lumpur in March 1978 for an initial period of three years, pursuant to an agreement concluded by exchange of letters between the Committee and the host Government on terms and conditions set out in the aforesaid Agreement;

WHEREAS at the expiry of the initial period of three years another agreement was concluded between the Committee and the host Government on the 29th day of July 1981 together with a Memorandum of Understanding for the continued operation of the Centre for a further period of three years;

WHEREAS pursuant to the aforesaid agreement dated 29th July 1981, the host Government had provided suitable premises for the purpose of the Centre together with furniture and fittings and made an annual grant of Malaysian Dollar 448,300 for a period of three years in addition to a nonrecurring grant of Malaysian Dollar 50,700 for equipment;

WHEREAS the Centre has continued to operate since August 1984 on the basis of certain understandings consequent upon discussions relating to the matter at the Committee's Kathmandu (February 1985) and Arusha (February 1986) Sessions, namely, that -

- (a) The Government of Malaysia would continue to make available the existing building with all its fittings for the premises of the Centre;
- (b) The operational costs of the Centre would be met out of the savings from the Government grants for the years 1981 and 1984 together with accumulated interest;
- (c) The AALCC will make a modest contribution from its regular budget towards the expenses of the Centre beginning with the year 1986;

AND WHEREAS it is deemed appropriate to formalise the matter for the continued functioning of the Centre for a further period of three years with effect from 1st January 1989.

IT IS HEREBY AGREED AS FOLLOWS:-

ARTICLE I
OBJECTIVES

The objects of establishing the Centre are as follows

- (a) To act as a coordinating agency in the Asian-African Legal Consultative Committee's (A.A.L.C.C.'s) disputes settlement system;
- (b) To promote the growth and effective functioning of national arbitration institutions;
- (c) To promote the wider use and application of the UNCITRAL Arbitration Rules of 1976 within the Asian and Pacific region; and
- (d) To provide facilities for ad hoc arbitrations as well as arbitrations held under the auspices of the Centre and other arbitral institutions and the rendering of assistance in the enforcement of arbitral awards.

ARTICLE II
FUNCTIONS OF THE CENTRE

The functions of the Centre are, inter alia -

- (a) To promote international commercial arbitration in the region served by it including provision of facilities for holding of arbitration proceedings at the Centre;
- (b) To co-ordinate and assist the activities of existing arbitral institutions in the region;
- (c) To render assistance in the conduct of ad hoc arbitrations, particularly those held under the UNCITRAL Rules;
- (d) To assist in the enforcement of arbitral awards;
- (e) To provide for arbitration under its own auspices; and
- (f) To carry out the functions envisaged in the agreement with the International Centre for the Settlement of Investment Disputes (I.C.S.I.D.).

ARTICLE III
JURIDICAL PERSONALITY

The Centre shall possess juridical personality and shall have the capacity to contract and dispose of immovable and movable property, and to institute legal proceedings in its name, in accordance with the relevant provisions of the Malaysian Law.

ARTICLE IV
ADMINISTRATION OF THE CENTRE

1. The Centre shall be administered by a Director under the supervision of the Secretary General of the A.A.L.C.C. The Director of the Centre, who shall be a national of Malaysia, shall be appointed by the Secretary General of the Committee for a period of three years in consultation with the host Government;

2. The Director shall be assisted by a Deputy Director to be appointed by the Secretary General after consultations with the Director. The Deputy Director should as far as possible be a national of Malaysia. Should the Deputy Director be a national of any other member States of the A.A.L.C.C. the appointment shall be made after consultations with the Government of Malaysia.

3. The Director after consultations with the Secretary General of the A.A.L.C.C. shall appoint not more than three professional or administrative staff, which shall include a financial officer;

4. The Director shall appoint members of the junior staff comprising the following

1 stenographer
2 clerks/typists
2 office boys
1 gardener
1 driver

Until such time as appointments have been made in respect of the categories of staff enumerated in this paragraph the existing staff of the Centre shall continue to be employed.

5. (a) The host Government shall contribute an annual grant for a period of three years with effect from the 1st January 1989;
- (b) The annual grant shall be used for the purposes of the functioning of the Centre including the following:-

- (i) for the operating costs of the Centre;
 - (ii) for the purchase of adequate office furniture, equipment, stationary, telephone, telex etc.;
 - (iii) the costs of seminars and conferences which are to be conducted in Malaysia under the auspices of the Centre.
6. The annual accounts of the Centre shall be audited by a competent authority nominated by the host Government and the audited report shall be transmitted by the Director to the Secretary General of the Committee and the appropriate department of the host Government.
 7. The Director of the Centre shall prepare a programme of work for consideration of the Secretary-General of the Committee which shall be finalised after consultations with the host Government.
 8. The Director of the Centre shall prepare detailed budgetary estimates for the expenditure to be incurred by the Centre for the years 1989 and 1990 and 1991 for approval of the Secretary General of the Committee in consultation with the host Government.
 9. The Secretary-General shall from time to time formulate guidelines and send necessary instructions to the Director of the Centre regarding its activities and the Director shall send a quarterly report to the Secretary-General concerning the discharge of the Centre's functions.
 10. (a) With a view to creating wider interest and involvement of the countries served by the Centre, the Secretary-General may constitute an advisory body to advice on the activities of the Centre.
- (b) The Advisory Committee shall elect a Chairman and shall meet as often as necessary but not less than six times in a year. The reports and minutes of the Advisory Committee shall be transmitted to the Secretary-General of the A.A.L.C.C. and the host Government.

ARTICLE V
INTERPRETATION

This Agreement shall be interpreted in the light of its primary objective of enabling the Centre to fully and efficiently discharge its duties and fulfill its purposes and functions.

ARTICLE VI
SUPPLEMENTARY AGREEMENTS

The Government of Malaysia and the Committee may enter into such supplementary agreements as may be necessary to fulfill the purposes of the agreement.

ARTICLE VII
ENTRY INTO FORCE

This Agreement shall come into force upon the completion of the legal procedures applicable in Malaysia.

This Agreement is prepared in two originals in English Language both texts being equally authentic.

In Witness Whereof the Respective Representatives have signed the Agreement..
this 10th day of August 1989.

For the Asian African Legal
Consultative Committee
F.X. NJENGA
Secretary-General
Asian African Legal
Consultative Committee

For the Government of
Malaysia
TAN SRI ABU TALIB
BIN OTHMAN
Attorney General
Malaysia