



AGREEMENT BETWEEN

THE GOVERNMENT OF MALAYSIA

AND

**THE ASIAN-AFRICAN LEGAL CONSULTATIVE
ORGANIZATION**

RELATING TO THE

**ASIAN INTERNATIONAL ARBITRATION CENTRE IN KUALA
LUMPUR**

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The **GOVERNMENT OF MALAYSIA** as represented by the Legal Affairs Division, Prime Minister's Department ("the Host Government")

AND

THE ASIAN-AFRICAN LEGAL CONSULTATIVE ORGANIZATION ("the Organization"),

The Host Government and the Organization shall hereinafter be referred to individually as "the Party" and collectively as "the Parties",

WHEREAS a Regional Centre for Arbitration (hereinafter referred to as "the Centre") under the auspices of the Asian-African Legal Consultative Organization (hereinafter referred to as "the Organization") in co-operation with, and with the assistance of, the Government of Malaysia (hereinafter referred to as "the Host Government") was established in Kuala Lumpur for an initial period of three (3) years, pursuant to an Agreement concluded by an Exchange of Letter dated 3 March 1978 between the Organization and the Host Government on terms and conditions set out in the aforesaid Agreement;

WHEREAS on the expiry of the initial period of three (3) years another Agreement was concluded between the Organization and the Host Government on 29 July 1981 together with a Memorandum of Understanding for the continued operation of the Centre for a further period of three (3) years;

WHEREAS on the expiry of the said Agreement the Centre continued to operate from 1984 to 1988 on the basis of the said Agreement and the operational costs were met

out of savings from the Host Government grants and the Host Government continued to make available the existing building with all its fittings for the premises of the Centre;

WHEREAS it was deemed appropriate to provide for the continued functioning of the Centre for a further three (3) year term for which an Agreement between the Host Government and the Organization was concluded on 10 August 1989 and the Host Government agreed to resume its annual contributions to the Centre for a period of three (3) years with effect from 1 January 1989 and to allocate new premises for the Centre;

WHEREAS on the expiry of the said Agreement the Centre continued to operate on the basis of the abovementioned Agreements and the Host Government continued to make annual contributions to the Centre and make available the said premises for the Centre;

WHEREAS due recognition is given to the fact that over the years the Centre has achieved international recognition as an independent and neutral arbitral institution;

WHEREAS following consultations between the Host Government and the Organization it was deemed appropriate to formalize the continued functioning of the Centre for a further period of five (5) years with effect from 1 January 1992;

WHEREAS on completion of the five (5) year terms of the Centre for two (2) tenures ending on 31 December 2011, the Host Government and the Organization deem it appropriate to formalize the continued functioning of the Centre for a further period of five (5) years with effect from 1 January 2012;

WHEREAS the Parties entered into an Agreement between the Government of Malaysia and the Asian-African Legal Consultative Organization relating to the Regional Centre for Arbitration in Kuala Lumpur on 26 March 2013 (hereinafter referred to as "the Principal Agreement");

WHEREAS the duration of the Principal Agreement was five (5) years commencing from the signing date of the Principal Agreement i.e. 26 March 2013 until 25 March 2018 and thereafter automatically extended for another five (5) year term from 26 March 2018 to 25 March 2023 pursuant to Article X of the Principal Agreement;

WHEREAS pursuant to Article I of the Principal Agreement, the Centre has been named as Kuala Lumpur Regional Centre for Arbitration (KLRCA);

WHEREAS the Parties then entered into Supplementary Agreement to amend the Principal Agreement subject to its terms and conditions on 7 February 2018 in Kuala Lumpur;

AND WHEREAS pursuant to Article III of the Supplementary Agreement, the Centre has been named as Asian International Arbitration Centre (hereinafter referred to as "AIAC", formerly known as "Kuala Lumpur Regional Centre for Arbitration");

HAVE AGREED as follows:

ARTICLE I DEFINITIONS

For the purpose of this Agreement, the following definitions shall apply:

"Appropriate Department" shall mean the Legal Affairs Division of the Prime Minister's Department of Malaysia;

"Centre" shall mean the Asian International Arbitration Centre (AIAC);

"Director" shall mean the Director of the AIAC, as named "High Officer" under section 2 of the International Organizations (Privileges and Immunities) Act 1992 [Act 485];

"Foreign Professional Staff" shall mean an expatriate that has been approved with an Employment Pass (EP) or Professional Visit Pass (PVP) by the Immigration Department of Malaysia to be engaged in employment by the AIAC.

"Host Government" shall mean the Government of Malaysia;

"Income" shall mean the income of the organization, which is derived from or transacted within the scope of the functions and duties of the Centre under Article III;

"Organization" shall mean the Asian-African Legal Consultative Organization (AALCO);

“Premises” shall mean the building or parts of building provided by the Host Government to be used by the Centre to perform its functions and duties under Article III; and

“Secretary-General” shall mean the Secretary-General of the Asian-African Legal Consultative Organization (AALCO).

ARTICLE II OBJECTIVES

The objectives of establishing the Centre are as follows:

- (a) to act as a coordinating agency in the AALCO dispute settlement system;
- (b) to promote the growth and effective functioning of arbitration institutions and other alternative dispute resolution (hereinafter referred to as “ADR”) services, including online dispute resolution services, in Malaysia;
- (c) to promote the wider application of various ADR rules within the Asian and Pacific region;
- (d) to provide facilities for ADR services including ad hoc arbitrations as well as arbitrations held under the auspices of the Centre and other arbitral institutions; and
- (e) to provide assistance in enforcement of arbitral awards.

ARTICLE III FUNCTIONS AND DUTIES OF THE CENTRE

1. The Centre shall have the following functions and duties:
 - (a) promoting international commercial arbitration and ADR services in the region;
 - (b) coordination of activities and assistance to existing arbitration institutions in the region;
 - (c) providing assistance to ad hoc arbitrations;
 - (d) assisting in the enforcement of arbitral awards;

- (e) conducting arbitrations and ADR services under the auspices of the Centre; and
 - (f) performing other necessary activities, in consultation with the Secretary-General, in achieving the objectives of the Centre.
2. Relevant Administrative Rules and Rules of Arbitration or other rules as applicable by the Centre shall be prepared in consultation with the Secretary-General.

ARTICLE IV ADMINISTRATION OF THE CENTRE

1. The Centre shall be administered by a Director who shall be a citizen of Malaysia and shall be appointed by the Host Government in consultation with the Secretary-General.
2. The Host Government will provide necessary supports to the Centre for the purposes of its functioning as and where necessary.
3. The Director, subject to the terms of this Agreement and the national laws, rules, regulations and national policies in force in Malaysia, shall submit:
- (a) annual reports on the Centre's activities to the Secretary-General and the Appropriate Department; and
 - (b) annual audit financial reports of the Centre to the Appropriate Department.

ARTICLE V INDEPENDENCE OF THE CENTRE

1. The Centre shall continue to function under the auspices of the Organization and on the basis of co-operation, mutual understanding and goodwill.
2. The Host Government shall respect the independent functioning of the Centre.

ARTICLE VI JURIDICAL PERSONALITY

Subject to the national laws, rules, regulations and national policies in force in Malaysia, the Centre shall possess juridical personality and shall have the capacity to enter into contracts, to acquire and dispose immovable and movable property and to institute, and be party to, legal proceedings in furtherance of its functions and duties.

ARTICLE VII INTERPRETATION

This Agreement shall be interpreted, in good faith, in the light of its objective of enabling the Centre to fully and efficiently discharge its duties and fulfil its purposes and functions as an independent arbitral institution of an international character and in accordance with the national laws, rules, regulations and national policies in force in Malaysia.

ARTICLE VIII PRIVILEGES AND IMMUNITIES

1. Pursuant to the International Organizations (Privileges and Immunities) Act 1992 [Act 485], the privileges and immunities of the Centre, the Director, and Foreign Professional Staff shall be as provided under **Annex A** herein, which shall form part of this Agreement.
2. The privileges and immunities accorded under this Agreement are granted in the interest of the Centre, the Director and the Foreign Professional Staff and not for the personal benefit of the individuals.
3. The Centre, the Director and the Foreign Professional Staff shall co-operate at all times with the appropriate authorities in Malaysia to facilitate the proper administration of justice, to secure the compliance of all domestic legislation and to prevent the occurrence of any abuse in connection with the privileges and immunities accorded by this Agreement.

ARTICLE IX WAIVER OF PRIVILEGES AND IMMUNITIES AND ABUSE OF PRIVILEGES

1. The Secretary-General of AALCO shall waive the privileges and immunities of the Centre, Director and Foreign Professional Staff in any case where, in the opinion of such authority, such privileges and immunities would impede the course of justice and could be waived without prejudice to the administration of

justice and, where appropriate, the interests of the Host Government and AALCO.

2. The Organization and the Director shall take every precaution to ensure that no abuse of the privileges and immunities provided in Article VIII, Annex A of this Agreement shall occur. If the Host Government considers that there has been abuse of any of the privileges and immunities provided for in Article VIII, Annex A of this Agreement, the Organization shall, when so requested by the Host Government, enter into consultations with the relevant authorities of the Host Government to determine whether such abuse has occurred. If the consultations fail to achieve a result satisfactory to the Host Government and the Organization, the matter shall be resolved according to the procedure established in Article XIII of this Agreement.
3. In case of abuse of the privileges and immunities committed by the Foreign Professional Staff in the course of activities carried out in Malaysia outside of their official duties, the Host Government, subject to paragraph 1 above, may require the Foreign Professional Staff to leave Malaysia in accordance with the national law, rules, regulations and policies in force in Malaysia.

ARTICLE X SUPPLEMENTARY AGREEMENTS

The Parties may enter into such supplementary agreement(s) as may be necessary to fulfil the purposes of the Agreement.

ARTICLE XI CONFIDENTIALITY

1. Each Party shall undertake to observe the confidentiality and secrecy of documents, information and other data received, or supplied to the other Party during the period of the implementation of this Agreement or any other agreements made pursuant to this Agreement.
2. The provisions of this Article shall continue to be binding between the Parties notwithstanding the expiration or termination of this Agreement.

ARTICLE XII SUSPENSION

Each Party reserves the right for reasons of national security, national interest, public order or health to suspend temporarily, either in whole or in part, the implementation of this Agreement, which shall take effect immediately after notification has been given to the other Party through diplomatic channels.

ARTICLE XIII SETTLEMENT OF DISPUTES

Any difference or dispute between the Parties concerning the interpretation and/or implementation and/or application of any of the provisions of this Agreement shall be settled amicably through mutual consultation and/or negotiations between the Parties without reference to any third party or international tribunal.

ARTICLE XIV ENTRY INTO FORCE, DURATION AND TERMINATION

1. This Agreement shall come into force on the date of signing and shall remain in force for a period of five (5) years.
2. Thereafter, this Agreement shall be extended for a further period of five (5) years from the expiry date of the duration of this Agreement subject to negotiation and agreement of both Parties.
3. Notwithstanding anything in this Article, either Party may terminate this Agreement by notifying the other Party of its intention to terminate this Agreement by a notice in writing, through diplomatic channels, at least six (6) months prior to its intention to do so.

ARTICLE XV REVISION, MODIFICATION AND AMENDMENT

1. Either Party may request in writing a revision, modification or amendment of all or any part of this Agreement.
2. Any revision, modification or amendment agreed to by the Parties shall be done in writing and shall form part of this Agreement.
3. Such revision, modification or amendment shall come into force on such date as may be determined by the Parties.

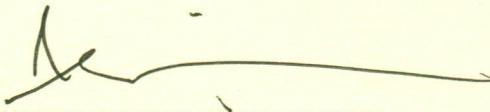
4. Any revision, modification or amendment shall not prejudice the rights and obligations arising from or based on this Agreement before or up to the date of such revision, modification or amendment.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by the Government of Malaysia and the Organization, have signed this Agreement.

DONE at NEW DELHI, INDIA on this 15th day of MARCH the year 2023 in two (2) originals texts in the English language, both texts being equally authentic.

FOR THE GOVERNMENT OF MALAYSIA

FOR THE ASIAN-AFRICAN LEGAL CONSULTATIVE ORGANIZATION



YB Dato' Sri Azalina Othman Said
Minister in the Prime Minister's
Department (Law and Institutional
Reform)



His Excellency Dr. Kamalinne Pinitpuvadol
Secretary-General
Asian-African Legal Consultative
Organization

Annex A

a. Privileges and Immunities accorded to the Centre

1. The Centre shall enjoy such privileges and immunities as may be necessary for the purpose of executing its functions including immunity from suit and legal process.
2. The Host Government shall take the necessary steps to ensure that the premises of the Centre, its property, assets and archives and all documents belonging to it or held by it shall be inviolable.
3. The Host Government shall take the necessary steps to ensure that:
 - (i) the Centre is exempted from customs duties in respect of equipment used by it for its official purposes; and
 - (ii) the income of the Centre is exempted from taxes in Malaysia.

b. Privileges and Immunities accorded to the Foreign Professional Staff

1. Foreign Professional Staff of the Centre shall be immune from legal process in respect of words spoken or written and all acts performed by them in their official capacity.
2. Foreign Professional Staff of the Centre shall be exempted from taxation on the salaries and emoluments paid to them by the Centre.

c. Privileges and Immunities accorded to the Director

1. The Director of the Centre shall be immune from legal process in respect of words spoken or written and all acts performed by them in their official capacity.
2. The Director of the Centre shall be exempted from taxation on the salaries and emoluments paid to them by the Centre.
3. The Director of the Centre, if he is a citizen of Malaysia is not entitled under subsection 4(7) of Act 485 to any of the privileges or immunities in the Second and Fourth Schedules respectively, except in respect of acts and things done in his capacity as such an officer.