

**ASIAN-AFRICAN LEGAL CONSULTATIVE ORGANIZATION**



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**REPORT ON THE AALCO'S  
REGIONAL ARBITRATION CENTRES**

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## REPORT ON THE AALCO'S REGIONAL ARBITRATION CENTRES

### I. INTRODUCTION

#### A. Background

1. The Asian-African Legal Consultative Organization (AALCO), during its Thirteenth Annual Session held in Lagos (Nigeria) in 1973, proposed that apart from follow-up of the work of the United Nations Commission on International Trade Law (UNCITRAL) in the field of International Commercial Arbitration, the Organization should also conduct an independent study on some of the more important practical problems relating to the subject from the point of view of the Asian-African region. Accordingly, the Secretariat prepared an outline of the study, which received favorable response from the Member States. The Secretariat thereafter prepared a detailed and comprehensive study and the Trade Law Sub-Committee considered this study during the Fifteenth Annual Session held in Tokyo (Japan) in 1974.
2. At the Tokyo Session, AALCO endorsed the recommendations of its Trade Law Sub-Committee, that efforts should be made by Member States to develop institutional arbitration in the Asian and African regions. Thereafter, the Secretariat, following the mandate of the Tokyo Session, prepared a revised study on the same topic so as to enable the Trade Law Sub-Committee during the Kuala Lumpur Session, to formulate principles or model rules for consideration. At the Kuala Lumpur Session (Malaysia) held in 1976, the Trade Law Sub-Committee requested the Secretariat to undertake a feasibility study for establishing Regional Arbitration Centres in the Asian-African region, to be placed before the Eighteenth Annual Session of AALCO.<sup>1</sup>
3. At the Eighteenth Annual Session, held in Baghdad (Iraq) in 1977, discussions were focused on the Secretariat study titled 'Integrated Scheme for Settlement of Disputes in the Economic and Commercial Matters', which envisaged *inter alia*, the establishment of a network of Regional Centres for Arbitration functioning under the auspices of the AALCO in different parts of Asia and Africa so that the flow of arbitration cases to arbitral institutions outside the Asian-African region could be minimized. The Integrated Scheme also represented an effort on the part of the developing countries for the first time to evolve a fair, inexpensive and speedy procedure for settlement of disputes.
4. At the Nineteenth Annual Session, held in Doha (Qatar) in 1978, AALCO endorsed the Trade Law Sub-Committee's recommendations on the establishment of two Arbitration Centres for the Asian and African regions in Kuala Lumpur (Malaysia) and Cairo (Arab Republic of

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<sup>1</sup> The Secretariat study elaborated the two basic objectives of the AALCO's integrated dispute settlement scheme. In the first place, to establish a system under which disputes and differences arising out of transactions in which both the parties belong to the Asian-African and Pacific regions could be settled under fair, inexpensive and adequate procedures. Secondly, to encourage parties to have their arbitrations within the region where the investment made or the place of performance under an international transaction was a country within this region. The conclusions made in the study were in favour of establishment of six sub-regions, namely East Asia, South-East Asia, West Asia, North Africa, East Africa and West Africa. It was, however, pointed out that scheme could initially work with two centres and other centres could be established in the light of experience and volume of work.

Egypt) respectively. It was envisaged that the two Arbitration Centres would function as international institutions under the auspices of AALCO with the following objectives:

- a. Promoting international commercial arbitration in the Asian and African regions;
- b. Coordinating and assisting the activities of existing arbitral institutions, particularly among those within the two regions;
- c. Rendering assistance in the conduct of Ad Hoc arbitrations, particularly those held under the UNCITRAL Arbitration Rules;
- d. Assisting the enforcement of arbitral awards; and
- e. Providing for arbitration under the auspices of the centre where appropriate.

5. In pursuance to the above decision, an Agreement was concluded in April 1978, between the AALCO and the Government of Malaysia in respect of the establishment of a Regional Centre for Arbitration in Kuala Lumpur. A similar Agreement was concluded in January 1979 with the Government of the Arab Republic of Egypt with respect to the establishment of a Regional Centre for Arbitration in Cairo. The Agreements recognized the status of the Centres as intergovernmental organizations and conferred certain immunities and privileges for their independent functioning.

6. The Host Governments also offered suitable premises, financial grants and necessary staff to run the Centres. The Centres adopted UNCITRAL Arbitration Rules with suitable modifications and offered their services to any party whether within or outside the region for the administered arbitration and facilities for arbitration whether *ad hoc* or under the auspices of any other institution.

7. The success of these two Regional Arbitration Centres prompted the Organization to establish two more centres, one in Lagos (Nigeria), which was formally inaugurated in 1989. The other Centre was established in Tehran (Islamic Republic of Iran), for which an Agreement was concluded between AALCO and the Government of Islamic Republic of Iran in 1997 and subsequently the President of the Islamic Republic of Iran ratified the Agreement for implementation on 10 June 2003. A Memorandum of Understanding (MoU) between AALCO and the Government of Republic of Kenya was signed on 3 April 2006 during the Forty-Fifth Annual Session of AALCO held in the Headquarters in New Delhi to establish a fifth Centre in Nairobi. The Agreement establishing the Nairobi Regional Centre for Arbitration was signed by the then Secretary-General of AALCO and the Attorney-General of the Republic of Kenya during the Forty-Sixth Annual Session of AALCO held at Cape Town, Republic of South Africa from 2 to 6 July 2007.

**(i) Kuala Lumpur Regional Centre for Arbitration (KLRCA), Malaysia**

8. AALCO's first Regional Centre for Arbitration was established in Kuala Lumpur, Malaysia in March 1978. This was considered as an important landmark in the movement for promoting Asian-African solidarity in international legal matters and economic relations. The Centre was established for an initial period of three years by a formal exchange of letters between the Malaysian Government and the then AALCC. The Centre was formally inaugurated by the then Rt. Hon' ble Tun Hussein Onn, Prime Minister of Malaysia on 17 October 1978.

9. Subsequently, an agreement was signed between the Government of Malaysia and the then AALCC relating to the Regional Centre for Arbitration in Kuala Lumpur on 29 July 1981.<sup>2</sup> Thereafter, the Headquarters Agreement for Kuala Lumpur Centre for International Commercial Arbitration was signed on 10 August 1989.<sup>3</sup>

10. In order to formalize the continued functioning of the KLRCA, with effect from 1 January 1992, an Agreement between AALCO and the Government of Malaysia relating to the Regional Centre for Arbitration in Kuala Lumpur was signed on 14 February 2004.<sup>4</sup>

11. The Centre offers facilities and assistance for the conduct of arbitral proceedings, including the enforcement of awards made in the proceedings held under the auspices of the Centre. The Rules for arbitration under the auspices of the Centre are the UNCITRAL Arbitration Rules of 1976 with certain modifications and adaptations. Other main functions of the Centre are to promote international commercial arbitration in the Asia-Pacific region and to render advice and assistance to parties who may approach the Centre.

12. Apart from these services, the Centre also provides other options for the settlement of disputes such as mediation/conciliation under the Conciliation Rules of the Centre. The Centre, realizing the growing importance of intellectual property in the arena of Information and Communications Technology, also administers international and domestic “.my domain” name dispute resolution service, provided by the Malaysian Network Information Centre (MYNIC), which administers the “.my domain”. All domain name disputes are governed and administered in accordance with MYNIC's Domain Name Dispute Resolution Policy (MYDRP), Rules of the MYDRP and RACKL Supplemental Rules.

**(ii) Cairo Regional Centre for International Commercial Arbitration (CRCICA), Arab Republic of Egypt**

13. The first Regional Arbitration Centre in African region, the Cairo Regional Centre for International Commercial Arbitration (“CRICA”) was established in January 1979. The Centre was established for an initial period of three years by a formal exchange of letters between the Government of the Arab Republic of Egypt and AALCO. In 1983, another agreement was concluded between AALCO and the Government of the Arab Republic of Egypt for granting a permanent status to the Cairo Centre.

14. The Cairo Centre offers specialized services to settle trade and investment disputes, through arbitration. It also includes Alternative Dispute Resolution techniques (ADR) such as conciliation, mediation and technical expertise. Apart from this, the Centre also offers advice to parties to international commercial and investment contracts regarding drafting these contracts,

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<sup>2</sup> This agreement was signed by the then Minister of Commerce and Industry H.E. Tengku Ahmad Rithauddeen on behalf of Malaysia and for AALCC the then Secretary-General Mr. B. Sen.

<sup>3</sup> It was signed by the then Attorney-General of Malaysia H.E. Tan Sri Abu Talib Bin Othman and Mr. F. X. Njenga, the then Secretary-General, AALCC.

<sup>4</sup> This agreement was by signed by H. E. Datuk Seri Utama Dr. Rais Yatim, Minister at the Prime Minister's Department and Amb. Dr. Wafik Zaher Kamil, the then Secretary-General of AALCO.

promote arbitration and other ADR techniques in the Afro-Asian region through the organization of international conferences, seminars, and training programmes for international arbitrators and legal scholars from the Afro-Asian region by the Centre's Institute for Arbitration and Investment. The Cairo Centre follows the UNCITRAL Arbitration Rules with certain modifications.

15. Apart from this, the Cairo Centre had also established the Institute of Arbitration and Investment in 1990; the Institute of Arab and African Arbitrators in the Arab Republic of Egypt in 1991; the Centre's Maritime Arbitration Branch in Alexandria, which deals exclusively with maritime disputes in 1992; the Cairo Branch of the Chartered Institute of Arbitrators of London in 1999; Alexandria Centre for International Arbitration in 2001; and a Mediation and ADR Centre as a branch of the Cairo Centre to administer commercial arbitration and other peaceful non-binding means of avoiding and settling trade and investment disputes in 2001.

**(iii) Regional Centre for International Commercial Arbitration-Lagos (RCICAL),  
Federal Republic of Nigeria**

16. In 1980, an Agreement was concluded with the Government of the Federal Republic of Nigeria for the establishment of a third Centre in Lagos. The Centre was formally inaugurated in March 1989. On 26 April 1999, Hon'ble Alhaji Abdullahi Ibrahim OFR (SAN), the then Attorney General and Minister of Justice, on behalf of Nigeria and H. E. Mr. Tang Chengyuan, the then Secretary-General of the AALCC, signed an Agreement in this connection. Since then, the Centre has been put into operation on the basis of its human resource and capital.

17. The Centre is today a beehive of activities providing venues for both domestic and international arbitration in economic and commercial matters in Africa South of the Sahara, particularly, the West African Sub-Region.

18. On 7 February 2006, the then Secretary-General of AALCO, inaugurated the Advisory Committee of the Regional Centre for International Commercial Arbitration, Lagos. Also present on the occasion were Hon'ble A.G. Karibi-Whyte, CFR (Rtd.), Justice of the Supreme Court of Nigeria, Mrs. Eunice Oddiri, Director of the Centre, Members of the Advisory Board and many other dignitaries.

**(iv) Tehran Regional Arbitration Centre (TRAC), Islamic Republic of Iran**

19. An Agreement was concluded between the Government of the Islamic Republic of Iran and AALCO on 3 May 1997, for the establishment of a Regional Centre for Arbitration in Tehran. At the AALCO's Forty-Second Annual Session in Seoul (Republic of Korea), the Delegate of Islamic Republic of Iran informed that the Judicial Power has adopted the Agreement and that all the legal procedures applicable in the Islamic Republic of Iran for the ratification of the said Agreement were completed.

20. The President of the Islamic Republic of Iran ratified the Agreement for implementation on 10 June 2003. On 31 January 2005, the then Secretary-General of the AALCO approved the TRAC Rules of Arbitration.

**(v) Nairobi Regional Arbitration Centre, Republic of Kenya**

21. It may be recalled that during the Arusha (Tanzania, 1986) and Bangkok (Thailand, 1987) Annual Sessions of AALCO, the representative of Republic of Kenya had requested the AALCO to consider the feasibility of establishing a Regional Arbitration Centre in Nairobi to serve the countries in Eastern and Southern Africa. The African, Caribbean and Pacific Group of States (ACP) Secretariat had also approached the AALCO Secretariat for relevant information about the establishment and working of the AALCO's Regional Centres with a view to considering the possibility of establishing such a Centre in Nairobi. At about the same time, the Preferential Trade Area for Eastern and Southern African Countries (PTA) had also sought technical assistance for establishing an Arbitration Centre to serve the countries in those parts of Africa. The PTA Centre for Arbitration was set up in Djibouti on 21 November 1987 to function under the auspices of the PTA Federation of Chambers of Commerce and Industry.

22. During the Thirty-Second Annual Session in Kampala (Uganda 1993), the Leader of the Delegation of Tanzania expressed the view that the PTA Centre in Djibouti had not negated the need for a Centre in Nairobi and suggested that the Secretariat should pursue the possibility and modalities for the establishment of a Centre in Nairobi. Consequently, the then AALCO Secretary-General, H. E. Mr. Frank X. Njenga had approached the Member Governments of Kenya, Uganda and Tanzania with a view to ascertaining the extent of material assistance and back-up support that could be provided by them for the establishment of a Centre in Nairobi which appeared to be an apt location to cater to the needs of the States in the Eastern and Southern parts of the African continent.

23. Accordingly at the Thirty-Third Annual Session held in Tokyo (Japan, 1994), a proposal was put before the Leaders of Delegations of Member States for the establishment of additional Centres in Tehran and Nairobi. This proposal was adopted in the Session vide Resolution "Progress Report on Regional Centres for Arbitration", operative paragraph 3 which stated that "Directs the Secretariat in collaboration with the States concerned to consider the feasibility of establishing a Regional Centre for Arbitration in Nairobi for serving the Countries in East and Southern African".<sup>5</sup> It is in the light of these developments that the Government of Kenya, through the office of the Attorney General, has expressed their desire of establishing a Regional Centre for Arbitration in Nairobi, Kenya.

24. It may be recalled that during the Forty-Fifth Annual Session of AALCO held at New Delhi (Headquarters) on 3 April 2006, the then Secretary-General of AALCO and the Attorney General of the Republic of Kenya signed the Memorandum of Understanding (MoU) for the Establishment of the Regional Centre for Arbitration in Nairobi, Republic of Kenya.

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<sup>5</sup> Minutes of the Meetings of the Leaders of Delegations of Member States held during the Thirty-Third (Tokyo) Annual Session of AALCO in 1994.

25. In pursuance to the MoU, an Agreement Establishing the Nairobi Regional Arbitration Centre for Arbitration was signed between the then Secretary-General of AALCO and the Attorney General of the Republic of Kenya during the Forty-Sixth Annual Session of AALCO held at Cape Town, Republic of South Africa from 2-6 July 2007.

26. As regards the present status of establishment of such Centre in Nairobi, it was informed by the Head of Delegation of the Republic of Kenya during the deliberation on the agenda item held at the Forty-Ninth Annual Session (2010) in Dar es Salaam, United Republic of Tanzania, that the arrangements to establish the Nairobi Regional Centre had been put on track by constituting a core Committee by the Attorney General in order to implement the Centre's function at the earliest.<sup>6</sup> Therefore, it is hoped that the AALCO's fifth such Centre will be functional very soon in order to cater the needs of East and Southern African region States of Africa.

## **B. Activities of the Centres**

27. Although in the beginning, the promotional activities of AALCO's Regional Arbitration Centres were primarily carried out by the AALCO, in view of experience accumulated over the years and the contacts established by these centres with Governments, governmental agencies and international institutions, such promotional activities are now mainly carried out by the Centres themselves. Such promotional activities are highlighted in the Reports of the Directors of the respective Centres.

28. It is a matter of great satisfaction that, over the years, there has been considerable increase in the number of cases, both international and domestic, referred to AALCO's Regional Arbitration Centres. The types of cases include oil contracts, insurance, intellectual property, construction contracts etc. and involve both public and private sectors. The resolution of commercial disputes by other Alternative Dispute Resolution (ADR) methods such as Mediation and Conciliation under the Rules of AALCO Centres is another option being favoured by the Parties.

29. An important function of the Directors of AALCO's Arbitration Centres has been to act as an Appointing Authority in such arbitrations. The Centres have been organizing international conferences, seminars and training courses in their respective regions. In addition, the Directors of the Centres have actively pursued the conclusion of Cooperation Agreements with other arbitration institutions.

30. With a view to enhancing the role and activities of the AALCO Regional Arbitration Centres, the Secretary-General would like to urge the Member States to fully support the growing activities of these Centres and consider making financial contributions to help in the implementation of their plans and activities. Further, in this context, two concrete suggestions for consideration of Member States are as follows:

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<sup>6</sup> See, the Report of the Forty-Ninth Annual Session of AALCO, Dar es Salaam, United Republic of Tanzania, 5-8 August 2010, p. 216, available at [www.aalco.int](http://www.aalco.int).



(i) The Member States may consider designating a body, for example, the national chamber of commerce or other industrial promotion organizations to be associated with the AALCO Regional Arbitration Centres as the Liaison Agency within the country, with a view to promoting the activities of AALCO Centres.

(ii) Whilst entering into contracts on behalf of the Government, Public Corporations and other Government Undertakings, consideration may be given to incorporate an arbitration clause for settlement of disputes under the arbitration rules of AALCO's Regional Arbitration Centres, where it is considered expedient for such disputes and differences being settled through AALCO's Regional Arbitration Centres.

31. Such encouragement from the Member States would further boost the work of AALCO's Regional Arbitration Centres.

32. The following part of this Secretariat Report places for consideration the Report of the Director of the Tehran Regional Arbitration Centre (TRAC), Kuala Lumpur Regional Arbitration Centre (KLRCA), Regional Centre for International Commercial Arbitration- Lagos (RCICAL), Cairo Regional Centre for International Commercial Arbitration (CRCICA) highlighting the details of the activities of the Centre in the year 2010 and the foreseen plans for 2011.

33. The reports from Cairo and Tehran Regional Arbitration Centres are awaited.

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## **II. REPORT ON THE ACTIVITIES OF THE REGIONAL CENTRE FOR INTERNATIONAL COMMERCIAL ARBITRATION-LAGOS, NIGERIA 2011 - 2012**

### **A. Introduction**

34. The Regional Centre for International Commercial Arbitration Lagos, Nigeria presents a report on its activities in the remaining segment of 2012.

35. Taken in order of priority the report firstly details the the Centre's Case Loads for 2011/2012.

### **B. Case Load in the year 2011-2012**

36. In the period under review, six new cases were added to the current disputes/cases registered at the Centre. All the fresh cases newly added to the centre's caseload are still on-going.

37. The cases relate to aviation, banking, maritime and a newly added sub-division of power supply.

38. An interesting development in one of the cases is the re-evaluation of the domestic arbitration clause of the Centre contained in the contract.

39. Although desperate efforts were made in the course of the proceeding to deny the Centre's jurisdiction in the administration of the case, at the end of the day the Centre was invited to assume jurisdiction when it became apparent that the arbitral panel could not otherwise.

## **C. Participation in Arbitral Events**

### **1. International Bar Association (IBA) Conference held in Delhi October 2011**

40. The centre was represented at the arbitration session of the International Bar Association (IBA) Conference held in Dubai in October 2011.

41. The international arbitration session dwelt extensively on the enforcement of foreign arbitral awards. In particular, being signatory to the UN Convention on the Enforcement of Foreign Arbitral Awards of 10<sup>th</sup> June, 1958 (New York Convention) was used as a yardstick to ascertain arbitration friendly countries or otherwise.

42. It was the prevailing opinion that it would be difficult to enforce foreign arbitral awards in the countries who are not signatories to the New York Convention; hence such countries would not be arbitration friendly.

43. Obviously, the ease or otherwise of the enforcement of foreign arbitral award by a successful party in a country has a direct link on the consideration of that country for foreign direct investment.

44. It is our opinion that AALCO members who are not yet parties to the New York Convention should consider doing so; in order to enhance a favorable foreign direct investment climate in their countries.

## **D. Educational Activities**

### **1. ADR Moot Competition**

45. In 2010/2011 Annual Report, we reported that some universities participated in the preparation for the Annual Willem C. Vis Arbitration Moot in Vienna-Austria; and the African International Arbitration Moot Competition under the auspices of the Centre.

46. The Centre is happy to report that the First African International Arbitration Moot Competition was held in August, 2011 in Nairobi, Kenya. It was huge success. The competition was supported by the organizers of the Willem C. Viz moot competition based in Vienna and the Chartered Institute of Arbitrators, Kenya branch.

47. At the end of the competition, the panel of Arbitrators used audience votes to determine the winner; and consequently University of Ilorin, Nigeria emerged winner; while Delta State University, Nigeria was the runner-up.

## **E. Collaborations**

### **1. Forum on Business Meets Politics Organized by the Embassy of Switzerland in Nigeria in Collaboration with the Centre, 5<sup>th</sup> October, 2011**

48. The Centre co-hosted the forum on Business Meets Politics with the Embassy of Switzerland in Nigeria on 5<sup>th</sup> October, 2011; where it showcased arbitration as an alternative dispute resolution option for business operators in Nigeria.

49. The forum brought together, the Swiss business community in Nigeria with their Nigerian counterparts, as well as the delegation of the European Union in Nigeria.

### **2. Visit by the China Law Society, 14<sup>th</sup> November, 2011**

50. A four man delegation of the China Law Society visited the Centre in November, 2011. Both organization exchanged ideas and documents relating to arbitration in China and Nigeria.

51. In consideration of the increased commercial and investment activities between Chinese Companies and Nigerian Companies, there were discussions on mutual co-operation in the area of the use of arbitration and arbitrators between Nigeria and China.

### **3. ICCA New York Convention Road Show for Mauritian and African Judges, 2<sup>nd</sup>-4<sup>th</sup> May, 2012**

52. The general council, Mr. Emmanuel Dike Contributed to doing research for the first New York Convention Road Show in Mauritius for Mauritian and African judges; which was conducted by the International Council of Commercial Arbitrators (ICCA) and Young ICCA in conjunction with the Mauritian office of the Permanent Court of Arbitration. It was hosted by the Chief Justice of Mauritian Supreme Court.

53. The Road Show involved high-level training workshop on implementation of the 1958 New York convention on the Recognition and Enforcement of Foreign Arbitral Awards specially design for senior judicial officers in Mauritius and other African Countries.

## **F. Future Activities of the Center**

54. The under listed events are slated for 2012 and beyond:

### **1. Moot Arbitration for African Universities ongoing from 2008/2009**

Duration : 2 Weeks

Venue : Nigeria

**2. Sensitizing Meetings with Commercial Attaches and Trade Officers of Foreign Missions**

Duration : 1 Day  
Venue : Nigeria

**3. Business Meetings with Companies who use Arbitration to resolve disputes**

Duration : 1 Day  
Venue : Nigeria

**4. Promotional activities in mediation for new users**

Duration : 2 Days  
Venue : Nigeria

**III. REPORT ON THE ACTIVITIES OF THE KUALA LUMPUR REGIONAL CENTRE FOR ARBITRATION (KLRC), 2011-12**

**A. About KLRC**

55. The Kuala Lumpur Regional Centre for Arbitration (KLRC) was established in 1978 under the auspices of the Asian-African Legal Consultative Organisation (AALCO).

56. KLRC was the first regional centre established by AALCO in Asia to provide institutional support in a neutral and independent venue for the conduct of domestic and international arbitration proceedings in Asia.

57. The Centre was established after the Government of Malaysia and AALCO signed a host country agreement, whereby the Malaysian Government agreed to support the establishment of a regional centre for commercial arbitration in Kuala Lumpur and to provide the facilities for the establishment and functioning of such a centre.

58. KLRC is a non-profit, non-governmental arbitral institution and is led by a Director under the supervision of the Secretary-General of AALCO. The Government of Malaysia has accorded KLRC independence and certain privileges and immunities for the purposes of executing its functions as an international institution.

**B. Annual Report for Period Ended 2011**

This year's report showcases the important **connections** we have made, the **communications** that positioned our work, and the **collaborative partnership** efforts that have supported our vision in becoming the preferred alternative dispute resolution centre in Asia.

59. 2011 was a very active year for KLRCA. It began with the signing of the Memorandum of Understanding with the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM), an association that represents nearly 30,000 Malaysian Chinese companies, individuals and trade associations in the country. The centre then went on a nationwide roadshow to educate promote the adoption of ADR among ACCCIM members. The roadshow will be continued in 2012.

60. KLRCA continued to launch new products in 2011, with the KLRCA Mediation/Conciliation Rules 2011. It also began actively organising international roadshows and participating in international conferences, such as in China and Korea, to promote Malaysia as a venue and seat of arbitration. The Director of KLRCA continues to be invited as a speaker to deliver talks and presentations on arbitration and ADR from a Malaysian perspective.

61. The highlight of the year was when the Centre was bestowed the honour of hosting the prestigious APRAG Conference in July 2011, and the Director of KLRCA was appointed the President of APRAG for a two-year term with the Centre serving as the Secretariat.

62. The extensive coverage in local and international media throughout 2011 helped to publicise KLRCA's initiatives and activities as well as demonstrated the acknowledgement of its work.

63. The number of arbitrators and mediators on KLRCA's panel has now grown to over 700 and the full list, which is continuously updated, is available on KLRCA's website.

64. In another major recognition for KLRCA, the Malaysian Government accepted the key recommendations of KLRCA's Construction Industry Payment and Adjudication (CIPA) Bill, the most noteworthy being KLRCA will be named as the Adjudication Control Authority. This is a highly significant role in implementing legislation that will transform the construction industry in Malaysia.

### **C. Annual Report for January to December 2011**

65. The Kuala Lumpur Regional Centre for Arbitration continues to thrive under the direction of Mr. Sundra Rajoo, and we are pleased to present the Annual Report for January to December 2011.

#### **1. Director's Profile**

66. Sundra Rajoo is the Director of the Kuala Lumpur Regional Centre for Arbitration (KLRCA). He is also the President of the Asia Pacific Regional Arbitration Grouping (APRAG), which is a federation of nearly 40 arbitral institutions in the Asia Pacific region.

67. Sundra is a Chartered Arbitrator and an Advocate & Solicitor of the High Court of Malaya (non-practising). He is also a Professional Architect and Registered Town Planner. He has had numerous appointments as arbitrator either as chairman, co-arbitrator of three-man panels and sole arbitrator in international and domestic arbitrations.

68. He serves on the panel of numerous international arbitral institutions and organisations, including the Chartered Institute of Arbitrators (UK), Singapore International Arbitration Centre (SIAC); Australian Centre for International Commercial Arbitration (ACICA), Cairo Regional Centre for International Commercial Arbitration, the Indian Council of Arbitration, Hong Kong International Arbitration Centre (HKIAC), Korean Commercial Arbitration Board (KCAB) and Chinese International Economic Trade and Arbitration Commission (CIETAC).

69. Sundra has also authored several books on arbitration and contract law, including, “Law, Practice and Procedure of Arbitration” (2003); “The Malaysian Standard Form of Building Contract (The PAM 1998 Form)” (1999); and the Arbitration title for Halsbury’s Laws of Malaysia (2002). He was also the co-author of “Arbitration Act 2005 – UNCITRAL Model Law as Applied in Malaysia” (2007) and “The PAM 2006 Form” (2010).

## 2. Staffing

70. Staff numbers for 2011 were maintained at 21. Corporate Communications and Marketing were integrated into one unit called Marketing Communications. A new section was created under Legal Services to handle Adjudication Matters.

## 3. Staff Policy Guidelines

71. Following the setting up of staff policy guidelines in 2010, the following guidelines were issued in 2011:

NO.	CIRCULAR NO.	HEADING	CONTENTS
1.	01/2011 (Information Circular)	Salary Adjustment 2011	Information on salary adjustment for all staff
2.	01/2011 (Policy Circular)	Usage of Director KLRCA’s Digital Signature	Guidelines on utilising the Director’s digital signature on all types of communication
3.	01/2011 (Policy Circular)	Revision of Staff Benefits	Revisions made to staff benefits: dental and travel claims as well as employer’s EPF contribution
4.	03/2011 (Policy Circular)	Update on Terms of Employment	Terms of employment in regards to retirement age (55 years for both male and female employees)

5.	04/2011	Revision on Travelling Allowance	Update on the revised daily overseas allowance for KLRCA employees
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#### 4. Administration of Arbitration Cases

72. The administration of arbitration cases is one of the core functions of KLRCA. The emphasis has been on the level of service offered as evidenced by our targeted 48 hours turnaround time to appoint the arbitral tribunal

73. The statics of KLRCA's file load as at 31<sup>st</sup> December 2011 is as follows:

#### Files, Status & Applicable Rules as at 31 DECEMBER 2011

TYPES OF FILES	NO. OF ACTIVE FILES	NO. OF CLOSED FILES	NO. OF FILES	GOVERNING LAW	
				KLRCA RULES	ARBITRATION ACT 2009
<b>Domestic</b>	39	2	41	10	31
<b>International</b>	3	0	3	UNCITRAL Rules 1976	
<b>Domain Name Dispute</b>	0	4	4	MYNIC'S DNDR Policy	
<b>Asian Domain Name Dispute</b>	0	0	0	ICANN's Uniform DNDR Policy	
<b>Fast Track</b>	1	1	2	KLRCA Fast Track Rules 2010	
<b>Mediation</b>	1	1	2	KLRCA Rules for Mediation / Conciliation 2011	
<b>Total No. of files</b>	44	8	52		

## Breakdown of Types of Disputes as of 31 December 2011

NO.	AREA	NO. OF CASES
1.	Construction Contract	7
2.	Intellectual Property (DNDR)	4
3.	Oil & Gas Agreement	1
4.	Maintenance Services Agreement	1
5.	Supply of Goods Agreement	1
6.	Concession Agreement	1
7.	Shareholders Agreement	1
8.	Others	36

### 5. Panel of KLRCA Arbitrators

74. KLRCA Panel of Arbitrators (“Panel”) comprises various expertises from all around the world and it has expanded to over 700 in numbers. The updated Panel list is available on KLRCA’s website and accessible to users.

### 6. New KLRCA Products & Services in 2011

#### 6.1. The KLRCA Mediation/Conciliation Rules 2011

75. KLRCA aims to provide all parties in business and industry the platform for the opportunity to nip disputes in the bud and preclude the need for a court action. Hence the introduction of the KLRCA Mediation /Conciliation Rules 2011 which is available to all disputing parties as soon as a dispute arises. In 2010, KLRCA revised its existing rules for mediation / conciliation with the assistance of the Malaysian Mediation Centre and the Malaysian Judiciary. The revised KLRCA Mediation / Conciliation Rules 2011, which took effect from March 2011, was officially launched on 23rd August 2011 at KLRCA by Mr Lim Chee Wee, the President of the Malaysian Bar and Chairman of the Bar Council and Datuk Hj. Khutubul Zaman Bukhari, the Chairman of the Malaysian Mediation Centre and Chairman of the Asian Mediation Association. Interested parties can include the Model Mediation/Conciliation clause in their agreements as a pre-emptive measure.

#### 6.2. my DOMAIN REGISTRY & Sensitive Names Dispute Resolution

76. KLRCA has also been appointed by .my DOMAIN REGISTRY as the service provider to administer complaints against a domain name that contains word(s) that may be considered sensitive. In conjunction to this, KLRCA has launched its new service, the sensitive name dispute resolution. This is in connection with the launch of the Sensitive Names Dispute



Resolution Policy (“SND RP”) Rules of the SND RP and Supplemental Rules of the Kuala Lumpur Regional Centre for Arbitration by .my DOMAIN REGISTRY on 31st October 2011.

### **6.3. Others**

77. KLRCA is also in the midst of revising the KLRCA Rules for Islamic Banking and Financial Services Arbitration and is in the early stages of setting up services for sports arbitration in a joint effort with Olympic Council of Malaysia (OCM).

## **7. Capacity Building and Knowledge Transfer**

78. To help build capacity and educate the legal fraternity and the public on ADR, KLRCA partnered with accredited institutions of higher learning, governmental and professional bodies in Malaysia to organise arbitration and mediation courses and forums.

### **7.1. Partnership with the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM)**

79. This initiative was launched in 2011 in collaboration with the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM), an association that represents more than 28,000 Malaysian Chinese companies, individuals and trade associations in the country. The strategic partnership with ACCCIM is one of many efforts done by KLRCA to provide better and relevant services to the Chinese business community. A Memorandum of Understanding (MoU) between the Centre and ACCCIM was signed in January 2011 to promote and encourage the adoption of ADR among ACCCIM members. The MoU signing was witnessed by Y.B. Datuk Liew Vui Keong, Deputy Minister in the Prime Minister’s Department.

80. The first training programme under the MoU, ‘The ACCCIM & KLRCA Training Course on Arbitration’, held on 7 January 2011 was well received by the participants and was conducted by experienced lawyers, chartered arbitrators from the Chartered Institute of Arbitrators (Malaysia) and KLRCA’s panel of arbitrators.

81. Subsequently, KLRCA embarked on a nationwide roadshow to promote and encourage the adoption of ADR among ACCCIM constituent members. Overall, more than 500 members from the various constituents benefitted from the awareness campaign, held at the following venues:-

- Klang Chinese Chamber of Commerce and Industry (KCCCI) – 7 June 2011, held at Premiere Hotel, Klang
- Perak Chinese Chamber of Commerce and Industry – 13 August 2011, Syuen Hotel, Ipoh
- Terengganu Chinese Chamber of Commerce and Industry (TCCCI) – 23 September 2011 held at TCCCI Assembly Hall
- Negeri Sembilan Chinese Chamber of Commerce and Industry (NSCCCI) - 20 October 2011 held at NSCCCI Assembly Hall

- Batu Pahat Chinese Chamber of Commerce and Industry (BPCCCI) – 29 October 2011, held at BPCCCI Assembly Hall
- Sandakan Chinese Chamber of Commerce and Industry (SCCCI) – 19 November 2011, SCCCI Assembly Hall
- Penang Chinese Chamber of Commerce and Industry (PCCCI) – 2 December 2011, Penang Chinese Town Hall Building.

82. The road show will continue in 2012, with seven more locations planned around the country.

## **7.2. Other events**

83. KLRCA also organised and participated in the following seminars and forums:
- SNDARP Reference Panel Briefing by KLRCA and .my Domain Registry, March, KLRCA
  - Talk on ‘Injunctive Relief in Aid of Arbitration’ by Graham Dunning QC, April, KLRCA.
  - Dispute Resolution and Arbitration Committee’s session at the Kyoto Conference, April 20, Japan
  - The MEF-Vienna Spring Dialogue 2011, May, Vienna, Austria
  - National Employment Law Conference 2011, May, Kuala Lumpur
  - CIArb Asia Pacific Conference 2011, May, Sydney, Australia
  - VIAC-KLRCA Joint Seminar on ‘Dispute Resolution in Malaysia and Europe’, June, Kuala Lumpur
  - The Asia-Pacific Regional Arbitration Group (APRAG) Biennial Conference, July, Mandarin Oriental, Kuala Lumpur
  - The Effective Use of Arbitration in Resolving Commercial Disputes, July, Royale Chulan Hotel, Kuala Lumpur
  - Malaysian Legal Services Roadshow in China, collaboration with members of the Malaysian Judiciary and the Malaysian Bar, July, held in Beijing and Shanghai
  - LawAsia Moot, July, KLRCA
  - Talk on Amendments to the Arbitration Act, August, organised by KLRCA and the Malaysian Bar
  - Launch of KLRCA Mediation/Conciliation Rules 2011, August, KLRCA
  - 3<sup>rd</sup> Global Business Summit, September, Istana Hotel, Kuala Lumpur
  - SIArb Commercial Arbitration Symposium 2011, September, Maxwell Chambers, Singapore
  - 5th China-ASEAN Forum on Legal Cooperation and Development (CAFTA 2011), September, co-hosted by Bar Council Malaysia, China Law Society, ASEAN Law of Association of Malaysia and KLRCA, held at Shangri-La Hotel Kuala Lumpur
  - Talk on the KLRCA Fast Track Rules 2010, September, KLRCA.
  - LawAsia Moot, October, Seoul, Korea
  - Effective Dispute Resolution: A Malaysian - Korean Perspective, October, Seoul, Korea
  - IFN 2011 Issuers & Investors Asia Forum, October, Kuala Lumpur Convention Centre

- KLRCA-HKIAC Joint Seminar on ‘Malaysian & Hong Kong Arbitration Law Practice’, October, Ritz-Carlton Hotel, Kuala Lumpur
- International Bar Association (IBA) Annual Conference 2011, 30 October – 4 November 2011, Dubai, UAE
- UNCITRAL Arbitration Rules: Expert Group Meeting, November, Vienna, Austria
- Talk on Islamic Financial Arbitration, November, KLRCA
- Seminar on Recent Developments in Alternative Dispute Resolution (ADR), November, Kota Kinabalu Sabah
- UKM Law Talk, December 2011, UKM

## **8. Strategic Partnership and Community Engagement**

84. Throughout the year, KLRCA received visits from colleges and universities as well as from dignitaries and those from the arbitration community within and outside of Malaysia. Below are some of those who visited the Centre: -

- Management & Science University (MSU) in February.
- Faculty of Law, University of Malaya in February.
- Employment Tribunal of the Maldives in February.
- Students from Universiti Teknologi Malaysia in March.
- Students from University Malaya and Prince of Songkla University, Thailand in April.
- Delegates from the China International Economic and Trade Arbitration Commission (CIETAC) in July.
- Sri Lankan Minister of Justice and President of AALCO, His Excellency Rauff Hakeem in July.
- China Law Society in September.
- Brunei Attorney-General’s Chambers in October.
- Kedah Shariah Court in October.

85. A KLRCA delegation together with the Director-General, Legal Affairs Division, Prime Minister’s Department also visited Maxwell Chambers in Singapore in July 2011.

## **9. Other Significant initiatives**

86. KLRCA undertook several initiatives as follows:

### **9.1. Asia Pacific Regional Arbitration Group (APRAG)**

87. For the first time ever, Malaysia was the venue of the prestigious Asia Pacific Regional Arbitration Group (APRAG) Conference. The biennial event, held from 9 – 10 July 2011 at the Mandarin Oriental Kuala Lumpur, welcomed more than 30 arbitral institutions in the region. The previous three conferences were held in Sydney (2004), Hong Kong (2006) and Seoul (2009). Kuala Lumpur Regional Centre for Arbitration (KLRCA) played host to the conference, themed “International Arbitration in a Challenging Region”, which saw the attendance of more than 270

delegates from all over the world and the involvement of 41 speakers. The opening ceremony was officiated by the then Chief Justice of Malaysia, Tun Zaki Tun Azmi.

88. In his keynote address, Tun Zaki said that the growth of APRAG itself was a testimony to the growth and development of regional and global trade and investment needing the services of arbitration. He added, “The position of the Asia-Pacific region as the growth pole of the world economy means that the importance of regional economic integration cannot be over-emphasised. The time has come to take a broader approach which focuses not just on deepening integration within sub-regions but also on fostering trade and business links to build a seamless Asia-Pacific economic space.”

89. During the conference, the Director of KLRCA was appointed the President of APRAG for a two-year term with KLRCA serving as its Secretariat. It was also decided that the number of Vice-Presidents will be increased to a maximum of 12 to reflect and better represent the growing number of APRAG members. In addition, a decision was made to include Past Presidents of APRAG as part of the APRAG Committee.

## **9.2. KLRCA Advisory Board**

90. In August 2011, KLRCA announced the appointment of a six-strong Advisory Board that is chaired by the Attorney-General of Malaysia, Tan Sri Abdul Gani Patail.

91. The appointment of the Board was made by the Minister in the Prime Minister’s Department of Malaysia, Y.Bhg. Datuk Seri Mohamed Nazri Aziz. The Board is to advise KLRCA on its strategic direction in its aim to be the preferred arbitration centre in the Asia Pacific region as well as in positioning Malaysia as an arbitration-friendly destination.

92. Aside from Tan Sri Gani, the Board consists of renowned and respected Malaysian and international arbitrators. They are:

YBhg Tan Sri Dato’ Cecil Abraham, Senior Partner, Messrs Zul Rafique & Partners;  
Mr Vinayak P Pradhan, Senior Dispute Resolution Partner of Skrine, VicePresident of the Chartered Institute of Arbitrators, UK and Vice Chair of the International Chamber of Commerce Commission on Arbitration; Professor Philip Yang, Honorary Chairman of the Hong Kong International Arbitration Centre; Professor Robert Volterra, Messrs Volterra Fietta, UK; and Mr Sumeet Kachwaha, Partner, Messrs Kachwaha & Partners, India.

## **9.3. Construction Industry Payment and Adjudication (CIPA) Act**

93. In response to Construction Industry Development Board (CIDB)’s Construction Industry Payment and Adjudication Bill (CIDB’s CIPA Bill) which proposed to set up an Adjudication Control Authority to take over all construction disputes, KLRCA drafted its own proposed Construction Industry Payment Act (CIPA) bill which aimed at addressing cash flow disputes in the construction industry for the benefit of all stakeholders in a transparent and cost effective manner.

94. Both the KLRCA CIPA Bill and the CIDB's CIPA Bill were submitted to the Attorney General's Chambers for consideration and the AGC merged the two versions and added a new section. The integrated Bill then obtained Cabinet approval and has gone through its first, second and third reading as of 2<sup>nd</sup> April 2012. It is expected to be effective by end of 2012.

95. By virtue of Part V of the proposed CIPA Act, KLRCA has been named as the adjudication control authority which means that the Centre will play a key role as the default appointing and administrative authority. This includes setting the competency standards and criteria required of an adjudicator; determining the standard terms of appointment and fees of an adjudicator; and providing administrative support for the efficient conduct of adjudication. In addition, the Centre has been entrusted with conducting training and certification courses for interested parties to become adjudicators.

96. Therefore, in preparation for the impending legislation to be passed, KLRCA is organising a series of free talks conducted by senior construction law practitioners to familiarise and prepare the public for compulsory statutory adjudication in the construction industry.

97. To date, the following talk engagements have been conducted in 2012 so far:

<b>Location</b>	<b>Date</b>
Kuala Lumpur	14 January & 11 February
Pulau Pinang	18 February
Kuching, Sarawak	25 February
Ipoh, Perak	5 March
Kota Kinabalu, Sabah	17 March
Miri, Sarawak	21 March
Johor Bharu, Johor	23 March
Kuantan, Pahang	28 March

98. KLRCA will also prepare the syllabus for the Adjudication Training Program to enable proper certification of future adjudicators. In addition, the Centre has prepared a Conversion Course for the current KLRCA Panel of Arbitrators to make them eligible to be put on KLRCA Panel of Adjudicators, if they wish to be appointed as adjudicators. The training program is expected to commence in June 2012.

#### **9.4. Co-operation Agreements**

99. KLRCA is entering into co-operation agreements with the following arbitral institutions to promote use of the KLRCA facilities by having their hearings and/or having their representatives at KLRCA:

- a. The Court of Arbitration for Sport (CAS), International Council of Arbitration for Sport (ICAS), Switzerland. (KLRCA will sign an agreement in May 2012 to serve as the official host of an CAS alternative hearing centre for the region.
- b. The Permanent Court for Arbitration (PCA) in the Hague. (The AG's Chambers is expected to sign a host country agreement between the Malaysian Government and the PCA in June 2012).

100. In addition, KLRCA has invited the following arbitral institutions to enter into a collaborative agreement that will benefit both parties:

- a. The China International Economic and Trade Arbitration Commission (CIETAC)
- b. Beijing Arbitration Commission (BAC)
- c. Shanghai Arbitration Commission (SHAC)
- d. Korean Commercial Arbitration Board (KCAB)
- e. The Delhi High Court Arbitration Centre
- f. Haikou Arbitration Commission

#### **9.5. Corporate Social Responsibility (CSR)**

101. In line with KLRCA's Corporate Social Responsibility (CSR), the staff of KLRCA managed a food stall for the National Stroke Association of Malaysia (NASAM) on 26 June 2011. All proceeds from the sale were donated to NASAM in supporting their cause to help stroke survivors in their rehabilitation programme.

### **10. Media Reporting & Recognition**

102. The accomplishments and efforts in promoting KLRCA have been recognised in both domestic and international arena. Listed below are the publications that featured KLRCA in regards to its contribution and development in the arbitral fraternity:

#### **10.1. JANUARY**

- Jan 7, Bernama - Arbitration is the Alternative Dispute Resolution for Business, says KLRCA
- Jan Issue, Smart Investor - The Need for Arbitration
- Jan 27, Guang Ming - KLRCA signs MoU with ACCCIM
- Jan 27, Kwong Wah - Amendment to the PPPA Act to be decided in March
- Jan 27, Bernama - Arbitrary Act Amendment expected to be passed Next Parliament session
- Jan 27, Malay Mail - Arbitration Act amendment expected to be passed next Parliament session

- Jan 27, Nanyang - ACCCIM and KLRCA sign MoU to promote alternative dispute resolution
- Jan 27, Berita Harian - Kita rujuk timbang tara
- Jan 28, Business Times - Statutory Adjudication for Construction Sector
- Jan 28, China Press - Datuk VK Liew urges to increase confidence of foreign investors through arbitration
- Jan 28, Guang Ming - KLRCA signs MoU with ACCCIM
- Jan 28, Kwang Wah - Alternative Dispute Resolution should be adopted
- Jan 28, Sin Chew - KLRCA signs MoU with ACCCIM to promote ADR
- Jan 28, The Star - Fast Track rules launched
- Jan 28, The Star - Small commercial claims can be settled in just 90 days
- Jan 28, The Sun - Promoting arbitration
- Jan 28, Nanyang - ACCCIM and KLRCA sign MoU to promote alternative dispute resolution

## **10.2. FEBRUARY**

- Feb 7, Harian Metro - KLRCA, ACCCIM jalin kerjasama
- Feb 12, Malaysia SME - Encouraging the use of ADR among ACCCIM members
- Feb 14, Nanyang Siang Pau - Effective Time Saving arbitration
- Feb 14, Nanyang Siang Pau - KLRCA's cost is 40% lower than Singapore's
- Feb 20, The Star – Speaking up for table talk

## **10.3. MARCH**

- March 2, The Edge – Adjudication process for payment disputes in construction sector soon
- March 15, The Edge Financial Daily - New Act to improve cash flow in construction sector

## **10.4. MAY**

- May 15, The Australian ADR Reporter - Developing the Asia-Pacific Region as a centre for International dispute resolution

## **10.5. JUNE**

- June 13, Bernama - Malaysia to Host Conference on Commercial Dispute Resolution
- June 13, Yahoo News - Malaysia to Host Conference on Commercial Dispute Resolution
- June 23, Global Arbitration Review, Big plans for Kuala Lumpur
- June 27, Bernama, KLRCA to Actively Promote Islamic Arbitration Globally

## **10.6. JULY**

- July 4, Malaysian Reserve – KLRCA to Position Malaysia as Global Arbitration Hub
- July 4, The Sun - KL's Arbitration Centre in Focus
- July 6, The Islamic Globe – KLRCA Courts Top Arbitration Spot

- July 9, China Press Dotcom – Zaki: There must be sound dispute resolution to protect interests of businesses
- July 9, Nanyang Siang Pau online - Active economic development and improving judicial protection of investments
- July 9, Oriental Daily Online - Government needs reliable dispute resolution
- July 9, The Malay Mail (online) - Strong Government, Independent Judiciary Assures Protection for Properties
- July 9, The Sun Daily (online) - Strong Government, Independent Judiciary Assures Protection for Properties
- July 10, China Press – Zaki: There must be sound dispute resolution to protect interests of businesses
- July 10, Mingguan Malaysia (Utusan) - Kerajaan kukuh jamin keselamatan harta
- July 10, Nanyang Siang Pau - Active economic development and improving judicial protection of investments
- July 10, New Sabah Times Online - Strong government, Independent judiciary assures property protection
- July 10, Oriental Daily - Government needs reliable dispute resolution
- July 10, Utusan Online - Kerajaan kukuh jamin keselamatan harta
- July 13, The Islamic Globe – Arbitration proves to be a better option than litigation
- July 21, Global Arbitration Review - Kuala Lumpur: Evolving arbitration rules in the Asia-Pacific
- July issue, OIC Today – Commercial Arbitration in Malaysia

#### **10.7. AUGUST**

- Aug 3, Global Arbitration Review – Arbitrating Islamic Banking and Finance Disputes
- Aug 3, Global Arbitration Review - Malaysia: Facilitating arbitration or just interfering?
- Aug 9, Arab News - Arbitration on the increase in Islamic finance
- Aug 14, Nanyang Siang Pau – Perak Chinese Chamber of Commerce joint effort with KLRCA: Promote dispute resolution as alternative solution
- Aug 14, Sin Chew – Datuk Liu Ruiyu: Solving commercial disputes – Seek KLRCA for fair judgement
- Aug 16, Global Arbitration Review – KLRCA Announces Board

#### **10.8. SEPTEMBER**

- Sept 6, Business Times - New arbitration rules to enhance KLRCA services
- Sept 24, Nanyang Siang Pau – KLRCA offers alternative to litigation for resolution of commercial disputes

#### **10.9. OCTOBER**

- Oct 8, The Star - Arbitrators Empowered to Settle Disputes



## **10.10. NOVEMBER**

- Nov 1, Berita Harian - KLRCA kembali aktif
- Nov 21, Sandakan Chinese Daily – ACCCIM Sandakan

## **10.11. DECEMBER**

- Dec Issue, OIC Today – In Conversation with Mr Sundra Rajoo, Director of KLRCA
- 2 Dec, Nanyang Siang Pau – ACCCIM Penang
- 3 Dec, Sin Chew Jit Poh – ACCCIM Penang

## **11. KLRCA’S New Premises**

103. The Malaysian Government has approved the relocation and budget for the refurbishment and renovations works for the Sulaiman Building, the former Shariah Court, to be converted into new premises for KLRCA. Located in Kuala Lumpur’s historical enclave, the Sulaiman Building is an art deco heritage building that is very close to the city’s central hub and tourist district. The proposed five-story building with state-of-the art facilities and world-class amenities is expected to be ready by third quarter of 2013.

## **12. Conclusion**

104. KLRCA continues its drive to become the preferred arbitration hub in the Asia-Pacific region and is grateful for the full support of AALCO, the Malaysian Government and other stakeholders, such as the Judiciary and the Malaysian Bar as well as the local arbitral institutions.

ANNEX I

SECRETARIAT'S DRAFT  
AALCO/RES/DFT/51/ORG 3  
22 JUNE 2012

**REPORT ON AALCO'S REGIONAL CENTRES FOR ARBITRATION**

*The Asian-African Legal Consultative Organization at its Fifty-First Session,*

**Considering** the Report on AALCO's Regional Centres for Arbitration contained in Document No. AALCO/51/ABUJA/2012/ORG 3;

**Noting** with appreciation the introductory remarks of the Deputy Secretary-General and the report of the Directors of the Regional Arbitration Centres;

**Reaffirming** the commitment by the Governments of Member States towards enhancing the role of the Regional Arbitration Centres;

**Recalling** decision relating to the Integrated Scheme for the Settlement of Disputes in Economic and Commercial Transactions adopted at its Doha Session in 1978;

**Expressing satisfaction** over the increasing use of the facilities and the opportunities offered for both domestic and international arbitrations under the auspices of its Regional Arbitration Centres;

**Appreciating** the efforts and contributions of the Governments of the Malaysia, Arab Republic of Egypt, Federal Republic of Nigeria, the Islamic Republic of Iran, and Republic of Kenya for hosting the respective Regional Arbitration Centres;

**Further appreciating** the promotional activities undertaken by the Directors of the Centres, including organization of seminars and training programmes, to promote international commercial arbitration in the Asian and African regions;

**Reiterating** the earlier decision of the AALCO on the necessity for the Governments of Member States to promote and support the use of the Regional Arbitration Centres;

**Further reiterating** its proposal that after consultation with the Directors of the respective Regional Arbitration Centres, for the holding of International Arbitration Conference biennially, by rotation in each of the Centres, with the support of Member States:

1. **Requests** that, based on the above mentioned commitments for promoting and supporting the use of Regional Arbitration Centres, the Member States to urge their esteemed Governments and private sector to use the AALCO's Regional

Arbitration Centres for their disputes and in particular to consider in their contracts, the inclusion of the Arbitration Clause of AALCO's Regional Arbitration Centres.

2. **Consider** the formation of a common system both administratively and financially between the Centres and common standard for the qualification of arbitrators.
3. **Directs** the Arbitration Centres to meet at every AALCO Annual Sessions to enable an exchange of ideas and to report the outcome to the Organization.
4. **Requests** the Secretary-General to take initiative to promote the Arbitration Centres among Member States and to work toward establishing another Arbitration Centre in the South Asian region.
5. **Decides** to place this item on the provisional agenda of the Fifty-Second Annual Session.