



Statute of the Nepal Council of Arbitration (NEPCA) 1991

**(With the First Amendment, 1998 (2055) &
Second Amendment, 2013 (2069)
& Third Amendment 2020 (2077))**

Preamble:

An institution by the name of Nepal Council of Arbitration has been established to administer arbitration and other alternative methods of dispute resolution in an expeditious and less expensive manner by arranging co-operation from the concerned sector and to do institutional development of acts and proceedings related thereto, for the settlement of national and international disputes of development, construction, industrial, trade and other nature which are to be resolved through arbitration.

Chapter - 1 Preliminary

1. Short Title and Commencement:

- (a) The name of this Statute shall be the **Statute of Nepal Council of Arbitration, 2048 (1991)**.
- (b) This Statute shall come into force on the date of registration of the Council.

2. Definitions:

Unless the subject or context otherwise requires, in this Statute:

- (a) 'Statute' shall mean the **Statute of Nepal Council of Arbitration, 2048 (1991)**
- (b) 'Rules' shall mean the rules of the Council framed or to be framed under this Statute from time to time.
- (c) 'Member' shall also include the institutional member of this Council.
- (d) 'Council' shall mean the Nepal Council of Arbitration, which shall be called "NEPCA" in acronym form.

- (e) 'Executive Committee' shall mean the executive committee of the Council .
- (f) 'Central Office' shall mean the head office of the Council .
- (g) 'Branch' shall mean and include any branch , sub-branch and offices established under the Central Office in various places.
- (h) 'General Meeting 'shall mean the General Meeting of the Council.
- (i) 'Prescribed' or 'as Prescribed' shall mean any matters prescribed in this Statute or by rules or bye-laws to be framed under this Statute.
- (j) 'Local Authority' shall mean the Chief District Officer.
- (k) Office Bearers' shall mean the Chairman, Vice-chairman, General Secretary, Secretary or Treasurer of the Executive Committee.***

3. The Seal and Establishment of the Council:

- (a) An association by the name of 'Nepal Council of Arbitration' shall be established after the commencement of this Statute.
- (b) This Council shall be a corporate body having perpetual succession and it may acquire, possess and dispose of the movable and immovable properties, mortgage or pledge or use such properties for other purposes as required for the benefit of the Council, sue or be sued and perform or exercise other functions, duties and rights in this connection.
- (c) The Council shall have its own seal and emblem pursuant to Schedule 1.
- (d) This Council has been established with not-for-profit objective.

4. Address of the Council 's Office:

Central Office of the Council shall be located at Kathmandu and its branches shall be located at such places as decided by the Executive Committee. Such branches may be opened only with the approval of the Local Authority.

Chapter -2

5. Objectives of the Council:

(A) Main Objectives:

Subject to the prevailing laws, regulations and policy directives of His Majesty's Government, the Council shall have the following objectives:

- (1) To initiate, promote, protect and to institutionally develop activities relating to arbitration including other alternative methods of dispute resolution in Nepal.
- (2) To provide necessary suggestions to the concerned agencies for the periodical amendment and alteration to and development of prevailing laws and regulations relating to arbitration, by undertaking study, analysis and research on them; and to generate favourable public opinion for this purpose.
- (3) To arrange and manage all kinds of services, facilities and instruments as required for the settlement of disputes, of national and international nature arose within the territory of Nepal, to be settled through arbitration and other alternative methods of dispute resolution with the assistance of this Council.
- (4) To maintain relation with individuals and institutions involved in different profession and business, for arbitration of disputes of different subject matters and nature and to prepare the list of proper arbitrators.
- (5) To prepare a code of conduct for arbitrators and to create proper environment for its implementation.
- (6) As regards resolving disputes of national and international character occurring within the Nepalese territory that need to be decided by the Council through arbitration and other alternative means, to provide for and ensure all kinds of services, facilities and means, subject to prevailing laws, including framing internal work procedures concerning arbitration and internal rules for all kinds of proceedings including administrative, and to implement or cause to implement them.**

(B) Supplementary Objectives:

Mainly the following functions shall be performed for achieving the objectives of the Council :

- (1) To organize necessary training, instruction, symposium, workshop and talk programmes for the development of skilled Nepalese manpower needed for the resolution of all kinds of disputes through arbitration and other alternative methods.

- (2) To establish a well equipped library having collected books, journals, and rules and regulations of national, international and regional institutions, on arbitration and other alternative methods.
- (3) To acquire membership of other national, international and regional institutions having similar objectives, to provide its membership to them and to maintain relationship, enhance understanding, explore cooperation, exchange experiences and views with such organizations and institutions.
- (4) To receive, earn, acquire, possess and dispose of movable and immovable properties for the upliftment of the Council.
- (5) To hire or give on rent land and building for the purpose of the Council.
- (6) To encourage towards the development and promotion of provisions for the settlement of disputes, arising out of bilateral or multilateral contracts or agreements in the field of industries, trade and other business, through arbitration and other alternative methods of dispute resolution.

Chapter - 3

Membership

6. Types of Membership:

- (a) Any institution, individual, agency, law practitioner, engineer, jurist, judge, construction contractor etc., directly or indirectly engaged in the activities and proceedings relating to arbitration shall be eligible for the membership of the Council.
- (b) **Types of membership:** The Council shall have the following three types of members.
 - (1) **Individual member**
 - a. Life member
 - b. Ordinary member
 - c. Honorary member
 - (2) **Institutional member**
 - a. Ordinary member
 - b. Permanent member

- (c) Executive Committee may respectfully invite a renowned person directly or indirectly associated with the activities concerning arbitration as the Chief Patron of the Council.

7. Qualifications for Membership:

- (a) The Executive Committee may grant honorary membership to any person who has made an outstanding contribution on the basis of special study and experiences on activities relating to arbitration.
- (b) An Individual who is a graduate and has been involved in activities relating to arbitration shall be eligible for individual membership of the Council.
- (c) Individuals who are qualified under sub-section (b) and have attained the age of 40 years shall be eligible for life membership.
- (d) Any institution established under the prevailing laws and associated directly or indirectly with the activities relating to arbitration shall be eligible for institutional membership.

8. Membership Fee:¹

- (a) Life Membership for individuals
 - 1. Entrance fee for Life individual's member shall be Rs. 25,000.
- (b) Ordinary membership fee.
 - 1. Entrance fee for an ordinary member shall be Rs. 5,000.
 - 2. Annual fee for renewal ordinary member shall be Rs. 1,000.
 - 3. Entrance fee for an institutional member shall be Rs. 50,000.
 - 4. Annual fee for renewal institutional member shall be Rs. 25,000.
- (c) Executive Committee may increase or decrease the membership fee as per necessity.

1 Ammended by the 172nd Board Meeting

- (d) Annual membership fee shall have to be paid upto the last day of Ashadh. (mid-July)in each year. Members renewing their membership upto the last day of the month of Aswin shall have to pay an additional fee of 10% (ten percent) and 25% (twenty five percent) for another additional three months.

9. Provision for Membership:

Executive Committee may, in accordance with the Statute, grant membership to the individuals or institutions recommended by any two members of the Council.

10. Termination and Suspension of Membership:

- (a) Membership of the Council shall be terminated in the following circumstances:
 - (1) If the resignation submitted to the Executive Committee is approved.
 - (2) If a member dies.
 - (3) If an institutional member is dissolved or merged with other institution.
- (b) Membership of any member failing to pay the membership fee within the period as prescribed in paragraph (d) of Section 8 shall *ipso facto* be terminated. Such a member shall have to repay the entrance fee for re-acquiring the membership .
- (c) Executive Committee may suspend the membership of any member, for a given period of time, if the member has committed any acts contrary to the interest of the Council, provided that such decision shall be required to be approved by the General Meeting of the Council

CHAPTER - 4

General Meeting and the Executive Committee

11. Constitution of General Meeting:

General Meeting shall comprise of all types of members of the Council .

12. General Meeting:

- (a) The Annual General Meeting of the Council shall be held within 6 months from the end of each fiscal year.***

- (b) Notice of the Annual General Meeting shall have to be served to every member at least 21 days prior to such meeting. Such notice shall have to contain the place, date and time and agenda of the meeting.
- (c) Executive Committee may call Extra -ordinary General Meeting at any time as and when it deems necessary.
- (d) The Chairman shall, on a written requisition of 25% members of the total members of the Council, call an Extra-ordinary General Meeting within 15 days from the receipt of such a requisition.
- (e) No subject matter, other than as prescribed, shall be discussed in Extra-ordinary General Meeting except with the prior permission of the Chairman.
- (f) For the purpose of General Meeting or Extra Ordinary General Meeting, the presence of at least 25% of the total members shall be deemed to have constituted a quorum.
- (g) In case of failure to hold a meeting due to the lack of quorum as per sub-section (f) the meeting shall be called again by giving 7 days notice and, in such a event, the presence of 10% of the total members will constitute a quorum .

13. Functions, Rights and Duties of the General Meeting:

Functions, Rights and Duties of the General Meeting shall be as follows:

- (a) To present and discuss on previous progress report, and to discuss on the statement of income and expenditure.
- (b) To elect the members of the Executive Committee.
- (c) To formulate the policies of the Council.
- (d) To give directions to the Executive Committee.
- (e) To formulate the programmes of the Council for the forthcoming year.
- (f) To approve the estimated budget of annual income and expenditure of the Council.
- (g) To appoint an auditor for the forthcoming fiscal year.
- (h) To amend the Statute.
- (i) To carry out any other functions as prescribed.

14. Constitution of the Executive Committee:

- (a) Members of the Council shall constitute, from among themselves, a nine-member Executive Committee. The Executive Committee shall elect Chairman, Vice-chairman, Secretary and Treasurer from itself.

The secretary working at the time of third amendment to the Statute shall be general secretary *ipso facto*. The Executive Committee shall elect a secretary from among its members and the secretaries prior to this shall be automatically called general secretaries.*

- (b) Normally, the tenure of office of the Executive Committee shall be of three years. *
- (b) The tenure of members of the Executive Committee shall be of three years.
- (c) Membership of the Executive Committee shall be terminated in the following circumstances:
 - (1) If he tenders a resignation in writing.
 - (2) If the General Meeting adopts a no-confidence resolution.
 - (3) If he fails to attend three consecutive meetings of the Executive Committee without giving reasonable notice.
Provided that, for the purpose of this Sub-section, the concerned member shall not be deprived of an opportunity to give a clarification therefor.
 - (4) If he ceases to be a member of the Council.
- (d) Even after resigning from their post in the Executive Committee, the member shall still remain as the member of the Executive Committee.***
- (e) If any seat of the office bearer of the Executive Committee is vacated as per Sub-section(c), the existing members of the Executive Committee shall appoint such office bearer from among themselves.***
- (f) No any member shall be elected in the same post of office bearer for more than two-year tenure.***

15. Meetings of the Executive Committee:

- (a) Meeting of the Executive Committee shall be held at such place and time as notified by the Secretary on the advice of the Chairman.
- (b) Meeting of the Executive Committee shall be held at least twice in each fiscal year.
- (c) The quorum of the Executive Committee shall be 51% (fifty-one percent) of the total number.***
- (d) The decisions of the Executive Committee shall be recorded.

16 . Functions, Rights and Duties of the Executive Committee:

Functions, Rights and Duties of the Executive Committee shall be as follows:

- (a) To implement the resolutions, policies and directives of the General Meeting.
- (b) To appoint a returning officer.
- (c) To nominate a member from among the members of the Council until the General Meeting is held, in case any seat to the membership of Executive Committee falls vacant.
- (d) To implement or cause to implement the objectives of the Council.
- (e) To set programmes and to perform appropriate functions for the accomplishment of the objectives of the Council.
- (f) To prepare and submit the budget of the Council to the General Meeting.
- (g) To appoint officials and staff necessary for the Council or to dismiss them and to fix their terms and conditions of service and remuneration.
- (h) To delegate all or some of the rights and duties of the Council to its branches or to any staff.
- (i) To prepare a panel of experienced persons for arbitration of disputes of different subjects and nature.
- (j) To frame and implement or cause to be framed and implemented rules and bye-laws necessary to perform the functions pursuant to the objectives of the Council.
- (k) To appoint arbitrators upon petition by the parties concerned.**
- (l) In order to meet the Council's objectives, to constitute a committee or a sub-committee from among its own members deemed appropriate.**
- (m) In order to fulfill the objectives of Section 5(a)(3), to frame and approve required Regulations.**

Chapter - 5

Functions, Rights and Duties of the Office Bearers

17. Functions, Rights and Duties of the Chairman

- (a) To call meetings of the Executive Committee and make necessary correspondence on behalf of the Council.
- (b) To take responsibility of leadership as the chief of the Council.
- (c) To implement or cause to be implemented the resolutions of the General Meeting.

- (d) To chair the General Meeting or the Meetings of the Executive Committee, and to cast a deciding vote in case of even division of votes in the meetings.
- (e) To perform other necessary functions in the interest of the Council.

Functions, Rights and Duties of the Vice-Chairman:

- (a) To assist the Chairman in his functions or to perform other functions as delegated in writing by him.
- (b) To perform and exercise all duties and rights of the Chairman in his absence.
- (c) To examine the performance of the Council and to inform the Chairman of the same.

Functions, duties and powers of General Secretary:*

- a. To keep or cause to keep records of decisions passed by the Executive Committee and implement them.
- b. To take responsibility for daily operation of the Council and supervise and control employees administration.
- c. Carry out or cause to carry out other works as provided for in the Statute and Regulations.
- d. To maintain coordination among different branch offices.
- e. To perform all other works that benefit the Council as directed by the Executive Committee or with the consultation of the Chairperson.

Functions, duties and powers of Secretary:*

- a. To perform all works performed by the General Secretary in his absence.
- b. To carry out other works as prescribed by the Executive Committee.

Functions, Rights and Duties of the Treasurer:

- (a) To submit reports on income and expenditure to the Annual General Meeting and to the Meetings of the Executive Committee.
- (b) To raise funds, to maintain and cause to be maintained the accounts of income and expenditure of the Council.
- (c) To prepare and cause to be prepared annual budget of the Council and submit it to the Annual General Meeting through the Executive Committee.
- (d) To perform and cause to be performed other functions as prescribed.

Chapter - 6

Financial Provisions

18. Financial Resources:

- (a) The Council shall have its own separate fund.
- (b) The fund of the Council shall comprise of the following amounts:
 - (i) Membership fees of the members,
 - (ii) Grants, donations or any assistance made available to the Council by His Majesty's Government and any other national, international and regional organizations or agencies.
 - (iii) Any amount acquired from the tangible and intangible assets of the Council.
 - 3.1 The administrative and other costs involved in the conduct of arbitration which the Council is entitled to.**
 - (iv) Any other amounts.

19. Description of Tangible and Intangible Assets:

- (a) The records of the tangible and intangible assets of the Council shall be maintained accurate and up-to-date.
- (b) Expenditure on behalf of the Council shall be made as prescribed. Until such prescription, it shall be made as determined by the Executive Committee.

20. Operation of Fund:

- (a) The accounts, to be opened in the name of the Council in different banks, shall be operated by joint signature of the Treasurer, and the Chairman or Secretary or any other person as decided by the Executive Committee.
- (b) The financial year of the Council shall commence from the first day of Shrawan (mid - July) of each year and end on the last day of Ashadh (mid - July) of the next year.

21. Audit :

- (a) Audit of income and expenditures including the balance of tangible and intangible assets of the Council of every year shall be carried out by an auditor recognized by His Majesty's Government and appointed by the General Meeting.
- (b) The audit report of the auditor of the Council shall be submitted to the local authority in each year.
- (c) Accounts of income and expenditures of the Council shall be maintained accurate and up-to-date under the supervision of the Treasurer.
- (d) Statement of income and expenditure shall be submitted through Treasurer to the Annual General Meeting.

Chapter - 7

22. Provisions Relating to Election:

The Executive Committee shall appoint a returning officer for the election of the Executive Committee. Procedures relating to election shall be as prescribed and, until such prescription, it shall be as determined by the returning officer.

22a. Provision of Election:

The Executive Committee shall appoint an Election Officer to conduct the election of the Executive Committee. The procedures for the election shall be as prescribed and until such prescription, the procedures shall be as determined by the Election Officer. The Election Officer shall administer an oath of office in accordance with Schedule 2 to the member of the Executive Committee constituted or elected pursuant to Article 14 (a).***

23. Qualifications To Be a Candidate:

Individuals representing institutional membership or individual ordinary members or life members of the Council shall be eligible to take part and to be a candidate in the election of the Executive Committee.

23a. Observer May be Invited

An individual or government agency or non-governmental organisation associated with arbitration may be invited as decided by the Executive Committee as an observer in the meetings of the Executive Committee or General Meeting.

24. Vote of No-confidence:

- (a) Any member of the Executive Committee of the Council may be removed from the membership of the Executive Committee by a no-confidence resolution passed by two third majority of the members attending the General Meeting.
- (b) Vote of no-confidence shall only be discussed in an Extra-ordinary general meeting. A written application of at least 25% (twenty-five percent) of the other members from among the total members except honorary members of the Council or a decision of the Executive Committee shall be required to move a no-confidence motion under this Article.***

25. Amendment to the Statute:

If it is required to amend this Statute, the Executive Committee or at least 25% (twenty-five percent) members of the total members of the Council may submit a motion to that effect to the General Meeting through the Executive Committee. A resolution to that effect shall be adopted by a two-third majority of the total members being present and having casted their votes in the General Meeting. The amended Statute shall come into force after getting approval from the Local Authority.***

26. Power to frame Rules and Bye - laws:

The Executive Committee, subject to the Association Registration Act, 2034 (1977), Rules made thereunder and this Statute, may frame necessary rules, bye - laws and working directives for the fulfillment of the objectives of the Council and to regulate its internal working procedure.

27. Dissolution of the Council:

In the case of dissolution of the Council for being unable to run its activities under the Statute of the Council or by any reason whatsoever, all the properties of the Council shall be transferred to His Majesty's Government.

28. Special Provisions:

- (a) The Executive Committee may delegate some of its authority to any office bearer, member of the Executive Committee, or to any employee of the Council. The terms of the service, and designation of the person to perform functions by obtaining such delegated authority shall be as prescribed by the Executive Committee.***
- (b) The Executive Committee may constitute different Committees and Sub - Committees from among the members for the fulfillment of the objectives of the Council.
- (c) The Executive Committee constituted at the time of registration of the Council shall be deemed to have constituted under this Statute and the tenure of such committee shall remain until the first Annual General Meeting of the Council is held.
- (d) Annual General Meeting shall be held within one year from the date of registration of the Council.

29. Secretariat:

The Executive Committee shall determine the provisions for the management of the Secretariat and for the appointment and other terms and conditions of service of the staff working therein.

30. Interpretation:

Interpretation of this Statute shall be made by the Executive Committee.

31. Savings:

In matters specifically provided for in this Statute, the provisions of this Statute shall prevail and in other matters, the provision of existing laws shall apply.

32. Scope of this Council shall be in accordance with the Association Registration Act, 2034 (1977).

Schedule – 1*
Related to Section 3(c) of the Statute

The seal and emblem of the Council shall be as below



Schedule – 2**
(Related to Section 22 of the Statute)

***Format of the oath to be taken by officials and members of the
Executive Committee***

I..... swear in the name of God/with trust and faith that I will faithfully discharge the duties of the post of in accordance with the objectives of the Nepal Council of Arbitration (NEPCA) to the best of my knowledge and conscience and without fear, favour or ill-will, with allegiance to all arbitrators and for the sake of collective interests of arbitrators and dignity of the profession.

Signature of the person
to administer oath

Signature of the person
taking oath

Post:
Name:
Date:

Post:
Name:
Date:

**Amended through the second amendment on 2069/12/15*
***Added through the second amendment*
****Added through the third amendment*



Arbitral Procedures Regulations of Nepal Council of Arbitration (NEPCA) 2072

Preamble:

Whereas, it is expedient to provide for necessary procedures in order to adjudicate disputes, of commercial natures, that can be settled through arbitration.

The Executive Committee of NEPCA has, in exercise of the power conferred by Section 26 of the Statute of Nepal Council of Arbitration (NEPCA), 1991, framed these Rules.

Chapter-1 Preliminary

1. Short Title and Commencement:

- (1) These Rules may be called "Arbitral Procedure Regulations of Nepal Council of Arbitration, 2072" and as "NEPCA Arbitration Rules" in short.
- (2) The Regulations shall come into force from the date of May 15, 2015.

2. Definition:

- (1) Unless the subject or the context otherwise requires, in this Regulations:
 - a. "Act" means the Arbitration Act, 2055 (1999) of Nepal and the term also refers to amendments made to it from time to time.
 - b. "Executive Committee" means the Executive Committee of the Council.
 - c. "Claim" means a claim made by one party from another party.
 - d. "NEPCA" means the Nepal Council of Arbitration.

- e. "Counter Claim" means a claim made by the respondent on the claimant.
- f. "Rejoinder" means a claim to the counter-claim by the claimant.
- g. "Respondent" means a person making counter-claims against the claimant.
- h. "Council" means the Nepal Council of Arbitration.
- i. "Council Regulations or "Regulations" means the present Rules and the term also refers to amendments made to the Rules from time to time.
- j. "Party" means any party connected with arbitration.
- k. "Administrative Expenditure" means the administrative expenditure fixed by an arbitrator based on expenditures as determined in Schedule-1 according to Rule 58.
- l. "Dispute" means a dispute that can be settled through this Regulations or the prevailing Act.
- m. "Statute" means the Statute of the Nepal Council of Arbitration, 2048.
- n. "Arbitrator" means an arbitrator or chief arbitrator appointed for the settlement of a dispute and the term also includes a tribunal consisting of more than one arbitrator.
- o. "Secretariat" means the Secretariat of the Council.
- p. "Agreement" means the written agreement concluded between the parties concerned for the settlement of disputes that may have arisen or may arise in the future in respect of any definite legal relationship with or without contract,

Explanation:

For the purpose of this clause, the concerned parties shall be deemed to have entered into a written agreement if any one of the following instruments exists.

- (1) Any contract reached with a provision for an arbitrator or any other separate agreement concluded to that effect,
- (2) Letters, telegrams or tele-fax messages, or any other similar means of telecommunication containing written records exchanged between the parties concerned which have provisions for referring their disputes to arbitration,
- (3) In case any party has presented a claim for referring any dispute to arbitration and opposition to that claim submitted by the party objecting to that claim without rejecting the proposal for referring the dispute to arbitration.

- 2) Except the definitions contained in this Regulations, the terms or clauses used in this Regulations shall be defined pursuant to the Act.
- 3) Unless the context requires otherwise, masculine gender shall also mean feminine gender or transgender and the words in singular shall also mean the words in plural or vice versa.

Chapter-2

Commencement of the Arbitration Process

3. Arbitration Process may be Initiated:

- (1) Where a provision for arbitration has been made in a contract or in any other written agreement requiring the parties concerned to refer any disputes to arbitration under the Regulations, any one of the parties or both of the parties to a dispute may apply individually or jointly in writing to the Secretariat for initiating the process of arbitration.
- (2) In the application referred to in Sub-Rule (1), the following particulars, among others, shall be required to be mentioned:
 - a. Name and address of the parties to a dispute and the address for notice delivery
 - b. Nature and subject of the dispute
 - c. Request for arbitration
 - d. Nature and summary of the claim and estimated amount
 - e. Remedy sought,
 - f. In case any agreement has been reached between the parties concerned regarding the number of arbitrators, details thereof,
 - g. In case the number of arbitrators has not been mentioned in a contract, whether a sole arbitrator or multiple arbitrators are required should be stated,
 - h. If specific eligibility of an arbitrator is required, such eligibility should be mentioned,
 - i. If a separate agreement has been made regarding arbitration, that agreement and if no such agreement has been made, the arbitration-related provision of the agreement under which the process of arbitration has been initiated,
 - j. A photocopy of the agreement which has generated disputes.

- (3) While applying for arbitration under this Rule, Rs 1000/- in application fee and administrative expenses as determined by the Council shall have to be deposited in the Secretariat.
- (4) In case the criteria set out in this Regulations are not met, the Council may reject the application submitted demanding initiation of the arbitration process.
- (5) In connection with the application filed by any party upon fulfilling all criteria under this Rule, the Secretariat shall notify another party in writing as per Rule 8 and demand a reply to it.

4. Reply to be Submitted:

- (1) In connection with a notification provided by the Secretariat pursuant to Sub-Rule (5) of Rule 3, the respondent shall be required to submit a reply to the Secretariat within thirty days of having received such notification by stating the details as below:
 - a. Full name, address and contact details of the respondent,
 - b. If there are any individuals representing the parties concerned in arbitration process, their full name, address and contact details,
 - c. Details of whether claims made by the claimant are appropriate or not
 - d. If there are any reactions regarding the grounds of claims and the nature and circumstances of disputes that led to the rise of claims, details thereof,
 - e. Reactions to the remedies and demands of the claimant,
 - f. If there is any proposal or comment regarding the number of arbitrators and selection process as claimed by the claimant, details thereof,
 - g. If there is any proposal regarding the nomination of arbitrators, details thereof,
 - h. If there is any comment or proposal regarding the place of arbitration, related laws that the arbitration is expected to exercise and the language of arbitrators, details thereof,
 - i. Other additional information and documents deemed appropriate by him or her that may contribute to settling the disputes.
- (2) One copy of the reply submitted to the Secretariat pursuant to Sub-Rule (1) shall be required to be handed over to the claimant also.

5. Extension of Time-limit:

- 1) If the respondent demands that the time-limit be extended along with the reasons therefor by stating separate perspectives and

proposals regarding the number of arbitrators, selection process or nomination of arbitrators, the Council may ordinarily extend the time-limit by 15 days for a reply, provided that the demand seems reasonable.

- (2) If the respondent does not demand for the extension of time-limit or if his demand does not seem to be reasonable, the Council shall proceed under this Regulations,
- (3) The Council shall, pursuant to Rule 8, inform the party concerned about the reply of the respondent and details therein.

6. Counter-claims may be Submitted:

- (1) If the respondent needs to make any counter-claim, he or she must submit it along with the reply submitted to the Secretariat and such counter-claims must include the following details:
 - a. State and nature of the dispute that may lead to counter-claims and the grounds to submit counter-claims,
 - b. Details of the remedy and relief sought and the measurable amount of counter-claims including the estimated figure of any other counter-claims to the extent possible,
 - c. Any other relevant agreement including the agreement on respondent,
 - d. If the counter-claims have been made in line with more than one agreement, the details of under which agreement these counter-claims have been made,
 - e. If there is any other document or information that may contribute to the efficient settlement of a dispute deemed to be appropriate, details thereof,
- (2) Within thirty days of receiving counter-claims of the respondent from the Secretariat, the claimant must respond to the counter-claims.
- (3) If the claimant makes a demand for an extension of time-limit citing satisfactory reasons, the Secretariat may, prior to forwarding the documents to an arbitrator, ordinarily extend the time limit by 15 days in order to give a reply pursuant to Sub-Rule (2).

7. Calculation of Time-limit of the Notice Served:

- (1) While calculating the time-limit of the notice served under this Regulations, calculations shall be made in such a manner that the day when the notice is served shall not be calculated and the last day shall be calculated.

- (2) In case the last day calculated pursuant to Sub-Rule (1) falls on a public holiday or there is a public holiday where the addressed person is residing, the time-limit shall *ipso facto* extend till the first day of the office opened immediately after the expiry of such holiday.

8. Means of Notice:

- (1) The notices, information, notes, proposals or contact details to be provided by one party to the other or correspondence to be made with arbitration under this Regulations shall be required to be carried out in writing.
- (2) While maintaining contact in writing pursuant to Sub-Rule (1), such contact, except otherwise provided for, may be established by delivering letters by hand or through post office or through other electronic media also such as emails and faxes.

9. Notice Deemed to have been Received:

If any written notice, information on time-limit, note or proposal is delivered to the person concerned by fulfilling procedures as per Rule 8 or is sent by post or through electronic media such as email and fax in the address of correspondence or place of domicile or of transaction of such person as mentioned in the agreement, such notice, information or proposal shall be deemed to have been received by such person.

Provided that if the real address of such person is not found despite making necessary efforts, such notice, information, note or proposal shall be deemed to have been received duly on the date of delivery if it is delivered to the place of recent domicile or of recent transactions.

10. Process of Arbitration Deemed to have been Initiated:

- (1) If an application has been submitted to the Secretariat under Rule 3, the process of arbitration shall be deemed to have been initiated from the date of another party receiving a written notice pursuant to Rule 3(5).

11. Jurisdiction of the Council:

- (1) Where a provision has been made allowing any party to an agreement to submit disputes arisen out of the agreement to the Council for their settlement or where an agreement has been made between the parties concerned to submit the disputes arisen out of the contract to the Nepal Council of Arbitration (NEPCA), the Council shall be deemed to have jurisdiction over such disputes referred to him or her for settlement.

- (2) While settling the disputes regarding matters over which the Council has jurisdiction pursuant to Sub-Rule (1), procedures as prescribed in this Regulations shall be adopted.

Provided that the parties concerned may, through a written understanding, make an arrangement in a manner that some of the provisions of this Regulations shall not be applicable to the disputes submitted by them or the disputes arisen between themselves.

- (3) The parties concerned shall not be allowed to exercise the provision as per the proviso of Sub-Rule (2) once a request is made to initiate arbitral proceedings.

12. The Council may Review:

Once an application is received to initiate arbitration process as per Rule 3, the Council may, prior to making appointment of arbitrators, review the related documents as to whether or not the dispute referred to arbitration comes under jurisdiction of arbitration, or whether or not it can be settled through arbitration, and offer advice to the parties thereon.

Provided that the parties to the dispute shall not be compelled to abide by such advice.

13. Representation of the Parties and Assistance:

- (1) The parties may appoint a person as their representative to represent themselves or for assistance in the process of arbitration.
- (2) Where any party appoints its representative or assistant pursuant to Sub-Rule (1), such party shall be required to inform the other party in writing, including the name and address of the representative or assistant thus appointed, specifying whether the person thus appointed has been appointed as a representative or as an assistant.

14. Effect of the Arbitration Agreement:

- (1) Where the parties have agreed to commence arbitral proceedings under this Regulations, the Regulations on Arbitration of the Council which is in force at the time of commencement of the arbitration process shall be deemed to have been accepted by the parties.

Provided that in case an agreement has been made ensuring that the Regulations existing at the time of signing the arbitration agreement shall remain in force, that shall be done accordingly.

- (2) If an agreement has been made to commence arbitration under the Council's Regulations, the parties concerned shall be deemed to have agreed on administrative works to be done by the Council also.
- (3) If any party against which a claim has been made does not submit an Answer, or raises one or more pleas concerning the existence, validity or scope of the arbitration agreement or concerning whether all of the claims made in the arbitration may be determined together in a single arbitration, the arbitration shall proceed and arbitration shall decide on such matter.
- (4) Unless the Council decides otherwise regarding jurisdiction, any question regarding the jurisdiction in Sub-Rule (3) or whether or not all claims can be settled together by the arbitrators shall be decided by the arbitrators themselves.
- (5) The Council shall decide how and to what extent the arbitral proceedings will move ahead regarding any dispute submitted to the Council for arbitration and if the Council finds itself satisfied *prima facie* at the commencement of the process of arbitration as per the agreement, it shall decide to go ahead with the process of arbitration.
- (6) Except otherwise decided by the Council itself that arbitral proceedings on claims cannot move ahead, the arbitrator himself or herself shall decide the jurisdiction of arbitration.
- (7) Where the Council itself has notified the parties concerned that any disputes submitted to the Council for arbitration cannot be settled through arbitration, this Rule shall not be deemed to have obstructed the right of any party to file a petition by raising the issue at a competent court of law with the jurisdiction as per the prevailing law.
- (8) In case the Council decides that arbitral proceedings regarding any disputes submitted to the Council cannot proceed, such decision shall not stand in the way of any party seeking to make the same claims in the arbitral proceedings to be held thereafter.
- (9) In case any party refuses to participate or fails to participate in arbitral proceedings or in any stage thereof, such refusal or absence alone shall not prevent the arbitral proceedings from taking place.
- (10) Except otherwise agreed upon between the parties concerned, in case of decisions made upon accepting the legality of arbitration agreement, the jurisdiction of arbitration shall not end just because of the argument served by any party that the agreement does not exist or the argument that it no longer remains valid.

- (11) Even in circumstances in which the agreement doesn't exist or may be declared null and void, arbitration shall be deemed to have the jurisdiction over determining the rights of the parties concerned and taking decisions over their claims and counter-claims.

Chapter-3

Provisions for Appointment of Arbitrators

15. Number of Arbitrators:

- (1) If the number of arbitrators is not specified in the agreement or if the parties fail to reach an agreement on the number of arbitrators, the dispute shall be heard and settled by a sole arbitrator.

Provided that with regard to the nature and seriousness of the dispute, the Council may decide to form a tribunal consisting of up to 3(three) arbitrators.

16. Appointment of Arbitrators:

- (1) If the dispute is to be heard by a sole arbitrator, one of the parties to the dispute may propose names of one or more than one person as arbitrator to the other party.
- (2) Out of the names proposed pursuant to Sub-Rule (1), person accepted by the other party or the first person in the list of priority, in the event of absence of such acceptance , shall be appointed as the sole arbitrator.
- (3) If the parties concerned fail to reach an agreement for the appointment of the sole arbitrator within thirty days after the commencement of arbitral proceedings, any one of the parties concerned may make a request to the Council for appointment of a sole arbitrator.
- (4) In case of agreement between the Parties to appoint more than one arbitrator, and in case the agreement or the Parties on mutual consent have fixed the time period, any party to the dispute fails to appoint an arbitrator within such time period or within 30 days from the date of commencement of the arbitration, the other party may request the Council to appoint an arbitrator on behalf of the party that failed to appoint the arbitrator.
- (5) In case the agreement between the parties have provided for the appointment of Chief Arbitrator or the agreement has prescribed procedures for the appointment of the Chief Arbitrator, the Chief Arbitrator shall be appointed in accordance with such procedures and, if the procedure is not specified, the Chief Arbitrator shall be appointed by the arbitrators appointed by both the parties.

Provided that any failure to appoint a Chief Arbitrator within 15(fifteen) days after the appointment of the arbitrators by the parties, the Council may, on the request of either party, appoint the Chief Arbitrator.

- (6) Notwithstanding anything stated elsewhere in these Rules, both the parties to the dispute may at any time request the Council for the appointment of arbitrator.

17. Details of Arbitrators:

- (1) If any party has proposed a person to be appointed as an arbitrator, the proposer shall be required to provide personal details containing full name and address of such person including such things as his or her past and present professional or vocational status, his or her qualification and experience on arbitration to the other party.
- (2) The Council shall appoint a person as an arbitrator or if so appointed, the Council shall be required to provide the information as per Sub-Rule (1) to all parties to a dispute.

18. Procedures for Appointment of Arbitrator by the Council:

- (1) Upon receipt of a request from any one or both of the parties to a dispute under this Regulations, the Council shall appoint arbitrators from a panel of independent and impartial arbitrators maintained by the Council.
- (2) While appointing arbitrators pursuant to Sub-Rule (1), the Council shall make available a list with names of at least three arbitrators to both the parties.
- (3) Each party shall, within seven days of receiving the list pursuant to Sub-Rule (2), be required to remove the names of arbitrators it objects from the list and return the list to the Council with the names of the remaining arbitrators accepted by it in order of priority.
- (4) Upon the expiry of the time-limit pursuant to Sub-Rule (3), the Council shall, out of the names of arbitrators in the list returned and approved by the parties, appoint a person whose name ranks first in the list of priority as arbitrator.
- (5) In case the arbitrator could not be appointed as per Sub-Rule (4), the Council shall appoint an appropriate arbitrator bearing in mind the nature of the dispute, qualifications, impartiality and the related circumstances.
- (6) In case there are more than one person representing the claimant or the respondent and there is a provision requiring constitution of a tribunal consisting of at least three arbitrators in order to

adjudicate the dispute of such claimant or respondent, such claimant or respondent shall, subject to Rule 16, jointly appoint an arbitrator. If the arbitrator could not be appointed in this way, the Council shall appoint the arbitrator under this Regulations.

- (7) The party demanding appointment of arbitrator pursuant to this Rule shall be required to deposit an amount of Rs 5,000/- in the Council.

19. Appointment of Arbitrators in Special Circumstances:

- (1) If an arbitrator appointed by the Council as per this Regulations shows unwillingness or refuses to act in such capacity or becomes unable to perform in such capacity or resigns or is removed from office by the order of a court or dies, the Council shall, on submission of an application to the Council by the party concerned together with evidences thereof, declare the office of such arbitrator vacant.
- (2) Within 30 days of the declaration made pursuant to Sub-Rule (1), the Council shall be required to appoint another arbitrator in line with this Regulations to the vacant post following the same procedures that were applied to the appointment of the arbitrator being replaced.

20. Hearing during Vacancy of Arbitrators:

- (1) Where a sole arbitrator, or presiding or chief arbitrator is to be replaced, as per Rule 16 or 19, any hearing previously held shall be repeated.
- (2) In case of situation other than stated in Sub -Rule (1), any hearing previously held may be repeated at the discretion of the other continuing arbitrators.

21. Oath to be Taken by the Arbitrator:

- (1) Each person shall, prior to appointment as an arbitrator, be required to affix his or her signature on three copies of a written oath that there is no existence of any circumstances where reasonable doubt may arise regarding his or her impartiality, neutrality and independence, that there is no conflict of interest involving him or her as to the dispute to be settled through arbitration, or that he or she will inform the parties to a dispute in case such circumstances exist before the arbitral proceedings come to an end.
- (2) One copy of such written declaration shall be required to be sent to the Appellate Court, another one to the Council and the third one shall be kept in the case-file itself.

22. Independence and Impartiality of Arbitrators:

- (1) An arbitrator appointed in accordance with this Regulations shall remain fully independent, neutral and impartial at all the time till the dispute is fully settled, and he or she shall not hold any discussion, advice or consultation with any party to the dispute in the absence of the other party, except in case of administrative procedures or oral hearings, or provisions made otherwise in the Rules.
- (2) In case such a situation contrary to Rule 21 or a situation as stated in Sub-Rule (1) arises once the arbitrator appointed according to this Regulations begins his or her work, he or she shall be required to inform the Council and the parties concerned about this.

23. Arbitrators may be Removed:

- (1) Removal of arbitrators and the procedures thereof shall be as stipulated in the agreement.
- (2) If conditions and procedures have not been stipulated in the agreement for the removal of arbitrator pursuant to Sub-Rule (1), any of the parties concerned may, in any of the following circumstances, submit an application to the Arbitration Tribunal making a request for the removal of any arbitrator within 15 days of his or her appointment or of learning that his or her conduct or proceedings are not consistent with the Regulations:
 - a. In case there exists a reasonable ground to doubt his or her independence, neutrality or impartiality regarding the disputes to be arbitrated,
 - b. In case any arbitrator engages in improper conduct or commits fraud in the course of arbitration,
 - c. In case the arbitral proceedings are prolonged without satisfactory reasons,
 - d. In case the arbitrator refuses to take part in the arbitral meetings,
 - e. If the arbitrator frequently commits mistakes or irregularities in arbitral proceedings,
 - f. In case the arbitrator performs any work that is against the principle of natural justice,
- (3) Any party seeking removal of the arbitrator as per Sub-Rule (1) shall be required to file an application citing details including reasons therefor to the arbitrator, the Council and other parties concerned.

- (4) If an application is submitted for removal of an arbitrator engaged in the process of arbitration pursuant to Sub-Rule (1), the arbitrator may resign from the post of arbitrator voluntarily and in case he or she does not so resign, the Council shall take a decision over the application within fifteen days after the receipt of such application.
- (5) If the arbitrator resigns pursuant to Sub-Rule (4) or is removed by the Council, his or her appointment shall be terminated.
- (6) If any party intends to remove an arbitrator appointed by itself on the ground of Sub-Rule (2) (a) or (b), such party may submit an application for removal of such arbitrator only on the condition that it came to know the existence of the facts referred to in these clauses after appointing him or her.
- (7) Notwithstanding anything contained elsewhere in this Regulations, the party seeking to remove a sole arbitrator shall be required to submit an application to the Council.
- (8) Except otherwise ordered by the arbitrator, the Council or the court, arbitral proceedings shall not be postponed even in the situation when the actions over the application submitted by any party seeking to remove an arbitrator as per this Rule are under consideration or decisions to that effect are yet to be taken.

Chapter-4

Provisions Related to Arbitral Proceedings

24. Conduction of Arbitral Proceedings:

- (1) Once the appointment process for arbitration is complete, the Secretariat shall be required to submit the related case-file to the arbitrator as early as possible.
Provided that the parties concerned shall be required to have the remuneration and expenses to be incurred in arbitration already deposited in the Secretariat pursuant to Rule 59.
- (2) The arbitrator and the parties concerned shall make every effort to conduct arbitration in a quick and frugal manner in view of the complexity and importance of the dispute.
- (3) The arbitration may, upon holding consultations with the parties concerned, adopt procedural measures deemed appropriate to it to ensure effective management of the dispute.
Provided that such measures should not be contrary to any agreement concluded between the parties.

- (4) The arbitrator may, at the request of any party concerned, issue an order on arbitral proceedings or confidentiality of any other subject thereof and take measures necessary to protect trade confidentiality and confidential information.
- (5) The arbitrator shall perform sincerely and impartially in any dispute to be adjudicated by him or her, and ensure that each party has an equal opportunity to present evidences and written documents to support or rebut the dispute.
- (6) The parties concerned shall be required to make commitments to abide by any order issued by the arbitrator.

25. Equal Opportunity to be Provided to All Parties:

The arbitrator may, subject to the agreement and this Regulations, conduct arbitral proceedings in a manner that he or she thinks appropriate and shall provide equal opportunity to all parties to a dispute allowing them to present their pleading, pleas, rebuttal and supportive evidences by treating them all equally.

26. Exchange of Documents:

- (1) A copy of all documents including pleading notes, other written documents or correspondence, or the annexes thereof each must be provided by the party concerned to the Council, each arbitrator and each party, and a copy of correspondence made by the arbitrator with the parties concerned must be sent to the Council Secretariat.
- (2) As notified by the party concerned, all the correspondences to be handled by the Secretariat or arbitration shall be sent to the latest address of the party concerned or his or her representative, and this may be done through hand-delivery (a receipt of which could be taken), registered post, courier, email or any other means whose record can be maintained.

27. Location of the Arbitration Office:

In agreement with the parties concerned, except otherwise specified, the Office of Arbitration to be operated under this Regulations shall be located in the Council Secretariat.

Provided that in case any documents, goods and articles or properties are to be inspected or in case it is deemed necessary to record the statements of the parties to a dispute, to obtain the opinion of experts or to seek consultation, arbitral proceedings may be conducted in any other places.

28. The Language to be Used in Arbitral Proceedings:

- (1) The language to be used in arbitral proceedings shall be as specified in the agreement, if any and if not specified, as determined by the arbitrator following mutual discussions with the parties concerned.
- (2) In case the language fails to be determined pursuant to Sub-Rule (1), the language used in the agreement shall be the language of arbitral proceedings.
- (3) If documents to be submitted to the arbitrator are not in the language referred to in Sub-Rule (1) in their original form, the arbitrator may order the submission of documents after making their authentic translations in the said language as determined by Sub-Rule (1).

29. Terms of Reference of Arbitration:

- (1) Once the arbitration tribunal obtains a case-file of the dispute to be arbitrated from the Secretariat, the arbitration tribunal shall, in the presence of the parties concerned, prepare the terms of reference by specifying the duties to be covered on the basis of that document obtained and other documents submitted by the parties most recently.
- (2) The following matters shall be included in the Terms of Reference pursuant to Sub-Rule (1):
 - a. Full name, address, professional details and other contact details of arbitrators,
 - b. Details of the address to be used for correspondence and for communicating information in connection with arbitral proceedings,
 - c. Place of arbitration,
 - d. Summary of the parties' claims, remedy and relief sought by each party, amount of measured claims and an estimated monetary value of other claims, if any, to the best possible extent,
 - e. Full name, address and contact details of each party and the person representing the party in arbitration,
 - f. Procedural Rules to be observed by the arbitrators,
 - g. If the tribunal has been empowered to take decisions on the basis of *ex aequo et bono* (according to the right and good) and *amiable compositeur* (honest arbitrator) details thereof,
 - h. A list of subjects to be adjudicated if the arbitrator deems it appropriate.

- (3) The arbitrators and the parties concerned shall be required to affix signatures on the terms of reference prepared pursuant to Sub-Rule (2) . And within two months of sending the related case-file by the Council to the arbitrator, details of the terms of reference signed by the arbitrators and the parties concerned shall be required to be sent to the Council.

Provided that the Council may extend this period at the request of the arbitrator with reasons and at the discretion of the Council.

- (4) In case any party refuses to formulate or sign the terms of reference, details to this effect shall be sent to the Council for approval.
- (5) Once the terms of reference is signed or approved by the Council pursuant to Sub-Rule (3) or (4), arbitral proceedings shall proceed.
- (6) Once the terms of reference is signed or approved by the Council, no party can make new claims or counter-claims going beyond the bounds of such details of ToR.

Provided that the Arbitration Tribunal may grant permission allowing submission of new claims and counter-claims by taking into account the nature of new claims and counter-claims, phase of arbitration and other relevant circumstances.

30. Dispute Management Meeting and Procedural Time-Table:

- (1) While formulating or after having formulated the terms of reference, the arbitration may hold consultations with the parties concerned on procedural measures for operation of arbitral proceedings by organizing an organizational meeting or a case management meeting as early as possible.
- (2) The case management meeting shall approve a procedural time-table to be observed in the course of conducting arbitration.
- (3) The arbitrator shall be required to inform the Council and the parties concerned about the procedural time-table approved as per Sub-Rule (2) and amendments, if any, to it.
- (4) The arbitrator may, from time to time, adopt additional procedural measures or amend procedural time-table by organizing, depending on necessity, case management meetings or holding consultations with the parties concerned through any other means in order to ensure continuity of the effective case hearing management.
- (5) Case management meetings may be held through personal visits or meetings, video conference, telephone or any other means of communication.
- (6) In a situation where the parties concerned fail to agree on any of the measures as stated in Sub-Rule (5), the Council shall decide how arbitrators will hold a meeting.

- (7) The arbitrator may, prior to the holding of a case management meeting, order the parties concerned himself or herself or through a representative to be present in the case management meeting and present a related proposal on case management there.

31. Measures Concerning Case Management:

- (1) The arbitrator shall, while determining case management measures in line with this Regulations, consider the time required for hearing and the amount claimed in damages as the basis. .
- (2) While determining the dispute management measures as per Sub-Rule (1), in case of less complex and low cost dispute, the time and cost of arbitration shall be adjusted in proportion to the amount in dispute.
- (3) While determining the case management measures, the arbitrator and the parties concerned may adopt one or more such measures as given below to control time and expenditure:
 - a. To divide proceedings of arbitration into different phases or give more than one partial decision,
 - b. To identify the subjects that can be resolved through an agreement with the parties concerned or experts acting on behalf of them.
 - c. To identify the subjects that can be decided on the basis of the study of documents in the course of hearing rather than on the basis of oral evidences, legal arguments and pleas,
 - d. To ask for written documents,
 - e. Limiting the length and scope of written submissions and written and oral witness evidence (both factual witnesses and experts) so as to avoid repetition and maintain a focus on key issue.
 - f. Using telephone or video conferencing for procedural and other hearings, where attendance in person is not essential and use of IT to enable online communication among the parties, the arbitral tribunal and the Secretariat of the Council.
 - g. Organizing a pre-hearing conference with the parties in which arrangements for a hearing can be discussed and agreed and the arbitral tribunal can indicate to the parties issues on which it would like the parties to focus at the hearing.

32. Procedures on Submission of Written Documents:

Arbitration may adopt the following measures while obtaining written documents pursuant to Rule 31 (3) (d):

- (a) Requiring the parties to produce along with their submissions the documents on which they rely;
- (b) Not to deprive anyone, as far as possible, from the submission of document with due regard to control of time and cost;
- (c) In those cases where requests for document production are considered appropriate, limiting such requests to documents as are relevant and material to the outcome of the case;
- (d) Establishing reasonable time limits for the production of documents;
- (e) Using a schedule of document production by maintaining the relevance of the document production with the resolution of disputes.

33. Low Claim Amount Dispute :

Notwithstanding anything contained elsewhere in this Regulations, while settling the disputes involving claims for 30 million rupees or less or claims involving matter of principle in which the amount is not specified, the terms of reference as per Rule 29, case management meeting and procedural time-table as per Rule 30 and case management measures as per Rule 31 shall not be mandatory to follow.

34. Submission of Claims, Defense, Counter-Claims and Reply:

- (1) A written statement of claim setting out facts that are asserted to prove the claim, the subject-matter in dispute (points at issue) and the remedies sought shall be required to be submitted by the Claimant to the arbitral tribunal and the Council within such time-limit as is specified in the agreement for submission of claim and if not so specified, within 60 (sixty) days from the date of appointment of arbitrator, or within 90 (ninety) days from the date of the receipt of the approval of the Terms of Reference by the Council or within any other period agreed between the parties or directed by the tribunal in the Procedural Time Table., and a copy of the same shall also, at the same time, be furnished to the respondent.
- (2) The respondent shall serve its written statement of defence on the matters as mentioned in the statement of claim by setting out counter-claim, if any, to the claimant, the arbitrator(s), and the Council within 30 (thirty) days after receipt of the statement of claim pursuant to Sub-Rule (1) or within the period agreed in the Procedural Time Table.

- (3) The Claimant shall submit a written reply to the statement of defence and counter-claim, if any, to the arbitral tribunal, and shall, at the same time, furnish copies of the same to the respondent and the Council within 15 days after receipt of such statement of defence and/or counter-claim or within the period as agreed in the Procedural Time Table.
- (4) Any party submitting a statement of claim or a statement of defence or counter-claim or reply to the statement of defence and/or counter-claim pursuant to Sub-Rule (1) or (2) or (3) shall also, at the same time as the submission is served, submit a list of documents that it relies upon. The document type, date, author and subject shall be set out in any such list.
- (5) In case the respondent or claimant fails to submit his or her defence, counter-claim or reply within the time specified in Sub-Rules (2) or (3) or cannot do so under this Regulations due to circumstances beyond his or her control, he or she may submit an application to the arbitrator for an extension of the time-limit within seven days from the date of expiry of the time-limit, citing satisfactory reasons for his or her failure to do so.
- (6) If the reasons mentioned in the application as per Sub-Rule (5) are deemed satisfactory, the arbitrator may extend the time-limit up to 15 days at the most.
- (7) If the time-limit has been extended pursuant to Sub-Rule (6), the respondent or claimant shall be required to submit his or her defence, counter-claim or reply within such extended time period .

35. Claims may be Amended or Supplementary Claims Submitted:

If any party wants to make changes to a claim, defence or counter-claim or reply he or she has submitted in course of arbitral proceedings, he or she shall be required to submit an application to the arbitrator for that purpose and upon receiving permission from the arbitrator, he or she may submit a supplementary claim, defence, counter-claim or reply or may make amendments to that.

Provided, however, that if the arbitral tribunal considers the delay caused by making such amendment or supplement to claim, defence or counter- claim or reply, or if the arbitral tribunal considers it prejudicial to the other party or considers that such amendment or supplement goes beyond the agreement as referred to in Rule 6, the arbitral tribunal may refuse to allow such amendment, supplement to claim, defence, counter-claim or reply to the defence or counter-claim.

36. Documents may Cause to be Produced:

- (1) The arbitral tribunal may, at the request of either party or at his own motion, order the other party to produce any document(s) so required to the arbitral tribunal within a specified time-limit.
- (2) If any party wishes to inspect or to take copies of documents ordered pursuant to Sub-Rule (1), the document upon which the party relies in respect of its claim or defence or any other evidences, the party shall be allowed to inspect such documentary evidences or take a copy thereof.

37. Decision on Jurisdiction of Arbitrator or Validity of Agreement:

- (1) The arbitration panel formed pursuant to this Regulations shall have the powers to hear whether or not it has jurisdiction over the dispute for which it has been constituted and to take decisions on the validity or effectiveness of the agreement to that effect, or the validity of the provisions related to arbitration.
- (2) If any party intends to make pleas for the purpose of Sub-Rule (1), it shall be required to make such pleas within the time-limit prescribed in Rule 34 (2) for submission of the statement of defence and such pleas cannot be made thereafter.
- (3) While taking decisions on the validity of arbitration provision under any agreement pursuant to Sub-Rule (1), the arbitrator may also decide on the validity of the main agreement containing such provision.
- (4) While taking decisions as per Sub-Rule (3), the arbitration provision of the agreement must be considered as an independent agreement.
- (5) Even though the main agreement containing the arbitration provision is declared null and void according to the prevailing laws while taking decisions pursuant to Sub-Rule (3), the provision of arbitration which forms an integral part of that agreement shall not be deemed to be invalid or non-functional only for the said reason.
- (6) No party shall be deemed to have been prevented from making pleas pursuant to Sub-Rule (2) only for the reason that such party has on its behalf appointed an arbitrator or has participated in the appointment of the arbitrator or has agreed to appoint the arbitrator.
- (7) Prior to issuing an order or taking a decision by entering into other subjects after giving priority to the pleas made as per Sub-Rule (2) or while taking a decision on other subjects, the arbitrator shall be required to make a decision on that matter also.

38. Preliminary Hearing:

- (1) Generally within fifteen days from the date of receipt of the documents pursuant to Rule 34, the arbitrator may, at his or her own discretion or at the request of either party, hold a preliminary hearing with the parties or their authorized representatives and arbitrators to determine the issues of dispute, identify the points of agreement from there, and conduct any other work related to arbitral proceedings.
- (2) In case the arbitrator does not call a meeting as per Sub-Rule (1) or a request is not made by the parties for that purpose, the Council itself may direct the arbitrator to call such meeting.
- (3) The Council shall be required to notify the arbitrator and all parties concerned.
- (4) The arbitrator may, in a preliminary hearing called as per Sub-Rule (1), determine the documents to be presented by the parties and the time-limit of the hearing to be held later.
- (5) In case any party intends to produce a witness in arbitral hearing, such party shall be required to furnish details of the witness as per Rule 43 (2) also in such meeting.
- (6) The arbitrator shall be required to keep a record of any agreement or understanding reached in course of the hearing held pursuant to Sub-Rule (1) and provide a copy of such agreement or understanding to all parties and the Council within seven days (7 days).

39. Points of Agreement:

The parties shall be required to identify and determine the points agreed between the parties out of the preliminary hearing held as per Rule 38 and inform the Council and the arbitrator about the points of such agreement.

40. Additional Written Statements:

- (1) The arbitrator shall decide what kind of further written statements, in addition to the statement of claims submitted by the claimant or the statement of defence by the respondent, shall require to be submitted or may be submitted by the parties to a dispute.
- (2) The arbitrator shall be required to fix the time-limit for written statements which should be or may be submitted by the parties concerned pursuant to Sub-Rule (1) and for providing an opportunity to the other party for review of the written statements thus submitted.
- (3) Such time-limit fixed by the arbitrator for the purpose of Sub-Rule (2) shall not exceed fifteen days (15 days).

41. Hearing of Arbitration:

- (1) The arbitrator shall be required to fix the date and time of oral hearing or a meeting and give the parties to a dispute a written notice of such hearing or meeting.
- (2) The oral hearings shall be held in camera and all written documents shall be kept confidential unless otherwise agreed by the parties.
- (3) The parties concerned or their authorized representatives, assistants and legal practitioners may be present in the hearing.

42. Submission of Evidence:

- (1) Any party submitting a claim, defence or counter-claim pursuant to these Regulations shall have the onus of proving that claim, defence or counter-claim in respect of the dispute referred for arbitration.
- (2) Relevance of evidence, offered to the arbitrator(s) pursuant to these Rules, the admissibility thereof, the materiality thereof and the weight to be given to it shall be decided by the arbitrator(s).
- (3) Unless the party itself becomes absent by expiring the time-limit or waives its right to be present, the arbitrator shall examine all the oral evidences in the presence of all the parties.

- (4) If either party intends to submit any document at the oral hearing, such party shall be required to assemble all such documents and communicate to the other party and arbitrator fifteen days before the holding of oral hearing.

- (5) If the parties agree, the documents as mentioned in Sub-Rule (4) shall be deemed to have been submitted as evidence even without reading them out in course of the oral hearing or without submitting further evidences in that connection.

Provided that any party to a dispute that raises objections concerning admissibility of any document so submitted as evidence may provide a rebuttal to the evidence.

- (6) If any party intends to submit a document which is not specified as per Rule 34 (4) within the period as prescribed in Sub-Rule (6) of the same Rule, the arbitrator may give it a permission for submission of such a document at the time of hearing.

Provided that while granting such permission, the arbitrator may take into account related laws and the reasons for not providing information of such document during that period.

43. Examination of Witnesses:

- (1) The process, day and time for the arbitrator to examine witnesses shall be as prescribed in the time-table determined by a meeting held pursuant to Rule 30.

- (2) If any party to a dispute intends to produce a witness, such party shall be required to furnish information containing name and address of the witness it wants to produce, language he or she is going to use, and subject of the witness's testimony to the arbitrator and other parties at least fifteen days before taking the testimony of such witness.
- (3) If any witness has made a testimony before the arbitrator, a record of such testimony shall be kept in writing and if such testimony is in language different from that of Rule 28, it should be translated into a language as determined in Rule 28 and a record should be kept thereof.
- (4) While any witness is giving evidence pursuant to this Rule and while the arbitrator is taking testimony of any witness, the arbitrator may prohibit other witnesses, save for the parties themselves and their representatives, from being present at the oral hearing.
- (5) The witness may submit his or her testimony in writing with signature.
Provided that in case any witness submits testimony in writing, the other party may require such witness to be present in an oral hearing for cross-examination.
- (6) In the course of arbitral proceedings, the arbitrator may call witnesses as appropriate as possible for testimony.
Provided that the other party shall require to be given an opportunity to cross-examine such witness called by the arbitrator(s).
- (7) It shall be the responsibility of the concerned party to produce the witnesses to the be examined as per this Regulations.

44. Service of Experts:

- (1) The arbitrator may appoint one or more than one expert for preparing a report on a particular subject in a special type of dispute to be settled by the arbitrator.
- (2) The arbitrator may order the parties in dispute to provide necessary information or access to any site, documents, goods or property for inspection to experts constituted as per Sub-Rule (1).
- (3) In case an expert is appointed pursuant to Sub-Rule (1), the arbitrator shall be required to inform the parties about the terms of reference entrusted to such expert and in case any dispute arises between the experts and the parties as regards any notice or information or submission of any document, such dispute shall be submitted to the arbitrator for a decision.
- (4) Upon receiving the report from the expert on the subjects as referred to in Sub-Rule (1), the arbitrator shall have to provide a

copy of the report to the parties in dispute and the parties must be provided an appropriate opportunity to express their views in writing on the report.

- (5) If any party makes a request for inspecting the documents, goods or property referred to in the report of the expert and possessed by him or her, the expert shall be required to provide such documents, goods or property to such party for inspection.
- (6) The expert shall be required to provide, to such party, a list of documents, goods or property which are not in his or her possession but which were provided to them for preparing the report, and information about the location of such goods, property or document.
- (7) Upon submission of the report in written or oral form, the expert shall be required to be present at an oral hearing on the request of any party or if the arbitrator considers it appropriate.
- (8) If the expert is made present pursuant to Sub-Rule (7), the parties to the dispute may interrogate the expert or comment on his or her report.
- (9) The costs and remunerations of the services of the expert appointed as per these Rules shall be as determined by the arbitrator in consultation with the parties concerned.

45. Interim Order may be Issued:

- (1) The arbitrator may, at the request of any party, issue an order he or she considers appropriate for safety and protection of goods associated with the dispute.
- (2) The arbitrator may issue an order pursuant to Sub-Rule (1) he or she considers appropriate including keeping such goods under the custody of a third party or selling them.
- (3) The order issued as per Sub-Rules (1) or (2) shall remain in the form of an interim order and the arbitrator may demand the security of such goods from their custodian.
- (4) If any party files a separate petition with a court seeking an interim order to postpone or stop the arbitral proceedings, such petition and the court's order to that effect shall not be deemed to be inconsistent with the arbitration agreement, and the party shall not be deemed to have waived the agreement or proceedings for the reason of such petition and order only.
- (5) In addition to Sub-Rule (1), the arbitrator may, at the request of any party, issue an interim order or make a conditional decision regarding any other matter relating to the subject matter of the dispute.

46. Effect of the Expiry of Time-Limit:

- (1) If the claimant fails to present a statement of claim within the time-limit as prescribed in Rule 34 (1), the arbitrator shall declare the closure of all arbitral proceedings by issuing an order.
- (2) If the respondent fails to present a statement of defence within the time-limit as prescribed in Rule 34 (2) without adequate reasons therefor, the arbitrator shall be required to continue with the arbitral proceedings without postponing them and if the respondent allows the time-limit to lapse, the arbitrator shall be required to give a decision on the basis of facts and evidences after obtaining necessary evidences from the claimant.
- (3) If any party fails to appear at an oral hearing called by the arbitrator or produce any documents as ordered by him or her within the time-limit as prescribed in this Regulations, the arbitrator shall be required to continue with the process of arbitration without postponing them.
- (4) The arbitrator may give a decision on the issues of dispute on the basis of evidences received by him or her even if any party fails to appear or produce documents as per Sub-Rule (3).

47. End of Arbitral Proceedings and Hearing:

- (1) If the arbitrator considers that further hearings are not necessary or appropriate once the arbitration proceedings are completed, or if the parties to a dispute, upon consultation on that matter, advise the arbitrator that they have no evidences left to produce or present, the arbitrator may declare the hearings closed.
- (2) Once the hearings come to an end pursuant to Sub-Rule (1), the arbitrator shall not examine additional evidences and hold hearings.
- (3) Notwithstanding anything contained elsewhere in this Regulations, the parties concerned may, through a written understanding, waive oral hearings.
- (4) If the parties fail to agree on the process of oral hearings, the arbitrator shall determine a fair and due process.

48. Additional Powers of the Arbitrator:

Unless otherwise provided for in the Act or agreement, the arbitrator shall have the following powers in addition to the powers provided by other Rules and Regulations under these Rules :

- a. To order for inspection by visiting in person the place of evidence, documents or other property associated with the disputes,
- b. To order for keeping a written record of oral hearings or provide a certified copy of document,
- c. To exercise any specific power provided by the parties.

Chapter-5 Decision of the Arbitrator

49. Decision of the Arbitrator:

- (1) Unless otherwise provided for in the agreement or in this Regulations, ordinarily the arbitrator shall be required to give his or her final decision within thirty days of the arbitration hearing coming to an end.
- (2) The arbitral award pursuant to Sub-Rule (1) shall be in writing and a copy of such award shall be provided free of cost to each party and the original copy shall be enclosed with the case-file to be handed over to the Secretariat.
- (3) Depending on the nature of the claim, prior to the final arbitral award, if the arbitrator considers it necessary to give a partial award, he or she may give such award citing reasons therefor.
- (4) If the parties to a dispute are present at the time of delivering the award as per Sub-Rule (1) or (2), the arbitrator shall read out the award to such parties.
- (5) The decision of the arbitrators, pursuant to this rule, shall be binding to the parties .
- (6) The award shall not be made public without the consent of the parties to the dispute.
Provided that such consent shall not be necessary for research related work.

50. Period for Giving Final Awards:

- (1) The arbitrator shall be required to give a final award within six months after completing necessary procedures.
- (2) The period as referred to in Sub-Rule (1) shall commence from the date of final signature affixed on the terms of reference by the arbitrator or the parties concerned, or if the arbitrator is notified by the Secretariat that the Council has approved the terms of reference as per Rule 29 (4), from the date of such notice received by the arbitrator or if there does not exist the terms of reference, from the date of constitution of an arbitral tribunal.
- (3) Notwithstanding anything contained elsewhere in this Regulations, the arbitrator may establish a separate procedural time table for the award on the basis of the procedural time table established as per Sub-Rule (2) of Rule 30.
- (4) If the arbitrator requests the extension of the period of award citing reasons therefor or if the executive committee considers it necessary, the Council may extend such period.

51. Award of the Arbitrator to be Sent to the Council:

- (1) The arbitrator shall send a draft of the award prepared by himself or herself to the Council prior to signing it.
- (2) After studying the draft award received as per Sub-Rule (1) above, the Council may propose modifications as to the form of the award and, without affecting the arbitral tribunal's liberty of decision, may also draw its attention to points of substance.
- (3) In drawing the attention pursuant to Sub-Rule (2), the Council may draw the attention of arbitration tribunal to such subjects as whether the award of the arbitration has been made in accordance with the terms of reference approved pursuant to Rule 29 or not, whether the arbitration tribunal has made the award remaining within the bounds of its jurisdiction or not, whether the parties concerned have been duly informed regarding the arbitral proceedings or not, whether the award made is contrary to the terms of reference of the arbitration or not, and whether the issues raised concerning claims, counter-claims or defence have been addressed or not.
- (4) No award shall be rendered by the arbitral tribunal until it has been approved by the Council as to its form as per Sub-Rule (2) .

52. Method of Award:

- (1) When the arbitration consists of more than one arbitrator, the decision of the majority of arbitrators shall be the decision of the arbitrators.
- (2) In case the majority decision pursuant to Sub-Rule (1) could not be reached amongst the arbitrators and the opinions are differing , the opinion of the chief arbitrator shall be deemed to be the decision of the arbitration, unless provided otherwise in the agreement.

53. Matters to be Specified in the Arbitral Award:

Unless otherwise provided for in the agreement, the following points shall be specified in the arbitral award pursuant to this Regulations:

- a. Short descriptions of the issues referred for settlement and of the terms of reference approved as per Rule 29,
- b. Ground to claim jurisdiction if any party raises question on the jurisdiction of arbitrator,
- c. Summary of the expert's report if such expert has been appointed pursuant to Rule 44,
- d. Decision of the arbitrator, and reasons and grounds taken to arrive at such decision,
- e. If a partial award has already been made pursuant to Rule 49 (3), details thereof,

- f. Things or amount to be recovered or compensated,
- g. If there is interest chargeable on amount of Clause (f), details thereof,
- h. Place of the Arbitration Office and date of the award,
- i. Other necessary matters.

54. Substantive Laws to be Adopted by the Arbitrator:

- (1) The substantive laws as stipulated in the agreement shall be applied in arbitral proceedings and if such law is not specified in the agreement, the laws of Nepal shall prevail.
- (2) The arbitrator shall settle the disputes in accordance with the principle of *ex aequo et bono* or *amiable compositeur* if the parties concerned provide express authority to him or her.
- (3) Notwithstanding anything written elsewhere in this Regulation, the arbitrator shall settle the disputes in accordance with the conditions of the agreement concerned and shall be required to pay attention also to the trade usages applicable to transactions while settling the disputes.

55. Settlement of Dispute through Consensus:

- (1) Notwithstanding anything contained elsewhere in this Chapter, if the parties agree to settle the disputes through consensus or other measures prior to making a final award, they may request the arbitration with points of agreement.
- (2) If the request made by the parties pursuant to Sub-Rule (1) is deemed appropriate by the arbitrator, he or she may declare the closure of arbitral proceedings by keeping a record of the disputes settled through consensus as an award of the Arbitration Tribunal.
- (3) The arbitrator shall not be compelled to specify the reasons of such award made pursuant to Sub-Rule (2).
- (4) In case it is unnecessary or impossible to continue the arbitral proceedings for any reasons other than those described in Sub-Rule (1) prior to making a final award by the arbitrator, the arbitrator shall be required to inform the parties concerned of his or her intention to end the arbitral proceedings, and except when any party raises an objection to this information on a justifiable ground, the arbitrator shall have the right to issue such order.
- (5) If the arbitration has made an award pursuant to Rule 49 (1) or ordered closure of proceedings as per Sub-Rule (2) of this Rule, the arbitrator shall be required to sign a copy of the award or order and give it to the parties in dispute and the Council each.

56. Correction of Minor Mistakes in the Award:

- (1) The arbitrator may, in response to an application by any party or on his or her own initiative if the application is not submitted, correct minor mistakes as given below in the final award or interpret any aspect of such award:
 - a. Any typographical errors,
 - b. Any errors, lapses, oversight, differences in figure and word and other minor mistakes of similar nature that happened unknowingly,
 - c. Any errors in computation.
- (2) While applying to correct minor mistakes in the final award of the arbitration as per Sub-Rule (1), the parties in dispute shall be required to apply within thirty days of receiving the award.
- (3) On receipt of the application pursuant to Sub-Rule (2), the arbitrator shall be required to correct such errors, lapses, oversight or interpret any aspect of the award within 15 days of receiving such application.
- (4) Prior to correcting errors or interpreting any aspect of the award pursuant to Sub-Rule (1), the arbitrator shall be required to notify the parties to dispute about this.
- (5) Regarding the corrections or interpretations made as per this Rule, the arbitrator shall be required to make a separate decision and such decision shall be an integral part of the award as referred to in Rule 49 or 55.

57. Supplementary Award:

- (1) Any party to a dispute may, within thirty days of receiving the award, request the arbitrator to make a supplementary award with regard to any matter which was presented as claims in the arbitral proceedings but was not mentioned in the final award.
- (2) The requesting party shall be required to provide a notification of request as referred to in Sub-Rule (1) to the Council and the other party of the dispute also.
- (3) Upon submission of such application pursuant to Sub-Rule (1), if the arbitrator(s) consider that it is appropriate to make such supplementary award, and that such supplementary award can be made without any further hearings, the arbitrator(s) shall, having invited the other party to comment upon the request made, make any supplementary award within 45 (forty-five) days after the receipt of the request.
- (4) If a supplementary award is made in accordance with this Rule, the provisions of Rule 53 shall apply to such award.

Chapter-6

Expenses Involved in Arbitration

58. Remuneration of the Arbitrator and Administrative Cost:

- (1) The remuneration of the arbitrator and administrative costs of arbitral proceedings shall be as determined by the arbitrator in consultation with the parties .
- (2) While determining remuneration or administrative costs pursuant to Sub-Rule (1), the remuneration and administrative costs shall be determined by taking as guidelines the provisions made in Schedule 1 if it is administrative cost, provisions made in Schedule 3 if arbitration is of international nature or is in line with the agreement reached through international competitive bidding and provisions made in Schedule 2 if the arbitration is of other types.
- (3) Notwithstanding anything contained elsewhere in this Regulations, the arbitrator may determine the amount of remuneration and other costs taking also into account the subject and complexity of the dispute, condition of the parties concerned and the existing circumstances, not exceeding the remuneration and costs as provided for in Sub-Rule (1) or (2).

59. Deposit of Amount for Arbitration:

- (1) The Council may require the parties to a dispute to deposit an estimated cost and remuneration of the arbitrator pursuant to Rule 58 as an advance in the Secretariat in cash or through a cheque.
- (2) In case either party fails to deposit the amount as demanded by the arbitrator pursuant to Sub-Rule (1) within fifteen days, the Council may give an order to the other party to deposit such amount, by providing information thereof to the parties.
- (3) If no party deposits the amount as per Sub-Rules (1) and (2), the arbitrator may put on hold or declare the closure of arbitral proceedings.
- (4) If the amount demanded from the parties is not deposited even within one month of putting on hold the arbitral proceedings as per Sub-Rule (3), the arbitrator may declare the closure of arbitral proceedings.

60. Payment:

- (1) The Secretariat may meet the administrative costs for arbitral proceedings and make a payment of remuneration to the arbitrator out of the amount deposited as per Rule 59.

- (2) After the final award has been made or arbitral proceedings have been closed, if any of amount deposited pursuant to Rule 49 remains in balance, the Secretariat shall be required to return such amount to the parties.
- (3) After the conclusion of arbitral proceedings, if the arbitrator considers that the amount deposited pursuant to Rule 59 is inadequate to bear administrative costs of arbitration and remuneration of the arbitrator, he or she may, prior to handing down an award, ask the parties to deposit additional amount to meet the shortfall, and unless the parties concerned deposit such amount, he or she may refuse to make a final award.

61. Costs of Arbitral Proceedings:

- (1) The arbitrator may fix the cost of arbitral proceedings also while making a final award.
- (2) Except when the parties have reached a written understanding or the arbitrator considers it appropriate to share the cost between the parties in a just way, both the parties shall be required to bear the cost of arbitration equally.
- (3) Notwithstanding anything written in Sub-Rule (2), the arbitrator may decide which party shall bear the legal consultation fee and fee of legal practitioner of the successful party to the dispute.
- (4) If the arbitrator considers it appropriate, he or she may divide the amount of fee for legal practitioner or legal consultation fee in a manner that both of the parties will bear it, and while issuing an order on such fees, the arbitrator may fix the amount of the fee and services and mention the method applied therefore.

Chapter-7

Miscellaneous

62. Interests:

While handing down a final award, the arbitrator may, subject to the Act, fix the interest rate for the period of implementation of such award.

63. Exercise of Powers:

- (1) The powers to be exercised by the Council with regard to arbitration as per this Regulation shall be exercised through the Steering Committee constituted by the Executive Committee and till such committee is formed, such powers shall be exercised through the Executive Committee itself.
- (2) The Steering Committee shall, while exercising the powers of the Council pursuant to Sub-Rule (1), adopt the procedures as per the by-laws formulated by the Council for that purpose.

64. As Laid Out in the Act:

Except otherwise mentioned in the agreement, other things shall, except those mentioned in this Regulations, be in accordance with the Act.

65. Repeal and Saving:

- (1) The Arbitral Procedures Regulations of the Nepal Council of Arbitration (NEPCA), 2060 BS has been repealed.
- (2) In terms of the arbitration which has already taken off under the Regulations pursuant to Sub-Rule (1) prior to the commencement of this Regulations, such proceedings shall be dealt with according to Sub-Rule (1).

66. To Remove Difficulties:

If any difficulties arise in the implementation of this Regulations, the Executive Committee may, subject to the Act, remove such difficulties in a manner that this will not be contrary to the Regulations.

Schedule -1
(Related to sub-rule (2) of Rule 58)
Fees for NEPCA Administration Of Arbitration

SN	Claim Amt	NEPCA Administration Fee for Arbitration	Admin Fee
	NRs., Million	Fee Structure for NCB/ICB Contracts	Upper Limit, NRs.
1	1	Minimum 40,000	40,000
2	1-2.5	40,000 + 3 % for 15Lacs = 85,000	85,000
3	2.5-5	85,000 + 2% for 25lacs = 135,000	135,000
4	5-10	135000 + 1% for 50 lacs = 185,000	185,000
5	10-20	185,000 + 0.75% for 1 crore = 260,000	260,000
6	20-50	260000 + 0.4% for 3 crore = 380,000	380,000
7	50-100	380,000 + 0.2% for 5 crore = 480,000	480,000
8	100-200	480,000 + 0.1% for 10 crore = 580,000	580,000
9	200-500	580,000 + 0.05% for 30 crore = 7,30,000	730,000
10	> 500	730,000 + 0.05% over 500 million	

Schedule - 2: (Related to Sub-Rule (2) of Rule 58)
Remuneration of the Arbitrator

Arbitration Tribunal's Fees for Arbitration of NCB Contracts					
SN	Claim Amount	Sole Arbitrator Fee		3 - Arbitrators Tribunal Fee	
	NRs., million	Fee Structure for NCB Contracts	Upper Limit, NRs.	Fee Structure for NCB Contracts	Upper Limit, NRs.
1	1	minimum 50,000	50000	minimum 125,000	125000
2	1-2.5	50,000 + 3 % for 15Lacs = 95,000	95,000	125,000 + 7 % for 15 Lacs = 230,000	230,000
3	2.5-5	95,000 + 2.3% for 25lacs = 152,500	152,500	230,000 + 5% for 25lacs = 355,000	355,000
4	5-10	152500 + 1.5% for 50 lacs = 227,500	227,500	355,000 + 3% for 50 lacs = 505,000	505,000
5	10-20	227,500 + 0.8% for 1 crore = 307,500	307,500	505,000 + 2% for 1 crore = 705,000	705,000
6	20-50	307,500 + 0.60% for 3 crore = 487,500	487,500	705,000 + 1.25 % for 3 crore = 1080,000	1,080,000
7	50-100	487,500 + 0.2% for 5 crore = 587,500	587,500	1080,000 + 0.46% for 5 crore = 1310,000	1,310,000
8	100-200	587,500 + 0.15% for 10 crore = 737,500	737,500	1310,000 + 0.25% for 10 crore = 1560,000	1,560,000
9	200-500	737,500 + 0.03% for 30 crore = 827,500	827,500	1560,000 + 0.13% for 30 crore = 1950,000	1,950,000
10	> 500	827,500 + 0.025% over 500 million		1950,000 + 0.03% over 500 million	

Note on Fee Distribution: Chairman = 36%, Arbitrators = 32% each

Schedule - 3: (Related to Sub-Rule (2) of Rule 58)
Remuneration of the Arbitrator –
Contracts Through International Competitive Bidding

Arbitration Tribunal's Fees for Arbitration of ICB Contracts						
SN	Claim Amount NRs., million	Sole Arbitrator Fee		3 - Arbitrators Tribunal Fee		
		Fee Structure for ICB Contracts	Upper Limit, NRs.	Fee Structure for ICB Contracts	Upper Limit, NRs.	Upper Limit, NRs.
1	1	minimum 200,000	200,000	minimum 300,000	300,000	300,000
2	1-2.5	200,000 + 10 % for 15Lacs = 350,000	350,000	300,000 + 15 % for 15Lacs = 525,000	525,000	525,000
3	2.5-5	350,000 + 6% for 25lacs = 500,000	500,000	525,000 + 10% for 25lacs = 775000	775,000	775,000
4	5-10	500000 + 3% for 50 lacs = 650,500	650,000	775,000 + 6% for 50 lacs = 1075,000	1,075,000	1,075,000
5	10-20	650,500 + 2% for 1 crore = 850,500	850,000	1075,000 + 5% for 1 crore = 1575,500	1,575,000	1,575,000
6	20-50	850000 + 1% for 3 crore = 1150,000	1,150,000	1575,000 + 2 % for 3 crore = 2175,000	2,175,000	2,175,000
7	50-100	1150000 + 0.75% for 5 crore = 1525,000	1,525,000	2175,000 + 1.2% for 5 crore = 2775,000	2,775,000	2,775,000
8	100-200	1525000 + 0.5% for 10 crore = 2025,000	2,025,000	2775,000 + 1% for 10 crore = 3775,000	3,775,000	3,775,000
9	200-500	2025000 + 0.2% for 30 crore = 2625,000	2,625,000	377,5000 + 0.35% for 30 crore = 4825,000	4,825,000	4,825,000
10	> 500	2625000 + 0.1% over 500 million		4825,000 + 0.2% over 500 million		

Note on Fee Distribution: Chairman = 40%, Arbitrators = 30% each