



**Russian
Arbitration
Center**

at Russian
Institute
of Modern
Arbitration

ADJUDICATION (DISPUTE BOARD) RULES

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Preamble

Dispute Board (the “DB”) is an independent body, comprising of experts, who are chosen by the Parties to assist them in performing Adjudication, *i.e.* procedures for avoiding disagreements, avoiding disputes and resolving disputes. For the purpose of these Rules “Adjudication” and “Dispute Board procedure” refer to the same procedure, considering the essential substantive similarities of these methods of alternative dispute settlement.

Adjudication (Dispute Board) Rules of the Russian Arbitration Center at the Russian Institute of Modern Arbitration (the “RAC”) provide regulations to establish and operate the Dispute Board, as well as to administer Adjudication by the Dispute Board.

There are three types of Dispute Boards under these Rules: the Dispute Review Boards under Article 4 of the Rules, the Dispute Adjudication Boards under Article 5 of the Rules, and *Ad Hoc* Dispute Boards under Article 6.

In case of disagreement with the Conclusion of a Dispute Board in due course, any Party may submit the dispute to arbitration or litigation to resolve it *de novo*. If none of the Parties disagreed with the Conclusion in due course, each Party may submit the dispute arising from non-compliance with the Conclusion (if any) to arbitration or litigation.

The Parties may request the RAC to assist them in the Adjudication procedure even if they agreed that another set of Adjudication (Dispute Board) Rules is applicable. In such a case, the Parties should submit to the RAC a request identifying functions they would like the RAC to perform under Article 23.

Adjudication (Dispute Board) Rules of the RAC are drafted in English and in Russian. Unless otherwise agreed by the Parties, in the event of a discrepancy, the RAC determines which text shall prevail considering the purpose and nature of the provision in question.

CHAPTER 1.

General Provisions

Article 1. Definitions

- 1) “Adjudication” means all the procedures managed by a DB, *i.e.* avoidance of disagreements, avoidance of disputes, and resolution of disputes.
- 2) “Adjudication Rules” means the Adjudication (Dispute Board) Rules of the RAC.
- 3) “Arbitration Rules” means the RAC Arbitration Rules in effect on the date of commencement of the arbitration proceedings.
- 4) “RAC” means the Russian Arbitration Center, its authorised bodies, including Adjudication Committee of the RAC, Administrative Office of the RAC and other employees.
- 5) “Conclusion” means a Recommendation or a Decision issued by a Dispute Board.
- 6) “Decision” means an immediately binding Conclusion issued in writing by a Dispute Adjudication Board or *Ad Hoc* Dispute Board.
- 7) “DB member” means a person, who is a member of the Dispute Board and with whom DBMA is concluded.
- 8) “Dispute Board” or “DB” means a Dispute Review Board or a Dispute Adjudication Board or an *Ad Hoc* Dispute Board.
- 9) “Dispute Board Member Agreement” or “DBMA” means an agreement by and between the Parties and a member of a Dispute Board.
- 10) “Dispute Resolution Agreement” means an agreement between the Parties to the contract that contains, *inter alia*, reference to Adjudication.
- 11) “Party” or “Parties” means a party or parties to the contract.
- 12) “Recommendation” means a Conclusion that is not immediately binding on the Parties that is issued by a Dispute Review Board.
- 13) “written” or “in writing” means any document, including e-mails or any other means of communications that provides or allows a written or electronic (digital) form.

Article 2. Scope of Application of the Rules

1. The Rules shall apply where Parties have agreed in writing to seek the assistance of a DB under the Adjudication Rules to avoid or resolve any dispute or disagreement that may arise or have arisen out of a contract. In such a case, the RAC may perform the following functions:
 - 1) assisting in the appointment, challenge and removal of DB members;
 - 2) providing the Parties with the DBMA draft;
 - 3) maintenance of a file of written communications (correspondences and submissions) between the Parties and/or the DB members;
 - 4) providing necessary practical arrangements for meetings and hearings at the RAC's premises;
 - 5) ensuring that procedurally important dates are followed and advising DB member(s) and the Parties when these dates are not adhered to;
 - 6) providing fund-holding services, including holding the Parties' deposits and disbursing DB member's fees and expenses;
 - 7) reviewing the drafts of the Conclusion for technical errors;
 - 8) fixing the fees of DB members;
 - 9) other functions, provided in the Adjudication Rules.
2. The RAC may exercise additional administrative functions in case of reaching agreement with the Parties on the content of such functions and their cost.
3. Functions, provided in paragraph 1 (1), (8) are performed by the Adjudication Committee of the RAC. Other functions are performed by the RAC Administrative Office, if the Parties and the RAC have not agreed otherwise.
4. The Rules shall apply if the Parties request the RAC to assist them in Adjudication even if they agreed that another set of Adjudication Rules is applicable. In such a case, the Parties submit a request to the RAC outlining the functions they intend RAC to perform in accordance with Article 23.
5. In case Parties agreed on application of the Adjudication Rules, the procedure shall be governed by the Adjudication Rules current at the date Parties entered into an agreement to adjudicate unless Parties agreed otherwise.

6. If the Parties submit the request in accordance with paragraph 4 of this Article, the edition of Adjudication Rules on the date of receipt of the request shall be applicable unless Parties agreed otherwise.

Article 3. Nature of DB

1. There are three types of Dispute Boards available under the Adjudication Rules: Dispute Review Board (the "DRB"), Dispute Adjudication Board (the "DAB"), *Ad Hoc* Dispute Board (the "AHB").
2. DRB and DAB are full-term Dispute Boards established for the entire (or significant) project period. The DB members perform functions continuously. If the Parties fail to agree on or specify the kind of DB, the Parties shall be deemed to have agreed on a DAB.
3. *Ad Hoc* Dispute Board (the "AHB") is not a full-term Dispute Board. It is established to resolve disputes that have already arisen. The AHB members exercise their competence only with regard to a specific dispute (disputes) referred to them by the Parties or Party.
4. The DB members perform the Dispute Boards functions solely or collectively in a panel.
5. Dispute Boards are not arbitral tribunals, and their Conclusions are not enforceable in the same way as arbitral awards.
6. The Parties agree to be bound by the Conclusions under conditions specified in these Rules due to their contractual obligations. Failure to comply with the Conclusions may be submitted to litigation or arbitration.
7. Each Party may disagree with the Conclusion of a DB within the established time period. In such an event, the Dispute may be resolved *de novo* by means of litigation or arbitration.
8. Conclusions shall be admissible as evidence in any subsequent arbitral or judicial proceedings.
9. Unless otherwise agreed by the Parties, the Adjudication shall

be confidential. DB members must ensure that information acquired during the DB's term remains confidential. The confidential information may be disclosed only if approved by the Parties or if compelled by law.

Article 4. Dispute Review Board ("DRB")

1. The DRB shall assist the Parties with the avoidance and the timely resolution of any disputes and disagreements. In case of formal referral of disputes under Article 19, DRB renders a Recommendation, which is not immediately binding. The Parties shall duly consider each Recommendation.
2. If a Party is dissatisfied with the Recommendation fully or partially, such Party shall, within 30 days after receiving it, submit a Notice of Dissatisfaction to the other Party, the DRB and the RAC. A Notice of Dissatisfaction shall state the reasons for dissatisfaction.
3. If a Notice of Dissatisfaction has been submitted, either Party may submit the dispute (or part of a dispute) to arbitration or litigation in accordance with the applicable law, and the Parties' Dispute Resolution Agreement.
4. If a Party fails to submit a Notice of Dissatisfaction in accordance with paragraph 2 of this Article, the Recommendation shall become final and binding on the Parties.
5. If either Party fails to comply with a Recommendation that has become final and binding, the other Party may submit the failure to comply with the Recommendation to arbitration or litigation in accordance with the applicable law and the Parties' Dispute Resolution Agreement. In such a case, a Party that has failed to comply with a Recommendation shall not raise any issue as to the merits of the Recommendation as a defence to its failure to comply with the Recommendation.

Article 5. Dispute Adjudication Board ("DAB")

1. The DAB shall assist the Parties with the avoidance and the timely resolution of any disputes and disagreements. In case of formal referral of disputes under Article 18, the DAB renders a Decision,

which is binding on the Parties upon its receipt. The Parties shall comply with the Decision without delay, notwithstanding any Notice of Rejection pursuant to this Article.

2. If a Party is dissatisfied with the Decision fully or partially, this Party shall, within 30 days after receiving the Decision, submit a Notice of Rejection to the other Party and the DAB, which shall state the reasons for rejection.
3. If a Notice of Rejection has been submitted, either Party may submit the dispute (or part of a dispute) to arbitration or litigation in accordance with the applicable law, and the Parties' Dispute Resolution Agreement. Pending a ruling by an arbitral tribunal or a competent court, the Parties must comply with the Decision.
4. If a Party fails to submit a Notice of Rejection, the Decision shall become final.
5. If either Party fails to comply with the Decision, the other Party may submit the failure to comply with the Decision to arbitration or litigation in accordance with the applicable law and the Parties' Dispute Resolution Agreement. In such a case, a Party that has failed to comply with a Decision shall not raise any issue as to the merits of the Decision as a defence to its failure to comply with the Decision.

Article 6. *Ad Hoc* Board ("AHB")

1. The AHB shall assist the Parties with resolution of pending, already existing disputes that the Parties or Party referred to the AHB.
2. Parties may agree on Adjudication by the AHB in their Contract or Dispute Resolution Agreement to refer pending disputes to the AHB in accordance with these Rules. Additionally, Parties may agree to refer a dispute to the AHB after the dispute has arisen.
3. The AHB shall issue a Decision in respect of a referral. The Decision is binding on the Parties upon its receipt. The Parties shall comply with the Decision without delay, notwithstanding any Notice of Rejection pursuant to this Article.

4. If a Party is dissatisfied with the Decision fully or partially, it shall, within 15 days after receiving the Decision, submit a Notice of Rejection to the other Party and the AHB, which shall state the reasons for rejection.
5. If a Notice of Rejection has been submitted, either Party may submit the dispute (or part of a dispute) to arbitration or litigation in accordance with the applicable law, and the Parties' Dispute Resolution Agreement. Pending a ruling by an arbitral tribunal or a competent court, the Parties must comply with the Decision.
6. If a Party fails to submit a Notice of Rejection, the Decision shall become final.
7. If either Party fails to comply with the Decision, the other Party may submit the failure to comply with the Decision to arbitration or litigation in accordance with the applicable law and the Parties' Dispute Resolution Agreement. In such a case, a Party that has failed to comply with a Decision shall not raise any issue as to the merits of the Decision as a defence to its failure to comply with the Decision.

CHAPTER 2.

Constitution of the DB

Article 7. Constitution of DRB and DAB

1. Unless the Parties agreed otherwise, the DRB or DAB shall be constituted in accordance with the Adjudication Rules, which shall be deemed incorporated by reference into the Dispute Resolution Agreement.
2. If the Parties have not agreed on the number of DB members, the DB shall be composed of three members.
3. The RAC, after consultation with the Parties and in view of the relevant circumstances, may decide that a sole DB member shall be appointed.
4. If the DB shall be composed of a sole DB member, the Parties shall jointly appoint the sole DB member within 30 days after conclusion the contract, entering into a Dispute Resolution Agreement or within 30 days after the commencement of any performance under the contract, whichever occurs earlier, or within any other time period agreed upon by the Parties. In case of a failure to agree on the candidacy of a sole DB member, the sole DB member shall be appointed by the RAC upon the request of either Party at the earliest opportunity.
5. If the DB shall be composed of three DB members, the Parties shall jointly appoint the first two DB members. If the Parties fail to appoint one or both DB members within 30 days after conclusion of the contract, entering into a Dispute Resolution Agreement or within 30 days after the commencement of any performance under the contract, whichever occurs earlier, or within any other time period agreed upon by the Parties, the DB member (members) not yet appointed shall be appointed by the RAC upon the request of either Party at the earliest opportunity.
6. Two appointed DB members shall propose to the Parties at least three candidates for the appointment of a third DB member within 21 days following the appointment of the second DB member. If the Parties do not appoint any of the

proposed candidates as the third DB member within 15 days after receiving the proposal, or if the Parties cannot agree on the other candidate for the position of a third DB member, or if the first two DB members fail to propose the candidates, the third DB member shall be appointed by the RAC upon the request of any Party at the earliest opportunity. The third DB member shall act as the presiding DB member unless the Parties and all DB members agree upon another presiding DB member.

7. The Parties may agree on a different number of DB members. In such an event, the Parties shall agree on the appointment procedure. If the Parties fail to constitute the DB pursuant to such agreement, it shall be constituted in accordance with paragraph 6 of this Article *mutatis mutandis*.
8. The appointment of any DB member shall be made by the RAC upon the request of any Party, taking into account the circumstances of the dispute, including situations when one of the Parties avoids establishing a DB.
9. When appointing a DB member, the RAC shall consider the prospective DB member's attributes, including nationality, residence, language skills, training, qualifications and experience, availability and ability to act as a DB member, as well as any observations, comments, or requests made by the Parties. The RAC shall make all reasonable efforts to appoint a DB member corresponding to special requirements, if any, that agreed upon by all the Parties.

Article 8. Constitution of AHB

1. The provisions of Article 7 shall apply to constitution of AHB *mutatis mutandis*.
2. If the Parties have not agreed on the number of AHB members, the AHB shall be composed of one member.
3. The RAC, after consultation with the Parties and in view of the relevant circumstances, may decide that an AHB shall be composed of three members.
4. If the AHB shall be composed of a sole DB member, the Parties shall jointly appoint the sole AHB member. If the Parties agreed

to Adjudication by AHB beforehand, the Parties shall appoint an AHB Member within 15 days after one of the Parties notifies the other Party (Parties) of the intention to refer a dispute (disputes) to AHB. If the Parties agreed to Adjudication by the AHB after the dispute has arisen, the Parties shall appoint an AHB Member within 15 days from this agreement. In the event of a failure to agree on the candidacy of a sole AHB member, the sole AHB member shall be appointed by the RAC upon the request of either Party within 15 days.

5. If the AHB shall be composed of three DB members, the Parties shall jointly appoint the first two AHB members. If the Parties agreed to Adjudication by the AHB beforehand, the Parties shall appoint AHB Members within 15 days after one of the Parties notifies the other Party (Parties) of the intention to refer a dispute (disputes) to AHB. If the Parties agreed to Adjudication by the AHB after the dispute has arisen, the Parties shall appoint AHB Members within 15 days from this agreement. If the Parties fail to appoint one or both AHB members within 15 days, the AHB member (members) not yet appointed shall be appointed by the RAC upon the request of either Party within 30 days.
6. Two appointed AHB members shall propose to the Parties at least two candidates for the appointment of a third DB member within 15 days following the appointment of the second AHB member. If the Parties do not appoint any of the proposed candidates as the third AHB member within 7 days of receiving the proposal, or if the Parties cannot agree on the other candidate for the third AHB member, or if the first two AHB members fail to propose the candidates, the third AHB member shall be appointed by the RAC upon the request of either Party within 15 days.

Article 9. Commencement and Termination of DB Activities and DB Member Mandate

1. The DB shall commence its activities after every DB member signs with all of the Parties a DBMA. If there are three or more DB members, each DBMA shall have substantive terms that are identical to the other DBMA, unless otherwise agreed by the Parties and the DB member concerned.
2. Unless otherwise agreed by the Parties, the DB shall terminate its activities upon receiving notice from the Parties of their

joint decision to disband the DB. The AHB shall automatically terminate its activities after rendering the Decision on the dispute (disputes) referred by the Parties, unless Parties agreed otherwise or under Article 22 of these Rules.

3. The DBMA of any DB member may be terminated by Parties' joint agreement; or in case of challenge; or the *de jure* or *de facto* inability of a DB member to perform the DB member functions. DBMA may also be terminated after expiration of the term for which DB Member was appointed unless the DB member participate in formal referral of dispute.
4. A DAB and DRB member may resign from the DB by giving 90 days written notice to the Parties, unless otherwise agreed in the DBMA(s). An AHB member may resign from AHB by giving 15 days written notice to the Parties, unless otherwise agreed in the DBMA(s).

Article 10. Independence and Impartiality

1. Each DB member must remain impartial and independent of the Parties.¹
2. Each prospective DB member shall sign a statement of acceptance, availability, impartiality, and independence and disclose in writing to the Parties, the other DB members, and the RAC any facts or circumstances that might be of such a nature as to call into question the DB member's independence, as well as any circumstances that could give rise to reasonable doubts as to the DB member's impartiality.
3. A DB member shall immediately disclose in writing to the Parties, the other DB members, and to the RAC any facts or circumstances concerning the DB member's impartiality or independence which may arise in the course of such DB member's tenure.
4. The Parties may agree that the requirements of independence and impartiality do not apply to wing DB members, unless there is reasonable doubt that the majority of DB members acts directly or indirectly in the interests of one of the Parties.

¹ In assessing impartiality and independence, DB Members shall be guided by the International Bar Association (IBA) Guidelines on Conflicts of Interest in International Commercial Arbitration (in its latest edition) *mutatis mutandis*.

5. Unless Parties agreed otherwise, should any Party wish to challenge a DRB or DAB member, it may, within 21 days of learning of the facts upon which the challenge is based, submit to the RAC a request for a decision upon the challenge, including a written statement of such facts. Any Party wishing to challenge an AHB member may, within 5 days of learning of the facts upon which the challenge is based, submit to the RAC a request for a decision upon the challenge including a written statement of such facts.
6. The other Party, the challenged DB member, as well as other DB members shall be granted an opportunity to submit a written statement, which may include a description of the facts and circumstances, within 10 days of receiving the application for challenge.
7. The RAC will finally decide the challenge within 30 days after receiving the application for challenge or 30 days after receiving the last written statement regarding the challenge.

Article 11. Removal of DB Members

1. The DB member may be removed at the request of a Party if the DB member is *de jure* or *de facto* unable to participate in Adjudication, or if a DB member participates in it with an undue delay.
2. Consideration of the request shall be conducted in accordance with the procedure established by paragraphs 5 – 7 of Article 10.

Article 12. Replacement of a DB Member

1. When a DB member is to be replaced for any reason, a new DB member shall be appointed in the same manner as the DB member being replaced, unless otherwise agreed by the Parties.
2. All actions taken by the DB prior to the replacement shall remain valid and enforceable, unless the Parties agreed otherwise. Prior to the replacement of the DB member, the remaining DB members shall not hold hearings or issue Conclusions without the consent of all of the Parties.

CHAPTER 3.

Conduct of Adjudication

Article 13. Functions of DB

1. The DRB and DAB shall assist the Parties in:
 - 1) avoiding disagreements and disputes (informal advisory opinion and assistance under Article 18);
 - 2) resolving disputes (formal referral of disputes under Article 19).
2. As soon as the DRB or DAB commences its activities, it shall arrange an initial meeting with the Parties to establish a schedule of meetings and, if relevant, site visits.
3. Meetings are to be held in-person, via telephone, videoconference or other communication methods as agreed to between the Parties and the DB members. Absent such an agreement, the DRB or DAB shall determine the manner and methodology of the meetings to be conducted.
4. If site visits are relevant to the contract, the timing and schedule of each site visit shall be agreed jointly by the Parties and the DB members. Absent such an agreement, it shall be determined by the DRB or DAB.
5. The DRB or DAB shall prepare a report on each meeting or site visit within 14 days and provide a copy to the Parties.
6. The AHB shall assist the Parties in resolving disputes (formal referral of disputes under Article 19), unless otherwise agreed between the Parties and AHB.

Article 14. Principles of Adjudication

1. All the dispute settlement processes and procedures managed by the DB are to be conducted expeditiously and diligently based on the principles of independence and impartiality of DB members, discretion, adversarial proceedings, and equal treatment of the Parties.

2. The Parties and their representatives shall exercise their rights in good faith and without abuse.
3. Unilateral communications between DB members and one of the Parties is not permissible, unless Parties agreed otherwise.

Article 15. Exchange of Documents

1. Written statements, communications, submissions, and materials (the “documents”) shall be sent in the manner agreed upon between the Parties and the DB.
2. Unless otherwise agreed by the Parties, the date of receipt of documents by e-mail shall be deemed the day when they were sent at the local time of the recipient. The date of receipt of documents sent in hard copy shall be deemed the day of their delivery or delivery attempt.

Article 16. Time Limits

1. Periods of time specified in the Adjudication Rules, by the DB or agreed upon shall begin to run from the date following the date of the act or event that is considered to be the starting point of the time limit. If such a date is a weekend day or an official holiday in the country in which the notification or communication is deemed to have been made, the time limit shall begin to run on the next business day. If the last day of such a time limit is a weekend day or an official holiday, such time limit shall be automatically extended until the end of the following business day.
2. Weekends and official holidays occurring during the running of the time limit shall be included in that time limit.
3. The time limits may be extended, including at the initiative of the Parties, DB, and the RAC taking into consideration the specific circumstances of the Adjudication.

Article 17. Providing Information to DB

1. The Parties shall fully cooperate with the DB and provide copies of any documents related to the contract in a timely manner.
2. The Parties shall keep the DRB or DAB informed of the project's development, the contract, and its performance by the Parties.
3. The refusal of a Party to provide information shall not prevent the DB from performing its functions, including rendering Conclusions based on the available information.
4. The Parties shall endeavour to keep the DRB or DAB informed of any disagreements, which may arise during the performance of the contract.

Article 18. Avoidance of Disputes and Disagreements

1. DRB or DAB may informally assist in preventing already evolved differences (avoiding disputes) or preventing disagreements that might arise between the Parties in future (avoiding disagreements) in accordance with this Article.
2. To assist the Parties in the avoidance of disputes, the DRB and DAB may on its own initiative or upon the request of any Party provide an informal advisory opinion. The informal advisory opinion may be given during a conversation with the Parties, during any meeting or site visit or through any other form as may be agreed with the Parties. The Parties are not bound to act upon any informal advisory opinion given by the DRB or DAB.
3. The DRB or DAB may, on its own initiative, raise any matter with the Parties jointly in an effort to avoid any potential disputes and in an endeavour to help the Parties. The Parties may stop the DB's initiative provided that they jointly notify the DB in writing that they regard the DB's initiative unnecessary.
4. If the DRB or DAB is required to issue a Conclusion regarding any matter on which it has earlier provided an informal advisory opinion, the DB shall not be bound by any views, whether expressed orally or in writing, which it may have given during the course of its informal advisory opinion.

5. To assist the Parties in the avoidance of disagreements, the DRB or DAB noticing potential disagreement between the Parties, may raise this with the Parties with a view to encouraging them to avoid the disagreement on their own without any further involvement of the DB. In doing so, the DB may assist the Parties in defining the potential disagreement.
6. The informal assistance of the DRB or DAB in avoiding disagreements may take the form of a conversation, exchange of informal views, a written note from the DB to the Parties, or any other form of assistance that may help the Parties avoid the disagreement.
7. If the DRB or DAB is required to issue a Conclusion in connection with a disagreement on which it has provided informal assistance, the DRB or DAB shall not be bound by any views, whether expressed orally or in writing, that it may have given in the course of its informal assistance, nor shall it take into account any information that has not been available to all Parties.

Article 19. Formal Referral of Disputes

1. Any Party may refer a dispute to the DB by submitting a written statement of its case (the "Notice of Referral") to the other Party, the DB and the RAC.
2. Notice of Referral shall include:
 - 1) a clear and concise description of the nature and circumstances of the dispute;
 - 2) a list of the issues submitted to the DB for a Conclusion and a statement of the referring Party's position thereon, including any relevant facts and law;
 - 3) relevant support for the referring Party's position such as documents, drawings, schedules, and correspondence;
 - 4) a statement of the relief sought, together with the amounts of any quantified claims and, to the extent possible, an estimate of the monetary value of any other claims;
 - 5) any request for interim or conservatory measures;
 - 6) proof of payment of registration fee to the RAC.

3. Unless the Parties agree otherwise or the DB orders otherwise, the responding Party shall respond in writing (the "Reply") within 15 days for DRB and DAB, or within 10 days for AHB of receiving the Notice of Referral.
4. The Reply shall include:
 - 1) a clear and concise statement of the responding Party's position with respect to the dispute;
 - 2) relevant support for its position such as documents, drawings, schedules, and correspondence;
 - 3) a statement of the issues on which the responding Party requests the DB's Conclusion, including any request for interim or conservatory measures.
5. The DB may at any time request a Party to submit additional written statements or documentation or allow access to the site to assist the DB in preparing its Conclusion.
6. The DRB or DAB may appoint one or several experts to present written reports on the issues specified by the DRB or DAB that require special knowledge. Until the expert's report is rendered, the time limit specified in paragraph 1 (1) of Article 21 is suspended.
7. The Parties may settle the dispute at any time, with or without the assistance of the DB.

Article 20. Hearings in Formal Referral Procedure

1. A hearing regarding a dispute shall be held unless the Parties and the DB agree otherwise. Hearings are to be held in-person, via telephone, videoconference, or other communication methods as agreed between the Parties and the DB members. Absent such an agreement, the DRB or DAB shall determine the manner and methodology of the hearings to be conducted.
2. Unless the DB orders otherwise, hearings shall be held within 15 days from the date on which the DB receives the Reply or the last document, required by the DB.
3. Hearings shall be held in the presence of all DB members unless the DB decides, in the circumstances and after consultation with

the Parties, that it is appropriate to hold the hearing in the absence of a DB member (members).

4. If any of the Parties refuses or fails to participate in the DB procedure or any stage thereof, the DB may proceed notwithstanding such refusal or failure.
5. The DB may request the Parties to provide written summaries of their presentations.
6. The DB shall not express any opinions during a hearing concerning the merits of arguments put forward by the Parties.

Article 21. Conclusions of DB

1. The DB shall ensure that its Conclusion is rendered within a reasonable period of time, but no later than:
 - 1) 40 days after the DRB or DAB received the Notice of Referral;
 - 2) 50 days after the AHB received the Notice of Referral.
2. The DB may extend the time limit specified in paragraph 1 of this Article with the agreement of the Parties. In the absence of such agreement, the DB may, after consulting the Parties, extend the time limit by the shortest time it considers necessary, provided, that the total duration of such extension shall not exceed 60 days. In deciding whether to extend the time limit, the DB and the Parties shall take into account the nature and complexity of the dispute and other relevant circumstances, including the expert's appointment.
3. Considering the nature of the dispute, the DB may come to the Conclusion that the dispute is not suitable for Adjudication. In such a case, either Party may submit the dispute (or part of a dispute) to arbitration or litigation in accordance with the applicable law, and the Parties' Dispute Resolution Agreement.
4. When the DB is composed of three or more DB members, the DB shall make every effort to achieve unanimity. If this cannot be achieved, a Conclusion is rendered by a majority of the DB members. Any DB member who disagrees with the Conclusion may give the reasons for such disagreement in a separate

written document that shall not form part of the Conclusion but shall be communicated to the Parties.

5. Unless the Parties agree otherwise, within 10 days after receiving the draft of the Conclusion the RAC shall review the draft Conclusion for technical errors, which shall not affect the resolution of the dispute on the merits.
6. The Parties may agree to confirm the Conclusion in the form of an arbitral award on agreed terms, indicating it in the Dispute Resolution Agreement, if such a possibility is provided by the applicable law, including the law of the seat of arbitration.

Article 22. Correction and Interpretation of Conclusions

1. Within 15 days following the date of receipt of the Conclusion:
 - 1) any of the Parties may, subject to notifying the other Party, request the DB to correct any errors in computation, any clerical or typographical errors or errors of a similar nature;
 - 2) any of the Parties may, subject to notifying the other Party, request the DB to provide an interpretation of a Conclusion.
2. The DB shall make the corrections or provide the interpretation within 15 days following the date of receipt of the request, if it considers the request to be justified. Such corrections or interpretation shall form part of the Conclusion.
3. The DB may correct any errors in computation, any clerical or typographical errors or errors of a similar nature in the Conclusion on its own initiative within 15 days following the date of rendering of the Conclusion.
4. Parties may agree to extend the time limit for issuing any correction or interpretation.
5. If the DB issues a correction or interpretation of the Conclusion, all time limits associated with the Conclusion shall start to run afresh upon receipt by the Parties of the correction or interpretation of the Conclusion.

Article 23. Assistance to Adjudication under Other Rules

1. The Parties may request the RAC to assist them in Adjudication even if they agree that other sets of Adjudication Rules, including those envisaged in the Parties agreement, are applicable.
2. Any Party subject to the consent of the other Party shall file a request, indicating functions the Parties would like the RAC to perform.
3. Within 10 days of receiving such a request, the RAC shall notify the Parties of the possibility to perform these functions and the costs associated with it.
4. Unless Parties agree otherwise, the functions the Parties entrust to the RAC will be exercised according to the Adjudication Rules, or if the Rules are silent – taking into account the views of the Parties and according to the practices usually undertaken by the RAC.

CHAPTER 4.

Costs and Expenses

Article 24. Remuneration of DB Members

1. The terms and rate of remuneration for each DB member shall be mutually agreed upon by the Parties in DBMA Agreement.
 2. If the Parties and the DB member cannot agree upon the fees of the DB members, or if one Party challenges any part of the DB's remuneration, the RAC, at the request of one or all Parties, and after due consultation with the Parties and DB member shall decide on the reasonable remuneration. The RAC shall choose whether the remuneration is to be in form of a retainer fee and daily fee or based on services rendered by the DB member (on hourly rates). The Parties shall be bound by the RAC's determination. The DB members shall either accept the terms of remuneration or decline the appointment (resign).
 3. Unless the Parties and DB members agree otherwise, the Parties shall reimburse all reasonable costs and expenses incurred by a DB member associated with Adjudication. In exceptional circumstances, upon a reasoned application of a Party, the reasonableness of the costs and expenses incurred by a DB member shall be determined by the Adjudication Committee.
 4. Unless Parties agree otherwise, they bear in equal shares all fees and expenses of the DB members. If a Party fails to pay its share of the fees and expenses of a DB member when due, any other Party may pay the outstanding amount. The Party making such payment, in addition to any other rights, shall be entitled to reimbursement from the non-paying Party of all such sums paid.
- 2) each decision upon a challenge of a DB member – USD 500 paid together with such a request;
 - 3) each request for the RAC to fix the fees of the DB members – USD 500 paid together with such a request;
 - 4) each request for fund-holding services – 3% of the amount deposited;
 - 5) administrative support of the formal referral procedure shall be calculated on the hourly rate of USD 150 and the number of hours spent. The Party filing the Notice of Referral shall pay the advance in the form of a registration fee in the amount of USD 200 (paid when filing the Notice of Referral).
2. Fees of the RAC (including the registration fee) are non-refundable.
 3. If the RAC exercises any other additional functions in respect to Adjudication, the Parties shall reimburse these expenses. In such a case, the RAC shall provide a monthly account indicating the number of hours spent, the services provided and expenses incurred by the RAC. The amount of reimbursement shall be calculated on the hourly rate of USD 150 and the number of hours spent, and expenses of the RAC (if any) supported by copies of bills and invoices.
 4. Unless Parties agreed otherwise, they bear in equal shares all fees and expenses of the RAC. If a Party fails to pay its share of the administrative expenses of the RAC, the other Party may pay the outstanding amount of such administrative expenses. The Party making such payment, in addition to any other rights, shall be entitled to reimbursement from the non-paying Party of all such sums paid.

Article 25. Administrative Fees and Expenses of the RAC

1. The RAC fees include, in USD or an equivalent value in another currency:
 - 1) each appointment of a DB member – USD 500 paid together with such a request;

CHAPTER 5.

Adjudication Committee

Article 26. Adjudication Committee of the RAC

1. The Adjudication Committee of the RAC is a permanent collective body of the RAC performing the functions of assisting in the appointment, challenge of DB members as well as other functions accorded to the Adjudication Committee by the Adjudication Rules.
2. The Adjudication Committee of the RAC is comprised of five members.
3. The Adjudication Committee of the RAC shall be partially rotated every five years. During the first rotation, two members of the Board shall be replaced five years after the constitution of the initial Adjudication Committee. During the second rotation which shall take place three years after the first rotation, the remaining three members of the initial Adjudication Committee shall be replaced. During the following rotations, two appointed members of Adjudication Committee shall be replaced every five years. The replaced members of the Adjudication Committee are allowed to regain their status five years after the termination of their mandate.
4. The Adjudication Committee of the RAC elects a President for three years. One person is not allowed to be the President for two consecutive mandates.
5. The President performs the following functions:
 - 1) convocation of the Adjudication Committee sessions in person or by correspondence when appropriate;
 - 2) composition of the agenda of the sessions;
 - 3) organisation of voting, calculation of votes, summarising the information on votes, and its safekeeping (jointly with the Administrative Office of the RAC);
 - 4) signing of records of the Adjudication Committee sessions and excerpts therefrom;
 - 5) presiding during the Adjudication Committee sessions in person.
6. The Adjudication Committee sessions are held in person or by correspondence. The Adjudication Committee sessions in person shall be held by presence of all members or by tele- or videoconference, organised by the Administrative Office of the RAC upon the initiative of the President or the majority of the Committee members. The Adjudication Committee session by correspondence may be held by e-mail or by other means of voting.
7. The session is considered duly convened (a quorum is deemed to be present), if at least three members of the Adjudication Committee participated in it.
8. If one of the Adjudication Committee members cannot be present during the Adjudication Committee session in person, such a member is entitled to provide the Adjudication Committee with a written opinion concerning all of the issues on the agenda prior to the session.
9. The decision is made by a simple majority of the votes of the Adjudication Committee members participating in the session. In the event of equally divided votes among the Adjudication Committee members, the President shall have a casting vote.
10. The Adjudication Committee members may act as DB members in Adjudication administered by the RAC, if they are designated by a Party, agreed upon by Parties or chosen by appointed DB members.
11. The Adjudication Committee may appoint a member of a Committee as DB member in exceptional cases, *inter alia* if, taking into account the circumstances of the specific dispute, such a member best meets the requirements set forth in the Parties' agreement and the applicable law or has the unique expertise.
12. The Adjudication Committee members acting as DB members shall not perform any function accorded to the Adjudication Committee with regard to this Adjudication.

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