



A Newsletter from Shumaker, Loop & Kendrick, LLP

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## International Arbitration

nternational trade is growing at all levels of business, and brings with it the question of how to resolve disputes. As a general rule, the preferred method is international arbitration since few are willing to risk litigation in the other party's national courts. Although the topic

of international arbitration is broad and complex, a few key points should be kept in mind in considering your options.

Arbitration clauses should be far more detailed in an international contract. Generally, the clause should specify the place of the arbitration (often a halfway point in a sophisticated commercial



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city), the nationality of the arbitrators, the language of the arbitration, enforcement issues, which international arbitration authority to invoke, which rules to use, and whether

the arbitrator should base the award on the substantive law or on fairness and equity. Most of the international arbitration tribunals have standard clauses that can be used and modified as appropriate.

Your legal counsel should understand the treatment of arbitration in the national law of the opposing party, and whether the nation is a signatory



to relevant conventions such as the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards or the Inter-American Convention on International Commercial Arbitration and, if so, the scope of the nation's implementing legislation.

Your counsel should also be familiar with the international arbitration rules and procedures of the various providers, many of which are talked about by their initials as their names are a mouthful. These include:

- International Centre for Dispute Resolution (ICDR)(part of the American Arbitration Association);
- International Chamber of Commerce (ICC);
- London Court of International Arbitration (LCIA);

- Stockholm Chamber of Commerce (SCC);
- Singapore International Arbitration Centre (SIAC);
- Commercial Arbitration and Mediation Center for the Americas (CAMCA); and
- United Nations rules for arbitration such as United Nations Commission on International Trade Law (UNCITRAL).

Different authorities and different rules may be viewed more or less favorably by parties from different nations.

This brief discussion introduces you to special considerations related to arbitration provisions in international contracts. You should consult with a sophisticated ADR practitioner in crafting any international arbitration clause.