Arbitration Court

Rules of Arbitration

of the Arbitration Court at the German Chamber of Commerce and Industry (SGH)

As of November 2024

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On November 28, 2024, pursuant to Section 10a subsection (4) No. 3 of the Act on the Preliminary Regulation of the Right of the Chamber of Commerce and Industry (IHKG), published as the revised version in the federal law gazette (Bundesgesetzblatt) part III. bullet point 701-1, which was last amended by Section 1 of the Act dated 07 August 2021 (federal law gazette (Bundesgesetzblatt) I p. 3306), in connection with Article 4 paragraph 1 of the Statutes of the Arbitration Court at the German Chamber of Commerce and Industry dated 24 January 2023, the plenary assembly of the German Chamber of Commerce and Industry has passed the following rules of arbitration (Rules of Arbitration):

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* Hereinafter, for ease of reading, these Rules of Arbitration utilize the generic masculine form. The generic masculine form encompasses all genders insofar as there is mention of the arbitrator, claimant and respondent, witness, mediator, legal advisor, employee, etc.

I. General Provisions

Article 1 Scope of Applicability

(1) These Rules of Arbitration are available as originals in German and English. For arbitration proceedings pursuant to these Rules of Arbitration, the following shall additionally be applicable:

- Rules on Costs of the SGH (Appendix 1)
- Remuneration for Arbitrators (Appendix 2)
- Technical Requirements (Appendix 3)
- List of Administrating IHKs and AHKs pursuant to Article 3 paragraph 2 (Appendix 4)

(2) The Arbitration Court at the German Chamber of Commerce and Industry (SGH) administers arbitration proceedings; the SGH does not decide on the dispute itself. The decision is incumbent upon the Arbitral Tribunal assigned to the respective dispute.

(3) If the parties have agreed upon SGH arbitration proceedings and have not provided for the application of a specific version of the Rules of Arbitration, then the version of the Rules of Arbitration valid at the time of the initiation of the arbitration proceedings shall apply as default rules.

(4) A change to or modification of the default rules by the parties is only permissible if the Rules of Arbitration allow for this.

Article 2 The SGH Arbitration Proceedings

(1) A sole arbitrator shall decide in cases in which the matter in dispute is of a value of up to € 250,000; in cases in which the amount in dispute is of a higher value than € 250,000, three arbitrators (collegial Arbitral Tribunal) shall decide. The parties may agree otherwise. In the case of a counter-claim, the values of the claim and counter-claim shall be combined.

(2) The arbitration proceedings shall be concluded within a period of 12 months following the appointment of the Arbitral Tribunal (Article 10 paragraph 4). In order to structure and increase the efficiency of the arbitration proceedings, the SGH provides interactive basic documents as samples. The Arbitral Tribunal can order the use thereof.

(3) Generally, the arbitration proceedings will be conducted virtually. To this end, the SGH will provide for a secure electronic procedural management platform (PMP). Upon agreement to the application of these Rules of Arbitration, the parties agree to the use of the SGH's PMP. The parties and their legal representatives shall ensure compliance with the technical requirements thereof (Appendix 3).

(4) Upon the electronic filing of documents, the procedural act is considered to have been executed and briefs and documents are considered to have been transmitted.

(5) If the PMP is not accessible for technical reasons, documents may exceptionally be transmitted by another means; the reasons for the transmission of documents by this means must be credibly established.

(6) Where necessary, publically certified and sworn experts (Article 9 paragraph 5, Article 18 paragraph 2, Article 19 paragraph 1, Article 22 paragraph 3), can be mandated as experts and advisors to the Arbitral Tribunal.

Article 3 Competence for the Administration of Arbitration Proceedings

(1) The arbitration proceedings will be administrated by the SGH.

(2) The parties can agree that the arbitration proceedings are alternatively and autonomously administered by a Chamber of Commerce and Industry (*IHK*) or by a German Chamber of Commerce Abroad (*AHK*) from the published list of the SGH (Appendix 4). The IHK or AHK as determined by the parties will then take on the position and function of the SGH.

(3) The SGH also administers the arbitration proceedings according to these Rules of Arbitration, if an IHK or AHK references the SGH arbitration proceedings in its statues.

II. Initiation of the Procedure

Article 4 Commencement of the Procedure

(1) The claimant shall initiate the arbitration proceedings on the SGH's PMP. The arbitration proceedings are deemed to commence with the electronic submission of the following information, set out at letter a through d below (request for arbitration):

a) the names and the addresses for service of the parties, with email addresses;

b) a copy/scan of the complete arbitration agreement;

c) information on the subject matter of the dispute and the amount of the preliminary case value; and

d) a specified demand for relief.

If necessary, the claimant shall also provide the following additional information:

e) further contact details for the parties;

f) the names and contact details of the parties' legal representative with proof of power of attorney;

g) the proposal for the appointment of an arbitrator pursuant to Article 9 paragraph 1 or 2;

h) the indication of the chosen applicable law (Article 27 paragraph 2, or, as the case may be, Article 28);

i) the indication of the place of arbitration (Article 16 paragraph 1) and of the language of the arbitration (Article 16 paragraph 3);

j) if applicable, that the arbitration proceedings should be administered by an IHK or AHK (Article 3 paragraph 2) in deviation to Article 3 paragraph 1.

(2) The SGH shall transfer the request for arbitration to the respondent without undue delay pursuant to paragraph 1 and provide the respondent with the access information for the PMP.

(3) The statement of claim must be submitted no later than 14 calendar days after the initiation of the proceedings pursuant to paragraph 1. It shall contain an exact description of the factual and legal situation, providing evidence where necessary.

(4) The statement of claim will be made available and accessible to the respondent as soon as the processing fees and collateral requested by the SGH pursuant to Article 5 have been paid.

(5) If the claimant does not fulfil the obligations set forth in paragraph 1 letter a through d and paragraph 3, the SGH will firstly provide him with a grace period for full compliance. In the event of non-compliance, the SGH can declare the arbitration proceedings to be completely or partially terminated. This does not affect the right of the claimant to resubmit his claim.

Article 5 Processing Fees and Provision of Collateral

(1) The claimant shall pay the processing fees to the SGH following the initiation of the proceedings, pursuant to Appendix 1. The SGH will determine the amount due based on the information received from the claimant regarding the value of the case, and will issue a corresponding invoice plus statutory VAT to the claimant. Subsequent claims are possible if the value of the case is greater than that stated by the claimant.

(2) Prior to the constitution of the Arbitral Tribunal, the SGH requires that the parties provide security in order to cover anticipated procedural costs (Article 33 paragraph 1).

(3) Throughout the arbitration proceedings, the SGH can, if necessary, demand that further security is provided by all parties to cover additional anticipated procedural costs (e.g. for expert witnesses, travel expenses, remuneration for the arbitrators, etc.).

(4) All payments requested by the SGH are due immediately. If a party does not pay the processing fees or security requested, the SGH will provide a grace period for payment. Upon non-payment by either party, the SGH can declare the arbitration proceedings to be completely or partially terminated, unless the other party agrees to make the payment. This does not affect the right to resubmit the complaint.

Article 6 Response to the Request for Arbitration

(1) The response to the request for arbitration must be made within 30 calendar days of the release of the statement of claim on the PMP.

(2) A challenge to the jurisdiction of the Arbitral Tribunal must be made at the latest at the time when the reply to the request for arbitration is submitted. The Arbitral Tribunal shall decide on this challenge in a timely manner, either by rendering an interim award (in regard to a finding of competence) or an arbitral award (in regards to a finding of a lack of jurisdiction).

(3) At the request of a party, the deadline for the submission of the response to the request for arbitration, pursuant to paragraph 1, can be extended once by the SGH or by the Arbitral Tribunal after its formation, pursuant to Article 17 paragraph 3.

Article 7 Counter-Claim and Set Off

(1) A counter-claim is only permissible if it falls within the scope of the arbitration agreement and is filed together with the submission of the response to the request for arbitration via the PMP. Article 4 paragraph 1 letter c and d, as well as paragraph 2 through 5, Article 5 and Article 6 apply accordingly.

(2) With the parties' consent, the Arbitral Tribunal can also decide on a claim submitted for set off to which the arbitration agreement is not applicable.

Article 8 Consolidation of Proceedings and Joining by Third Parties

(1) At the request of one of the parties, the SGH may permit the consolidation of proceedings, if all parties are bound by arbitration in such a manner that their claims can be decided in a single set of arbitration proceedings, and the place of arbitration coincides.

(2) In the event that proceedings are consolidated, the previous appointment of any arbitrator is deemed to be void; the SGH will instead determine again the appointment of arbitrators. It is possible for arbitrators who had already been appointed to be considered in this appointment process.

(3) Third parties may join the proceedings if the parties agree and if, in the Arbitral Tribunal´s opinion, the arbitration proceedings will not be substantially delayed as a result. A third party who joins the arbitration does so at the stage of proceedings at the time of joining.

(4) A notice of dispute in respect of a third party is not permissible.

III. Arbitral Tribunal

Article 9 Selection of Arbitrators

(1) The sole arbitrator shall be selected jointly by the parties. If the parties do not agree on the selection within the deadline set by the SGH, then the arbitrator will be selected by the SGH.

(2) If the Arbitral Tribunal consists of three arbitrators (collegial Arbitral Tribunal), then the claimant and the respondent shall each select one arbitrator as an associate arbitrator; this should be done within 14 calendar days of the SGH's request. If one or both parties do not make use of their right to select within this time period, then the selection shall be made by the SGH. At the SGH's request, the associate arbitrators should jointly select a third arbitrator to act as chairperson. If the associate arbitrators have not agreed on a selection within 14 calendar days following the SGH's request, the chairperson will be selected by the SGH.

(3) If multiple persons participate as claimants or respondents, then they shall jointly and uniformly exercise their right to select an associate arbitrator within the deadline set by the SGH. If an associate arbitrator is not selected by either side, then the SGH will select the arbitrator in its place. After consideration of all circumstances and having heard all of the parties, the SGH also has the right to select a new arbitrator on behalf of the opposing side; in this respect, the previous selection is deemed to be void.

(4) Unless the parties agree otherwise, the sole arbitrator or the chairperson of a collegial Arbitral Tribunal must have successfully completed a legal education.

(5) At the request of both parties, the SGH can itself select the arbitrators. In the event that the dispute involves matters of a technical nature or in the case that the value in dispute needs

to be calculated, the SGH will select a publically certified and sworn expert as an associate arbitrator of a collegial Arbitral Tribunal.

Article 10 Appointment of Arbitrators

(1) Arbitrators are always appointed by the SGH.

(2) Persons, who have been offered an appointment as an arbitrator by the SGH shall declare within 7 calendar days whether they will accept this appointment and are able to conclude the arbitration proceedings within the time envisioned in Article 2 paragraph 2, or, as the case may be, Article 20 paragraph 1.

(3) Prior to accepting the appointment, an arbitrator must assess whether he meets the requirements set for such an appointment, and whether there could be any doubt as regards to his impartiality or independence. He shall inform the SGH without undue delay as to this assessment and disclose all relevant facts and circumstances. The SGH will then, and if necessary, after hearing the parties, decide on the appointment or non-appointment of the arbitrator.

(4) When all arbitrators are appointed, the Arbitral Tribunal is constituted and the management of the proceedings then falls to the Arbitral Tribunal. The parties shall be informed thereof. The SGH shall refrain from making appointments until the demanded costs and provision of security (Article 5) has been paid. An agreement, which also sets out the rights and obligations arising from the application of these Rules of Arbitration, is concluded between the parties and each arbitrator as soon as the appointments have been effected.

Article 11 Obligations of the Arbitrator and of the Arbitral Tribunal

(1) The arbitrators are obliged to apply these Rules of Arbitration and to use the PMP.

(2) The Arbitral Tribunal must ensure that the proceedings are fast and efficient. It shall establish a plan for the proceedings and send this to the SGH (Article 19 paragraph 1), as well provide an order on the termination of the proceedings (Article 26 paragraph 1). If the timing for the arbitration proceedings, as envisaged by Article 2 paragraph 2, or, as the case may be, by Article 20 paragraph 1, cannot be adhered to, the Arbitral Tribunal must inform the SGH without undue delay, providing reasons as to why this is the case alongside an amended plan for the proceedings.

(3) An arbitrator can resign from his appointment only for good cause and must declare his resignation to the SGH. A resignation is only valid if it has been confirmed by the SGH.

(4) An arbitrator shall inform the parties and the SGH without undue delay during the arbitration proceedings if:

a) legitimate doubt arises as to his impartiality or independence or he can no longer fulfil the requirements agreed upon between the parties; or

b) he can no longer, for legal or factual reasons, continue the arbitration proceedings.

(5) The Arbitral Tribunal shall inform the SGH if further procedural costs (Article 33) are to be expected and, therefore, if additional provision of security needs to be requested by the SGH.

Article 12 Challenge to the Appointment of an Arbitrator

(1) The appointment of an arbitrator can only be challenged if there are legitimate doubts as to his impartiality or independence or if he does not or no longer fulfills the requirements agreed upon between the parties.

(2) The challenge to his appointment must be substantiated; it must be submitted to the SGH within 10 calendar days of receipt of the notification of the arbitrator's appointment or within 10 calendar days of the party becoming aware of the reason for the challenge.

(3) The rejected arbitrator and the other arbitrators, as well as the other party, shall be given the opportunity by the SGH to comment on the challenge to his appointment within 10 calendar days of the date of notification of the submission of the challenge.

(4) If the other party agrees with the challenge to the appointment or if the rejected arbitrator withdraws from the appointment, the arbitrator is deemed to have resigned and a replacement arbitrator shall be appointed (Article 13). Otherwise, the SGH will, of its own accord, promptly decide on the eligibility of the challenge. The SGH shall inform the parties of the outcome, alongside a brief explanation.

(5) If the challenge is unsuccessful, the party challenging the appointment can request a decision on the challenge from the competent State court within 10 calendar days of the notification of the unsuccessful challenge. While such a request is pending, the Arbitral Tribunal, including the rejected arbitrator, can continue with the proceedings and can issue an arbitral award.

Article 13 Replacement of Arbitrator

(1) The party can nominate a replacement arbitrator within 7 calendar days of the SGH's notification that an arbitrator has been removed. Otherwise, the SGH will nominate the replacement arbitrator. Article 10 paragraph 1 applies.

(2) If an arbitrator is inactive for a prolonged period of time or is temporarily hindered for legal or factual reasons from executing his office of arbitrator, then the SGH may of its own accord or upon request by a party – after hearing the parties and the Arbitral Tribunal – remove the arbitrator. Subsection 1 applies accordingly.

(3) The newly staffed Arbitral Tribunal will determine at its own discretion whether and to what extent previous stages of the arbitral proceedings need to be repeated.

IV. Execution of Procedure

Article 14 Procedural Principles

(1) The parties are to be treated with equality. Each party has the right to be heard.

(2) The arbitral proceedings are confidential (Article 15).

(3) The Arbitral Tribunal manages and directs the arbitral proceedings. The procedure shall be governed by the provisions of the Rules of Arbitration, the agreements of the parties pursuant to Article 1 paragraph 4, and otherwise shall be determined at the discretion of the Arbitral Tribunal. The mandatory procedural rules applicable at the place of arbitration shall apply.

(4) The parties can be represented by legal representatives.

(5) In the case of a collegial Arbitral Tribunal, every decision (including the arbitral award) shall be taken by a majority vote. The chairperson can also issue directives to manage the procedure without consulting the associate arbitrators, if they have mandated him to do so.

(6) If a party becomes aware of a violation of the Rules of Arbitration, it shall notify the Arbitral Tribunal of the violation within 10 calendar days of become so aware; otherwise, the party is precluded from raising the violation.

Article 15 Order of Confidentiality

(1) Unless otherwise agreed by the parties, the arbitral proceedings should take place behind closed doors.

(2) The parties, the arbitrators, the legal representatives, as well as all employees and persons mandated by SGH, the IHK or AHK who are concerned with the arbitral proceedings are obliged to maintain the secrecy of the proceedings. Any person consulted by them for the purposes of the arbitral proceedings are also bound to secrecy, insofar as they are not already obliged by law to maintain confidentiality. Statutory duties to disclose and obligations are unaffected.

(3) In the event that a party violates the confidentiality obligation, new arbitral proceedings for damages can be initiated before the SGH; additionally, an appropriate contractual penalty can be imposed.

(4) During video or telephone conferences, all parties shall ensure, and provide assurance at the request of a party, that the principle of the non-public nature of the proceedings is maintained. The Arbitral Tribunal can order further measures to this end.

Article 16 Place of Arbitration, Place of Hearing and Language of the Proceedings

(1) If the parties have not agreed on a place of arbitration, then the Arbitral Tribunal shall determine it. The place of arbitration shall then generally be in Germany.

(2) The place of the hearing can deviate from the place of arbitration, if the Arbitral Tribunal deems this to be appropriate.

(3) The parties can choose either German or English as the language of the proceedings; the determination of the language of the proceedings dictates the version of the Rules of Arbitration to be applied. If no agreement on language is made by the parties, then the SGH shall determine the language of the proceedings.

(4) Generally, documents shall be submitted in the language of the proceedings. The Arbitral Tribunal and the SGH may have documents, which have been presented in another language, translated or order that a translated version of these documents is submitted by the party. After hearing the parties, the Arbitral Tribunal can make an order dispensing of the need for a translation of foreign language documents, in whole or in part.

Article 17 Notifications and Deadlines

(1) The parties and their legal representatives will be automatically notified via email by the SGH when a message has been uploaded to the PMP. They are obliged to continuously check the PMP for new notifications and to access those messages.

(2) A deadline begins to run on the day after the notification is posted. If a deadline lapses on a day which is not a banking day at the place of arbitration, then the deadline will instead lapse at the end of the next banking day.

(3) The deadlines set forth in these Rules of Arbitration and determined by the Arbitral Tribunal shall be extended, upon request, by no more than 21 calendar days. A further extension of a deadline by 7 calendar days may be granted on request but only in exceptional and justified cases.

(4) The SGH or the Arbitral Tribunal can extend deadlines appropriately or, as the case may be, grant reinstatement of the proceedings upon request, if the PMP is or could not be accessed for technical reasons.

Article 18 Taking Evidence

(1) The Arbitral Tribunal is not bound by a request from the parties as to the admission of evidence.

(2) The Arbitral Tribunal can issue any order for evidence, including in particular, for the parties to appear in person before the Tribunal, to hear and question publically certified and sworn experts, and in respect of the submission of documents and powers of attorney.

(3) The release and submission of documents may be refused, if a party would unreasonably incriminate itself in so doing and the Arbitral Tribunal is satisfied that this would be the case.

(4) Requests for discovery shall be rejected by the Arbitral Tribunal.

Article 19 Plan for the Proceedings and Expediting the Proceedings

(1) At the beginning of the arbitral proceedings, the Arbitral Tribunal shall conduct a telephone or video conference with the parties to structure the future proceedings and to develop a plan for the proceedings with a detailed timetable. To this end, it can consult a publically certified and sworn experts at the parties' expense.

(2) The Arbitral Tribunal may order that the parties compile overviews and chronological outlines of the disputes and provide summaries of the facts of the case, by completing basic documents in the PMP. The scope and extent of these overviews may be appropriately limited by the Arbitral Tribunal.

(3) After hearing the parties, the Arbitral Tribunal may order all procedural measures that it deems appropriate, including in particular, those relating to the structure of the proceedings and necessary to prioritize the matter in dispute.

(4) In preparation for the oral proceedings, the Arbitral Tribunal should provide the parties with preliminary legal guidance. These instructions shall aim to ensure that the parties fully explain all relevant facts and make pertinent requests and submissions.

(5) The claimant and counter-claimant can only extend, change or supplement the substantive action during the arbitral proceedings if the other party consents or the Arbitral Tribunal

deems this to be pertinent and considers that such an amendment will not result in a substantial delay to the proceedings.

Article 20 Fast-Track Arbitral Proceedings

(1) If the parties have agreed to fast-track arbitral proceedings (expedited procedure) then a sole arbitrator will decide on the dispute, regardless of the value of the case. In contrast to the time period set out in Article 2 paragraph 2, the arbitral proceedings shall be concluded within 6 months.

(2) Each party may only submit one additional brief, in addition to the statement of claim and the response to the request for arbitration. This also applies to the case of a counter-claim pursuant to Article 7.

(3) In particular, in the case of fast-track arbitral proceedings, the Arbitral Tribunal shall make use of the possibility to make orders under Article 19 paragraph 2. Deadlines may and shall be shortened at the Arbitral Tribunal's discretion.

(4) There shall only be one hearing. In contrast to Article 21 paragraph 1, 2nd sentence, the proceedings may be conducted solely in writing, without the need for the parties' consent, providing that the parties do not object within 7 calendar days of being notified.

(5) An application for review by the SGH as to the quality of the arbitral award shall be made at the latest – in contrast to Article 25 paragraph 2, 2nd sentence – with the submission of the additional brief, pursuant to paragraph 2.

Article 21 Hearing Date and Minutes of the Hearing

(1) Upon hearing the parties, the Arbitral Tribunal decides at its discretion whether the proceedings shall take place in person, via telephone, video conference or in a hybrid form. The proceedings may be conducted in writing, if all parties consent thereto.

(2) If the parties have agreed upon a specific form for the proceedings pursuant to paragraph 1, the Arbitral Tribunal shall only deviate from this form for important reasons.

(3) Minutes of the hearings shall be taken by the Arbitral Tribunal on the dates of the hearings; the parties shall each receive a copy of the minutes. The Arbitral Tribunal decides on how the minutes should be taken. This can be done by recording the proceedings.

Article 22 Settlement of the Dispute

(1) In all arbitral proceedings, the Arbitral Tribunal shall judiciously strive towards the amicable settlement of the dispute as a whole or of individual aspects of the dispute. To this end, it may provide a preliminary opinion of the factual or legal situation.

(2) If the parties settle the dispute during the proceedings, then the proceedings shall be terminated by virtue of the agreement of the parties. Upon request, the settlement will be set forth in the form of an arbitral award with an agreed-upon wording.

(3) If the legal questions are settled and it only remains for determinations as regards value or damages to be made, the Arbitral Tribunal shall, by way of a settlement, strive to have a publically certified and sworn experts decide on the outstanding facts as an expert arbitrator.

Article 23 Settlement of the Dispute by Mediation

(1) The Arbitral Tribunal can suspend the arbitral proceedings for up to 2 months, if the parties want to attempt to mediate. This time period is not taken into account in the calculation of the duration of the proceedings pursuant to Article 2 paragraph 2.

(2) If the parties have not agreed upon a mediator within 10 calendar days of receipt by the SGH of the request to mediate, the SGH will decide on the mediator. An arbitrator may not act as a mediator in relation to a dispute in arbitral proceedings to which he has already been appointed.

(3) If the parties settle the dispute in mediation, the arbitral proceedings can be terminated, at the request of one of the parties, in the form of an arbitral award with agreed-upon wording.

Article 24 Default of a Party

(1) If the respondent does not respond to the claimant's claim within the relevant deadline (default), the arbitral proceedings will continue without treating the default as an admission of the claimant's allegations.

(2) If a party does not participate in a hearing despite being duly summoned to appear, or if deadlines expire without a response from the party, the arbitral proceedings will be continued and a decision will be made on the basis of the facts of the matter and the dispute at hand.

(3) If in the Arbitral Tribunal considers that there is a sufficient excuse for the default, it will not be considered as such. The parties can agree themselves on the consequences of the default.

Article 25 Quality Assurance

(1) At any time, the legal advisors mandated by the SGH or the IHK or, as the case may be, the AHK, which administer the arbitral proceedings, may attend the proceedings fully or in part. The legal advisors should have access to the procedural documents and can provide recommendations.

(2) At the request of at least one of the parties or at the request of the SGH, the Arbitral Tribunal shall present the as yet unsigned arbitral award to the SGH for review. The request shall be submitted to the SGH no later than 7 calendar days following the notification of the end of the hearing (Article 26 paragraph 1).

(3) In order to ensure the quality of the arbitral award, the SGH can suggest changes to be made to the form of the arbitral award. While the Arbitral Tribunal´s freedom to decide is maintained, the SGH may identify issues which concern the factual or legal contents of the arbitral award, the value of the case or the distribution of costs. The parties do not partake in the quality review.

(4) If there is a process of quality assurance ongoing in line with paragraph 2 through paragraph 3, the Arbitral Tribunal may not issue the arbitral award pursuant to Article 29. This time period is not taken into account in the calculation of the duration of the proceedings pursuant to Article 2 paragraph 2, or, as the case may be, Article 20 paragraph 1.

Article 26 Conclusion of the Hearing

(1) The hearing shall be concluded by the Arbitral Tribunal when the parties have had sufficient opportunity to present the facts.

(2) Of its own motion after hearing the parties or upon the parties' request, in the event of extraordinary circumstances, the Arbitral Tribunal can reopen the hearing at any time prior to the issuance of the arbitral award and allow new submissions to be made.

V. Arbitral Award

Article 27 Competence of the Arbitral Tribunal

(1) The Arbitral Tribunal has the power to decide on its jurisdiction, the validity of the arbitration agreement and whether it is competent to hear the dispute. It should exercise these powers as soon as possible by way of interim decision (in the case of a finding of jurisdiction) or via arbitral award (in the case of a finding of a lack of jurisdiction). To this end, the obligation to arbitrate arising from the arbitration agreement is to be treated as an agreement independent from and separate to other contractual provisions.

(2) The formation, validity and content of an arbitration agreement are subject to the applicable law that the parties have chosen or, if no such choice has been made, the law that is applicable in the State in which the arbitral award was issued or shall be issued.

(3) The arbitral proceedings can be continued even if the interim decision on jurisdiction is challenged by one or all parties before a State court.

Article 28 Applicable Law and Decisions on Equity

(1) The Arbitral Tribunal decides the pending legal dispute in accordance with the applicable substantive law. It is bound by the parties' submissions and requests as regards remedies and may not award more or provide for a different remedy than that sought.

(2) The substantive law applicable to the arbitral proceedings is based upon the parties' agreement. In the case of doubt, the choice of law refers to the substantive law, and not the conflict of law provisions, of a national legal system or of a non-State law. In the absence of an agreement on applicable law, the Arbitral Tribunal shall apply the law having the closest connection to the subject matter of the proceedings.

(3) In the case of contractual disputes, the Arbitral Tribunal shall decide in accordance with the provisions of the contract and thus, if necessary, shall take into account any applicable commercial usages and trade practices.

(4) The Arbitral Tribunal may only decide in equity ("ex aequo et bono", "honorable engagement", "amiable composition") if the parties have authorized it to do so. Such an authorization can provided by the parties until the time of the end of the hearing (Article 26).

Article 29 Arbitral Award: Form

(1) The arbitral award shall be issued in writing and shall be signed by the arbitrators.

(2) The arbitral award shall specify: the complete designation of the parties, their legal representatives, the names of the arbitrators, the date upon which the hearing was concluded (Article 26) and the date upon which the arbitral award was issued, as well as the place of the arbitration.

(3) Unless the parties have agreed otherwise, or it has been agreed that an arbitral award with agreed-upon wording shall be issued, the arbitral award shall be reasoned. The distribution of costs between the parties (Article 34) shall also be decided in the arbitral award.

(4) The Arbitral Tribunal shall provide the SGH with the necessary number of original versions of the arbitral award plus an additional original version of the award for the SGH.

(5) The SGH will provide an original version of the arbitral award to each of the legal representatives or parties. The award need not be transmitted by the SGH until the costs of the arbitration proceedings have been paid in full.

Article 30 Arbitral Award: Effects

(1) The arbitral award shall have the effect of a final and binding judgment of a State court between the parties.

(2) The proceedings are deemed to be concluded upon the issuance of the arbitral award.

(3) If the circumstances so demand the Arbitral Tribunal can issue partial, basic and interim arbitral awards, as well as an arbitral award on costs.

Article 31 Interpretation and Correction of the Arbitral Award

(1) Within 30 calendar days of receipt of the arbitral award, each party can request at the SGH that the Arbitral Tribunal shall:

a) corrects calculation, spelling and printing errors or other similar errors in the arbitral award;

b) legally interprets or defines certain parts of the arbitral award;

c) issues a further supplemental arbitral award regarding such claims, which were not dealt with in the arbitral award despite having been asserted therein.

(2) The Arbitral Tribunal will decide on the request within 21 calendar days following the application, pursuant to paragraph 1.

(3) The Arbitral Tribunal can – even in the absence of an application from a party for such a request – correct the arbitral award pursuant to paragraph 1 letter a within 21 calendar days of the award being rendered.

Article 32 Termination of the Arbitral Proceedings by Other Means

(1) The arbitral proceedings will be terminated in whole or in part by an order of the Arbitral Tribunal in the event of letter a through e:

a) the claimant withdraws the claim, unless the respondent objects and the Arbitral Tribunal recognizes that the respondent has a justified interest in the final settlement of the dispute;

b) the parties agree on the termination of the arbitral proceedings;

c) the parties do not continue the arbitral proceedings despite the summons of the Arbitral Tribunal;

d) in the case of a counter-claim, the requirements pursuant to Article 4 paragraph 5, or, as the case may be Article 5 paragraph 4, are fulfilled;

e) the continuation has become impossible for another reason.

(2) The SGH decides in the cases of Article 4 paragraph 5 and Article 5 paragraph 4 on the termination of the arbitral proceedings.

(3) In substantiated exceptional cases, the SGH can also terminate the arbitral proceedings of its own initiative, provided that the parties have been heard on the matter and made no objection.

(4) As soon as all costs (Article 33 and Article 34) have been settled, any amount remaining in respect of the security shall be paid out by the SGH to the party who provided the security.

VI. Costs of the Arbitration Proceedings

Article 33 Procedural Costs

(1) The costs of the arbitration proceedings include – in each instance, statutory VAT should be added – reasonable costs in bringing the action or defence, in particular:

a) processing fees (Appendix 1);

b) remuneration of the arbitrators (Appendix 2) and their expenses;

c) remuneration for persons mandated by the SGH for quality assurance (Article 25 paragraph 2);

d) remuneration and expenses for expert witnesses and advisors appointed by the Arbitral Tribunal;

e) expenses for the renting of conference rooms, appropriate catering, the taking minutes, formal deliveries, etc.;

f) costs for, generally, a legal representative for each party;

g) parties' expenses (e.g. for experts, witnesses, translations, and travel expenses).

(2) The Arbitral Tribunal shall request that the parties submit and provide their procedural costs in a timely manner and prior to the preparation of the arbitral award. If these requests are not fulfilled by the parties notwithstanding reminders to this end, the costs shall be estimated at the discretion of the Arbitral Tribunal.

(3) The parties are joint and severally liable to the SGH for the costs of the arbitral proceedings plus VAT, without prejudice to the right of one party to make a reimbursement claim in respect of the other party or parties.

Article 34 Decision on Costs

(1) The Arbitral Tribunal decides on the distribution of procedural costs at its own discretion. In relation to costs arising pursuant to Article 33 paragraph 1 letter c through g, it also decides

on the appropriateness of costs. As a rule, the unsuccessful party shall bear the costs of proceedings. The Arbitral Tribunal can, while taking into consideration the circumstances of the case, set-off the costs of each party against those of the other, or assign costs according to quotas, in particular if the parties win in part and lose in part.

(2) At the arbitrator's request, the SGH shall determine the final value of the case, the remuneration of the arbitrators and the processing fees based upon Appendices 1 and 2.

(3) If the Arbitral Tribunal had not been established at the time of termination of the arbitral proceedings, the SGH shall decide on any possible costs pursuant to paragraph 1.

(4) If the determination of costs has not been made at the time of the termination of the arbitral proceedings, or if the determination of costs is only possible following the termination of the arbitral proceedings, the decision on costs will be made in a separate arbitral award.

Article 35 Remuneration of Arbitrators

(1) The arbitrators will receive remuneration for their work in accordance with Appendix 2; they are also entitled to claim for reimbursement of reasonable expenses. The SGH will put these rules into effect independently.

(2) Following the issuance of the arbitral award or upon the termination of pending proceedings in another manner (Article 30 paragraph 2 and Article 32), the SGH will make payment of the remuneration and reimburse the expenses of the arbitrators, providing these costs have been covered by the security paid. On request, partial payments can be authorized.

(3) If the office of an arbitrator ends prematurely, then the SGH will decide at its own discretion whether and to what extent the remuneration will be paid. The arbitrator shall always be reimbursed for reasonable expenses.

VII. Additional Provisions

Article 36 Interim Legal Protection, Provisional and Conservatory Measures

(1) Unless otherwise agreed, upon a party's request, the Arbitral Tribunal can order provisional or conservatory measures which it deems necessary in relation to the matter in dispute.

(2) In connection with a measure pursuant to paragraph 1, the Arbitral Tribunal can demand appropriate security from each party.

(3) The parties' right to request preliminary or conservatory measures from a State court in relation to the matter in dispute is unaffected.

Article 37 Limitation of Liability

(1) The arbitrators always act independently. The SGH is neither liable for their actions nor for their conduct.

(2) The liability of SGH, IHK and AHK, as well as for persons acting or mandated to act on their behalf, is excluded, provided that they do not commit an intentional or grossly negligent breach of duty.

(3) The arbitrators are only liable for their actions concerning their decision making in so far as it can be established that there has been an intentional breach of their duty.

Article 38 Regulatory Power

(1) The Committee for Alternative Dispute Resolution of the SGH (Article 3 paragraph 1 letter a of the Statutes of the SGH) decides on the remuneration of arbitrators, technical requirements, and the list of administrating chambers pursuant to Article 3 paragraph 2, as supplementary provisions to these Rules of Arbitration, as listed in Article 1 paragraph 1 as Appendix 2 through 4.

(2) Furthermore, the Committee for Alternative Dispute Resolution of the SGH can pass supplementary provisions for the conduct of arbitral proceedings, in particular with regards to rules on the integrity of arbitrators and on the establishment of a database of arbitrators.

Article 39 Right to Publish

(1) The arbitral award may be published in an anonymized form for scientific purposes by the SGH unless one party objects prior to the issuance of the arbitral award.

(2) The SGH may publish information in an anonymized form on the arbitral proceedings in an annual statistical compilation.

Article 40 Entry into Force

The Rules of Arbitration will enter into force on the day following their publication in the Federal Gazette of the Federal Republic of Germany.