



REPORT
ON THE PROGRESS OF
THE CAIRO REGIONAL CENTRE FOR
INTERNATIONAL COMMERCIAL ARBITRATION
DURING 1989

Presented By

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Submitted to the Twenty Ninth Session
Asian African Legal Consultative Committee
(Beijing, MARCH 1990)

INTRODUCTION

As part of the AALCC's integrated scheme for settlement of disputes arising from economic and commercial transactions, the Cairo Centre was entrusted with the following duties:-

- Promoting international commercial arbitration in the Region.
- Coordinating and assisting the activities of the existing arbitral institutions; particularly among those within the Region.
- Rendering assistance in the conduct of ad-hoc arbitrations, particularly those held under the UNCITRAL arbitration rules;
- Assisting in the enforcement of the arbitral awards;
- Providing for arbitration under the auspices of and the rules of the Centre;
- Rendering advice and assistance to parties who may approach the Centre.

The Cairo Centre has to make available for Afro/Asian parties involved in commercial disputes, an efficient, expeditious, fair and inexpensive system of settlement of disputes under the UNCITRAL

rules, in order to save them recourse to arbitral institutions located outside our Region.

The Cairo Centre is Regional only in structure, but Universal in arbitral jurisdiction. It is concerned with all kinds of international commercial and economic disputes regardless of the country of origin of the dispute and the nationality of the parties. It administers arbitrations of all disputes, whether between Governments, corporates or individuals.

The Cairo Centre is a non-profit making institution, neutral and impartial towards parties concerned. It guarantees for them, full freedom in selecting their counsels, arbitrators, place of arbitration, applicable law, language and procedural law. Its institutional arbitration has all the advantages of the ad-hoc arbitration. Nevertheless, the Centre administers its arbitrations, and assists in the enforcement of the awards.

The Cairo Centre is presently a fully recognized international institution, enjoying all diplomatic privileges and immunities, as an Independent International Organization, by virtue of a Headquarters Agreement signed in Cairo on May 24th, 1987 with the Government of the Arab Republic of Egypt. A copy of the Agreement is herewith attached, (Annex 1).

THE IMPORTANCE OF THE YEAR 1989
& THE CONTINUED PROGRESS OF THE CAIRO CENTRE

The year 1989, marked the 10th Anniversary of the Cairo Centre, which came into being by an Agreement between the Government of the Arab Republic of Egypt and the AALCC, signed in Cairo on the 28th of January, 1979.

The year 1989 marked, as well, the signature of the final Agreement consolidating the establishment of the Cairo Centre and guaranteeing its continued functioning on firm footing. This Agreement was signed in Cairo on the 24th of July 1989, by Mr. Frank Njenga, Secretary-General on behalf of the AALCC and Mr. Farouk Seif ElNassr, Minister of Justice, on behalf of the Government of the Arab Republic of Egypt. By virtue of this Agreement both the Government of the Arab Republic of Egypt and the AALCC were committed to continue their financial support to the Cairo Centre until it can provide for its own financial self sufficiency. A copy of the agreement is herewith attached.

The rules of the Board of Governors of the Cairo Centre have also been finalized in 1989. (Annex III).

It is worthnoting that the above mentioned final agreement was persued, in implementation of a Resolution taken by the AALCC on the 18th of February 1989 at its Twenty Eighth Session in Nairobi. That Resolution reflected the Committee's recognition of the success of the Cairo Centre, the progress it has achieved and the great hopes the Committee has for it in continuing to provide the countries of West Asia and Africa with an efficient, expeditious, fair and inexpensive system for the settlement of international commercial disputes.

Arbitration, Conciliation and Technical Expertise,
under the auspices of the Cairo Centre

During 1989, the Arbitration clause of the Centre has been incorporated in hundreds of more international contracts. A considerable number of new international cases were registered at the Centre for settlement under its auspices and rules during 1989, reflecting the increasing confidence in its proficiency. Eight new arbitral cases are being adjudicated by the Centre. The settlement of a certain number of cases broke the time record. It didn't take more than three weeks in some cases, which aroused the admiration of the parties and their deep appreciation.

The Cairo Centre contemplated, introduced and regulated in 1989 the rules of two new means of settlement of commercial disputes, i.e. CONCILIATION and TECHNICAL EXPERTISE, (Annexes IV and V).

The Cairo Centre's Conciliation Rules were formulated on the pattern and principles of the UNCITRAL Conciliation Rules. Conciliation and Technical Expertise, as applied by the Cairo Centre aim at sparing the parties the relatively complicated procedures of Arbitration whenever they themselves, freely and explicitly, opt for any of them. Conciliation and/or Technical Expertise could be an alternative to arbitration, or just a prior phase to it. The parties continue to have the right to submit their disputes to Arbitration in case Conciliation and/or Technical Expertise fail to settle them. Thus, beginning from 1989, the Cairo Centre provides for the parties to international commercial or investment disputes of our Region, have three alternative means for the settlement of their disputes under its rules.

The Institute of Investment and Arbitration

The Cairo Centre took a great step forward, by the establishment, in July 1989, the Cairo Centre's "INSTITUTE of INVESTMENT and ARBITRATION". It is an autonomous institution under the Centre's auspices, to be in charge of the organization of international seminars and conferences, training programs, academic and applied researches.

The "Institute of Investment and Arbitration" will be in charge as well of the different publications of the Cairo Centre, and the propagation of arbitration in the Region. It will provide all assistance for the promotion of developing economic plans for the countries of the Region, on their request. A note on the Institute is herewith enclosed, (Annex VI).

Training Programs organized by the Cairo Centre

As mentioned in the last report the first training program was organized by the Centre in November 1988. The collaboration between the Cairo Centre and the Jeddah Chamber of Commerce and Industry proved to be very fruitful. Together they organized, in Jeddah, from the 6th to the 18th of November 1989, the Second Arbitration Training Program. This Program was the first of its kind in the Arab peninsula. Thirty eight lawyers, university professors, legal and technical consultants from the Gulf Countries, participated and graduated.

The Cairo Centre, in collaboration with the German/Arab Chamber of Commerce organized, at the Centre's premises in Cairo, its Third Training Program for Arbitrators, "Training Workshop on International Commercial Arbitration", from the 6th to the 12th December 1989. Forty seven lawyers, Legal and technical consultants and university professors participated and graduated. They represented several countries of our Region.

The Fourth Training Program for Asian and African Arbitrators was organized by the Cairo Centre, in cooperation with the American Arbitration Association (AAA), the London Court of International Arbitration (LCIA) and the German Maritime Association (GMA) at the premises of the Cairo Centre, from the 19th to the 28th February, 1990. It covered three main topics: Role of Advocates in International Commercial Arbitrations, Role of Arbitrators and Maritime Arbitration. It was conducted in English with simultaneous interpretation English/Arabic/English. Highly reputed Professors, International Arbitrators and experts from our Region, United States, United Kingdom, Western Germany and representatives of the AAA, LCIA, ICC, and GMA participated in the program, including its lectures and practical exercises. Sixty two of Asian and African international arbitrators, university professors, lawyers, businessmen, and high governmental official from eight from Asian and African Countries enrolled and graduated.

The training programs were conducted in small groups through practical exercises and discussions with emphasis on cases study, simulation and drafting.

The success of the four training programs, organized up till now by the Cairo Centre, encouraged other international institutions to approach the Cairo Centre for the organization of future similar programs to be held in Cairo or in other Afro-Asian cities.

Accordingly, other programs might be organized, some time in 1990/1991, in cooperation with some international institutions such as the Quebec National and International Commercial Arbitration Centre, the Arab-German Chamber of Commerce, and King Fahd University for Petroleum Minerals in Saudi Arabia and others.

By this continued long term educational scheme, the Cairo Centre is undertaking its legitimate responsibility to provide the Afro/Asian Region with highly qualified advocates and arbitrators of its nationals, of an internationally recongnized level.

Cooperation with other Arbitral Institutions

The Cairo Centre signed this year seven new cooperation agreements with other Arbitral Centres and Institutions, bringing the number of cooperation agreements with other arbitral institutions to fourteen.

In conformity with the cooperation agreements in force, the Cairo Centre offered its various kinds of services, to the interested arbitral institutions, upon their request, in order to help them achieve successful adjudications of disputes under their rules.

Other Services Made Available
By the Cairo Centre

The Centre's premises were put available, as venue for meetings for counsels and parties engaged in **ad hoc** arbitrations, upon their request.

The Cairo Centre, within its jurisdiction, made all arbitral facilities and services available to all parties, at all stages of the arbitral process. It also made its assistance and guidance available all through, for the conclusion of international contracts, as well as for contractual conflicts and disputes at a stage prior to arbitration. Moreover, the Cairo Centre provides its assistance for the enforcement of arbitration awards.

On the request of new brother arbitration Centres and Chambers of Commerce in the Afro-Asian Region the Cairo Centre offered all technical and administrative assistance to help in the solid establishment of these institutions and to give them out of its experience in the field of settlement of commercial disputes through arbitration and other peaceful means of dispute settlement. Between these institutions we mention in particular the Lagos arbitration Centre, the PTA Arbitration Centre in Djibouti and El-Bahrain International Arbitration Centre in Manama.

The Cairo Centre has also been approached by highly reputed and specialized institutions renowned Universities, Chambers of Commerce and international businessmen federations, to collaborate with them in the organization of seminars and international conferences which will take place during this current year 1990 as well as during the coming year 1991. Amongst these reputed institutions are; the World Bank; the American Arbitration Association, the Maritime Chamber of Commerce of Morocco, the Quebec National and International Commercial Arbitration Centre and King Fahd University for Petroleum and Minerals in Saudi Arabia.

New Computerized Data Bank

The computerized Data Bank of the Cairo Centre became operational from January 1989, for the storage of information in Arabic, English and French. It is now working for the service of all interested people from within and without the Region who would be in need of this information. It is in the process of covering arbitration; national and international trade laws and regulations; finance; investment; national economic plans; maritime, transportation, insurance and labour laws; national judiciary systems; national money control laws and regulations ,...etc.

Association for Arab and African Arbitrators

Last May 1989, The Cairo Centre launched the initiative, for the establishment of an Association of Arab and African Arbitrators. With the concurrence of the 23 Founder Members the basic law of the association was formulated, having its Headquarters at the premises of the Centre in Cairo. Its official legal registration in Cairo as private association of an international character is still underway. Its membership is open for all registered international arbitrators, nationals of any of the countries of our Region. It will be in charge of the promotion of international arbitration in the Region.

Participation of the Cairo Centre in International Conferences and Meetings

The Cairo Centre has been represented by its Acting Director in many International Conferences and meetings on matters related to arbitration or of special concern for the Centre; such as the Twenty Eighth Session of the AALCC in Nairobi, From 13th to the 18th of February 1989; the Second Arab Regional Conference, organized by the IBA in Bahrain, From the 5th to the 8th of March 1989; the UNCITRAL Twenty Eighth Session in Vienna, from the 16th of May to the 2nd of June 1989; The Ninth International Congress of Maritime Arbitrators, Hamburg from the 8th to the 21st of September 1989, the Seventh Joint Colloquim on International Arbitration, New York on the 6th of

October 1989; the Third Seminar on Arab/European Arbitration in Amman from the 23rd to the 25th of October 1989, and the UNCITRAL Working Group on the International Economic Order from February 5th to February 18th in New York. The Acting Director addressed those international forms, presented essays and papers on different arbitral matters, and projected the experience of the Cairo Centre and its activities.

Exchanged visits with Arbitral Institutions

The Cairo Centre has also exchanged visits with some regional and international arbitral institutions to discuss cooperation projects and to arrange for joint programs and seminars. The most important of which are; the London Court of Arbitration; the ICC, and the ICC Institute of International Business Law in Paris; the American Arbitration Association in New York; the Jeddah Chamber of Commerce and Industry and the International Centre for Settlement of Investment Disputes in Washington.

New Publications Of The Cairo Centre

During 1989, the Cairo Centre issued two new publications in Arabic on the Cairo Centre and its "Institute of Investment and Arbitration".

It is engaged at this time in the updating of its international two lists of Arbitrators and Experts, the publication of the basic rules of Conciliation and Technical Expertise and the reviewal of the English version of the booklet of the Centre.

The Visit Of The Secretary-General
Of The AALCC To The Cairo Centre

Mr. Frank Njenga, Secretary-General of the AALCC, made an official visit to the Cairo Centre from 22 to 26 July 1979. During this important visit Mr. Njenga inspected the Centre's new Departments and different Sections. He reviewed the Centre's activities, achievements and equipments. He discussed with the Acting Director of the Centre the different fields of cooperation between the Centre and the Secretariat of the AALCC. He was briefed in detail, on the expansion plans of the Centre and its future program of action. On the occasion of that visit Mr. Njenga signed on behalf of the AALCC with the Egyptian Minister of Justice on behalf of the Government of the Arab Republic of Egypt, the Agreement of 23rd July, 1989 regarding the lasting financial arrangements of the Cairo Centre. Mr. Njenga accepted very kindly in his personal capacity as well as Secretary-General of the AALCC the full membership of the Board of Directors of the Centre's "Institute of Investment and Arbitration".

The Financial Matters

The Agreement of 1986, between the Government of the Arab Republic of Egypt and the AALCC, not only provided for the Centre's independent budget, but also stipulated that its annual expenditure would be met by the following sources:

- 1- A yearly contribution to be provided by the Government of Egypt;
- 2- Fees and receipts for services to be rendered by the Centre;
- 3- Contribution from the AALCC's main budget to be fixed by the Committee, in each year;
- 4- Voluntary contributions by International Organizations, other Institutions and Member Countries of the AALCC.

In implementation of the Resolution taken by the Twenty Eighth Session of the AALCC on the 18th of February 1989, in Nairobi, a lasting agreement on the Financial Arrangements was signed in Cairo, on the 24th of July 1989 by The Minister of Justice on behalf of the Government of the Arab Republic of Egypt and the Secretary-General on behalf of the AALCC. In conformity with the stipulations of that Agreement, and till such time

as the Centre shall become financially self-sufficient, the financial arrangement shall continue to be on the same pattern as envisaged in paragraph 3(B) of the 1986 Agreement. The Agreement stipulated as well that the Cairo Centre shall continue to enjoy full independence vis a vis Governments and to function under the auspices of the Committee only, and that the Committee shall be the sole institution to which the Centre shall report on all matter, including technical, administrative and financial, in accordance with the Resolution of the 28th Session of the AALCC in Nairobi. As indicated above, a copy of the Agreement is herewith enclosed (Annex II).

The Budget of The Cairo Centre for 1989/1990

The budget, for this fiscal year July 1989 - June 1990 was prepared by the Centre on time and sent to the Secretariat of the AALCC in New Delhi in early August 1989.

The budget of the Centre for the fiscal year, July 1989 - June 1990, was prepared along the same broad lines of previous budgets and in particular that of the past year. Nevertheless, some slight differences are justified by the necessity to provide for two new departments: the Computerized Data Bank, and the Institute for Investment and Arbitration respectively.

The main consideration remained the maintenance of the delicate balance between the necessity to cut expenses, to the lowest possible level and to provide the Centre, in the meantime, with adequate means to function properly as well as to expand progressively.

Despite the continued rise of prices, many items of expenditure have been kept at last years rate, in an effort of restrain and rationalization, including the whole section of capital expenditure and the entire provision for salaries.

Only two sub-items of expenditure for electricity, water, telex and telephone, have been slightly raised above the level of last year, in order to have a more realistic allocation, taking into consideration the increasing costs.

Two completely new items of expenditure have been introduced. They did not appear on the budgets of previous years. They represented the continued efforts of expansion and self-sufficiency of the Centre. They correspond to two new Departments; the Institute for Investment and Arbitration and the Computerized Data Bank. Nevertheless, some of their provisions have been reallocated from other older items of expenditure, presented on the previous year's budget.

The Cairo Centre has also reconsidered its fees and charges and worked out a new table to replace the old one from July 1st, 1989 a copy of the new table of fees is herewith enclosed, (Annex VII). The main objectives of the reconsideration were: providing new non-traditional services, simplification and reationalization, improving quality, keeping the fees and charges below those applied by other Centres and international arbitral institutions corresponding to the growing faith in the Centre and responding to the special charactrestics of the commercial and investment market of the Region.

The need to consolidate the finance of the Cairo Centre

The voluntary contributions by International organizations and member countries of the AALCC made one of the four main sources of revenues for the Cairo Centre as stipulated in the 1986 Agreement between the Government of the Arab Republic of Egypt and the AALCC. This stipulation was reconfirmed in 1989 Agreement between the two parties. Nevertheless, no contributions of the kind have been received except from the government of the Arab Republic of Egypt, who continued, since the inception of the Cairo Centre in 1979, to bear almost alone the entirity of the Centre's expenditure.

The Government of the Arab Republic of Egypt pays about U.S.Dollars 100,000,00 annually, just to provide the Centre with premises on rent. The Secretary-General of the AALCC as well as the Cairo Centre expressed their gratefulness to the Government of the Arab Republic of Egypt for her generous financial assistance, but this situation could not and should not continue. It would be highly appreciated if the other member countries of the AALCC, and in particular the countries of the Region served by the Centre in West Asia and Africa could share this financial burden with the Government of the Arab Republic of Egypt.

The countries of West Asia and Africa might consider some kind of annual contribution to the budget of the Centre. The other countries members of the AALCC might consider making voluntary contributions to a special fund channelled for the Centre especially for the purchase of appropriate premises for the Centre, fitting to its present needs and future plan of expansion.

The Committee at its 29th session in Beijing might consider to call on the Member Countries of the AALCC to that effect.

(ANNEX I)

HEAD QUARTER'S AGREEMENT
FOR
THE CAIRO REGIONAL CENTRE FOR
INTERNATIONAL COMMERCIAL ARBITRATION

The Government of the Arab Republic of Egypt, and the Asian African Legal Consultative Committee;

Taking note of the decision of the Asian African Legal Consultative Committee (AALCC) in its 19th Session held at Doha Qatar in January 1978 to establish the Cairo Regional Centre for International Commercial Arbitration, and desiring to define the Status, privileges, and immunities of the Centre in the light of its international status;

Have agreed as follows:

ARTICLE I
USE OF TERMS

For the purpose of this agreement:

- (1) "Committee" means the Asian African Legal Consultative Committee.
- (2) "Centre" means Cairo Regional Centre for International Commercial Arbitration.
- (3) "Director" means Director of the Cairo Regional Centre for International Commercial Arbitration.

ARTICLE II
SITE OF THE CENTRE

The permanent site of the Centre will be in Cairo.

ARTICLE III
JURIDICAL PERSONALITY

The Centre shall possess juridical personality and shall have the capacity to contract and dispose of immovable, and movable property, and to institute legal proceedings in its name, in accordance with the relevant rules of the Egyptian Law.

ARTICLE IV
PROPERTY FUNDS AND ASSETS

- (A) The Centre, its property and assets in the territory of the Arab Republic of Egypt, shall enjoy immunity from every legal process.

The Committee may waive this immunity in any particular case. However, no waiver of immunity shall extend to any measure of execution.

- (B) The premises of the Centre, its property and assets as also its archives in the territory of the Arab Republic of Egypt, and all documents belonging to it shall be inviolable, and be immune from search requisition, confiscation, expropriation, or any other form of interference whether by executive, administrative, judicial or legislative action.

- (C) Without being restricted by financial regulations or moratoria of any kind.

(1) The Centre may hold funds or currencies of any kind,

(2) The Centre shall be free to transfer its funds or currencies from the Arab Republic of Egypt.

In accordance with the relevant rules of Egyptian Law.

(D) The Centre, its assets, income, and other property whether owned or occupied shall be:

- (1) exempt from all direct taxes. It is understood, however, that the Centre shall not claim exemption from taxes, charges or duties which are, in fact, no more than charges for public utility services.
- (2) exempt from customs duties and prohibitions and restrictions on imports in respect of equipment imported by the Centre for its official use.

Equipment imported under such exemption shall not be sold, except after the expiry of a period of five years, and with the approval of the Government of Egypt and in conformity with the laws and regulation prevailing in the country.

- (3) exempt from custom duties and prohibitions and restrictions on import and export in respect of publications necessary for the Centre's official activities.

ARTICLE V FLAG AND EMBLEM

The Centre shall be entitled to display the flag and emblem of the Committee on its premises.

ARTICLE VI COMMUNICATIONS

The Centre shall enjoy freedom of communication for its official correspondance and no censorship shall be applied to the official correspondance of the Centre certified as such and bearing the official seal of the Centre. However, appropriate security measures could be taken in coordination with the Centre.

ARTICLE VII
MEETINGS

The Government of the Arab Republic of Egypt shall provide required facilities for holding meetings and consultations of the Centre in Cairo.

ARTICLE VIII
PRIVILEGES AND IMMUNITIES OF STAFF

- (1) The Centre staff shall be broadly categorised as:
 - A- Officers in International Category:
 - (I) Director
 - (II) Deputy Director
 - (III) Counsels
 - B- Staff other than in the International Category:
 - (I) Professional Staff
 - (II) General Services Staff
 - (III) Subordinate Staff
- (2) The Director will be accorded in respect of himself, his spouse, and minor children all privileges and immunities, exemptions and facilities accorded to diplomatic envoys, in accordance with International Law.
- (3) Officers in International Category and Professional Staff shall:
 - a- be immune from legal process in respect of words spoken or written, and all acts performed by them in their official capacity.

- b- be exempt from taxation on the salaries and emoluments paid to them by the Centre.
 - c- be immune, together with their spouses, and relatives dependent on them, from immigration restrictions and alien registration.
 - d- be accorded the same privileges in respect of exchange facilities as are accorded to the officials of comparable ranks forming part of diplomatic missions accredited to the Government of Egypt.
 - e- be given, together with their spouses, and relatives dependent on them, the same repatriation facilities in time of international crisis.
 - f- have the right of provisional exemption within the period of one year for their used furniture and personal effects imported at the time of first taking up their post in Cairo, for a period not less than one year in accordance with the relevant rules of Egyptian Law.
- (4) Deputy Directors, Counsels and Professional Staff, Nationals of Egypt, or permanently resident in Egypt shall be entitled only to privileges and immunities mentioned in paragraphs (3)-a and (3)-b of this Article.
- (5) General Services Category, and Subordinate Staff shall only be exempt from taxation on salaries and emoluments paid to them by the Centre.

- (6) There shall be no immunity from criminal law for nationals of Egypt other than that mentioned in paragraph (3)-a of this Article.

ARTICLE IX
PURPOSE OF PRIVILEGES AND IMMUNITIES

Privileges and immunities accorded under this agreement are not granted for the benefit of individuals, but to ensure the efficient performance of the functions of the Centre.

ARTILCE X
WAIVER OF IMMUNITY

The Committee has the right and duty to waive immunity in any case where the immunity would impede the course of justice, and can be waived without prejudice to the purpose for which the immunity is accorded.

ARTICLE XI
IDENTITY CARDS

The Government of the Arab Republic of Egypt shall provide the Staff of the Centre with special Identity Cards certifying the fact that they are officers enjoying the privileges and immunities specified in this agreement.

ARTICLE XII
INTERPRETATION

This agreement shall be interpreted in the right of its primary objective of enabling the Centre to fully and efficiently discharge its duties and fulfil its purposes and functions.

ARTICLE XIII
SUPPLEMENTARY AGREEMENTS

The Government of the Arab Republic of Egypt and the Committee may enter into such supplementary agreement(s) as may be necessary to fulfil the purposes of the agreement.

ARTICLE XIV
ENTRY INTO FORCE

This agreement shall into force upon the completion of the legal procedures applicable in the Arab Republic of Egypt.

This Agreement is prepared in two originals of Arabic and English Languages, all two texts being equally authentic. In case of different interpretation, the English version shall be applied.

In Witness Whereof the Respective
Representatives have signed the Agreement

For The Government of
The Arab Republic of Egypt

For The Asian African Legal
Consultative Committee

Cairo May 24th, 1987

(ANNEX II)

AGREEMENT BETWEEN THE GOVERNMENT OF THE
ARAB REPUBLIC OF EGYPT AND THE
ASIAN-AFRICAN LEGAL CONSULTATIVE COMMITTEE

WHEREAS a Regional Centre for International Commercial Arbitration under the auspices of the Asian-African Legal Consultative Committee (hereinafter referred to as the 'the Committee') in cooperation with and with the assistance of the Arab Republic of Egypt (hereinafter referred to as the 'Host Country') was established in Cairo for an initial period of three years by virtue of an agreement concluded in Cairo on January 28, 1979 between the Host Country and the Committee;

WHEREAS at the expiry of the initial period of three years, another agreement was concluded between the Host Country and the Committee in Cairo on November 15, 1983, alongwith a Memorandum on Financial Arrangements for the continued operation of the Centre for a further period of three years;

WHEREAS at the expiry of the said period of three years, another agreement was concluded between the Host Country and the Committee through an exchange of letters dated March 30, 1986 and June 3, 1986 providing for the continued operation of the Centre for a further period of three years under revised financial arrangements;

WHEREAS a Headquarter's Agreement was concluded in Cairo on May 24, 1987 between the Host Country and the Committee, conferring on the Centre full diplomatic privileges and immunities, thereby making the Centre an independent non-Governmental arbitral institution of an international character based in Cairo;

WHEREAS following consultations between the Host Country and the Committee, it has been deemed desirable to place the Centre on a permanent footing for providing countries in West Asia and Africa with an efficient, expeditious and inexpensive system for settlement of commercial and economic disputes under the UNCITRAL rules, in view of the steady progress made by the Centre.

AWARE of the need to ensure the Cairo Centre's continued functioning on firm financial footing, until it can become fully self-sufficient financially;

IT IS HEREBY AGREED AS FOLLOWS:

1. The Centre shall continue to enjoy full independence vis a vis Governments and to function under the auspices of the Committee only. The Committee shall be the sole institution to which the Centre shall report on all matters, including technical, administrative and financial in accordance with Resolution of the 18 February 1989 adopted by the 28th Session of the AALCC at Nairobi.

2. Till such time as the Centre shall become financially self-sufficient, the financial arrangements shall continue to be on the same

pattern as envisaged in paragraph 3 (B) of the 1986 Agreement between the Host Country and the Committee.

3. This Agreement shall remain in force for a period of five years and thereafter shall be automatically renewed for similar successive periods of five years, unless either party gives the other, in writing, prior notice of its desire to revise or amend it, at least one full year prior to the end of the period. This Agreement would however continue to be in force until it is replaced by the revised text.

4. This Agreement shall enter into force provisionally upon signature and definitively upon completing the constitutional procedures in the Host Country.

Done at Cairo on Monday July 24, 1989 in two originals in Arabic and English languages. Both texts shall be equally authentic but in case of discrepancy the English text shall prevail.

For

For

The Government of the
Arab Republic of Egypt

The Asian-African Legal
Consultative Committee

Farouk Seif El-Nasr

Mr. FAROUK Seif El-Nasr
Minister of Justice

Frank X. Njenga
Secretary General

BOARD OF GOVERNERS
Regional Centre for International
Commercial Arbitration, Cairo

Art I: The Regional Centre for International Commercial Arbitration, Cairo, hereinafter referred to as "The Centre", shall have a board of Governors, hereinafter referred to as "The Board", composed of a minimum of 10 and a maximum of 24 highly distinguished Asian and African personalities, involved in the fields of business, law, commerce, investment and/or international relations. The Board can include a maximum of 20% of its members from Regions others than Asia and Africa on condition they be closely interested in international arbitration or have investment activities in the Afro-Asian Region. not more than three members of the Board should be of one nationality.

Art II: The term of membership of the Board shall be four years. The person so appointed shall be eligible for re-appointment, for successive similar terms.

Art III: The Board, once instituted, shall elect at its first meeting, its Chairman, and two Vice-Chairmen. One Vice -Chairman shall be from Africa, the other from Asia. The term of office of the Chairman and two Vice-Chairmen shall be of a four year duration. The persons so elected shall be eligible for re-election for successive similar terms. The election of the Chairman and Vice-Chairmen shall be conducted by secret ballot. The candidate who receives the largest number of votes shall be elected. The Chairman of the Board shall hold the office until the election of his successor.

Art IV: The Board shall carry out its functions through at least two Sessions per year. It shall also be called into Session by the Chairman or the Director of the Centre or on the request of at least three of the members of the Board.

The quorum for any meeting shall be the majority of the members of the Board.

The Session shall not be adjourned unless the discussion of all the items on its agenda has been concluded.

Art V: The decisions and recommendations of the Board shall be adopted by simple majority of the members present and voting. Voting may be made by proxy to another member of the Board. Decisions and recommendations may also be delivered by circulation whenever necessary.

Art VI: The Director of the Centre shall participate in the meetings of the Board and have all the privileges of the membership, including the right to vote. The Secretary-General of the Centre may be invited by the Board, to participate in the meetings of the Board, without the right to vote.

Art VII: The Chairman shall preside over the meetings of the Board. If the Chairman is unable to do so, for any reason, the Vice-Chairman, of the same Region as the Chairman, shall take over. If this also proves impossible, the Chairmanship shall then go to the other Vice-Chairman. In case of absence of the Chairman and the two Vice-Chairmen the Director of the Centre shall be the Chairman.

Art VIII: The Board approves the policy of the Centre, its program of activity, and will perform in particular the following functions:

- A) approve the annual plan of activities, follow its progress and approve its final report.

- B) adopt the rules and procedures of arbitration, conciliation, and technical expertise of the Centre, and undertake all necessary amendments thereof.

- C) adopt the International Panels of Arbitrators and Technical Experts of the Centre, as well as the Panel of Conciliators and undertake all necessary amendments thereof by deletion or addition.

- D) adopt the rules for the appointment of arbitrators, conciliators and experts for the settlement of disputes administered by the Centre, especially when the Centre is the Appointing Authority.

- E) approve the draft annual budget of the Centre, at least three months before the commencement of the fiscal year and adopts the financial final report within three months of the end of the fiscal year.

The Board may delegate the Director of the Centre to perform any of its functions and may empower him to take the necessary decisions thereof. The Board shall examine the Director's reports on the

implementation of these delegated tasks, adopt them and shall take any necessary decisions or recommendations thereof.

Art IX: The Director of the Centre shall prepare the provisional agenda for each Session of the Board. It will include all the items which the Centre's Director or the Chairman would like to introduce for consideration. The provisional agenda, upon its approval by the Board at the first meeting of the Session shall be the adopted agenda of the Session.

Art X: A verbatim record of the deliberations and discussions of the Board will be maintained, unless the Board decides otherwise. A summary record of what was discussed including different opinions, decision and recommendations will be prepared. The summary record shall be signed by the Chairman of the Board as well as by the Director of the Centre.

Art XI: The Board, by two thirds majority may offer the honorary chairmanship or membership of the Board to any Asian or African renowned personality in recognition of his or her valuable contribution to the promotion of international commercial arbitration, the consolidation of national development plans of the countries of

the Region, or the support to the Centre.

Art XII: The Board may establish ad hoc committees of a limited members of the Board and entrust them with special tasks to perform between the sessions. The Board shall examine the reports of these committees, adopt them and take any necessary decisions or recommendations thereof. These committees will adopt their own working rules and regulations.

(Annex IV)

RULES FOR CONCILIATION OF THE
REGIONAL CENTRE FOR INTERNATIONAL
COMMERCIAL ARBITRATION
CAIRO

Rule (1)

Where the parties to a contract have agreed in writing that the parties wish to seek an amicable settlement of disputes arising out of or relating to this contract by conciliation in accordance with the Rules of Conciliation of the Regional Centre for International Commercial Arbitration-Cairo, then such conciliation shall take place in accordance with the UNCITRAL Conciliation Rules subject to the modifications set forth in the present rules.

The rules applicable to the conciliation shall be those in force at the time of the commencement of the conciliation unless the parties have agreed otherwise.

Rule (2)

The party initiating conciliation shall apply to the Centre briefly identifying the subject of the dispute and accompanying it with the agreement entered into between the parties for conciliation, and a registration fee of one hundred and fifty US Dollars.

The Centre shall communicate a copy of the conciliation application as soon as possible, to the other party or parties.

Conciliation proceedings shall commence when the other party accepts the invitation to conciliate in writing.

If the other party rejects the conciliation application or if the Centre does not receive a reply within 15 days from the date on which the other party receives the conciliation application or within such other period of time as specified in the conciliation application, the Centre shall inform the party initiating conciliation by such result.

Rules (3)

The Director of the Centre shall assist in the appointment of conciliators if the parties fail to reach an agreement on the name or names of the Conciliator(s).

Where pursuant to these rules and to article 4(2) of the UNCITRAL Conciliation Rules and these rules, the Centre is to recommend or appoint conciliators, the names of the recommended or appointed conciliators shall be drawn from the Panel of Conciliators maintained by the Centre for that propose.

Rule (4)

The Director of the Centre shall provide or arrange for providing administrative assistance or facilities in order to facilitate the conduct of the conciliation proceedings if requested to do so by the parties or the conciliators when given the consent of the parties.

Rule (5)

The parties shall furnish to the director of the Centre copies of all written statements to be submitted to the Conciliator(s) and to be sent to the other parties.

The Centre shall communicate all written submissions to the other parties and to the conciliator(s).

Unless agreed otherwise, the conciliator(s) at the termination of the conciliation proceedings shall furnish to the director of the Centre the settlement agreement signed by the parties, or a report of the reasons for termination of the conciliation proceedings without reaching a settlement.

Rule (6)

In lieu of the provisions of Article (18) of the UNCITRAL Conciliation Rules, the following provisions shall apply:

- a. The Director of the Centre shall prepare an estimate of the costs of conciliation and may request each party to deposit an equal amount as an advance for those costs.
- b. During the course of the conciliation proceedings the Director of the Centre may request supplementary deposits from the parties.
- c. If the required deposits are not paid in full within thirty days after the receipt of the request, the Director of the Centre shall so inform the parties in order that one or another of them may make the required payment. If such payment is not made the conciliator(s), after consultation with the Director of the Centre, may order the suspension or termination of the arbitral proceedings.
- d. The Director of the Centre may apply deposits towards disbursements for the costs of conciliation.

- e. Upon termination of the conciliation, the Director of the Centre shall render an accounting to the parties of the deposits received and return any unexpended balance to the parties.

Rule (7)

- a. For the purpose of these Rules, the term "costs" as specified in Article (17) of the **UNCITRAL** Conciliation Rules shall also include the expenses reasonably incurred by the Centre in connection with the conciliation as well as its administrative charges.
- b. The facilities made available by the Centre itself may be charged for on the basis of comparable costs.
- c. The administrative charges of the Centre shall be fixed by the Director of the Centre at one quarter of the amount fixed as administrative charges for arbitration with a minimum of three hundred U.S. Dollars.

d. The conciliator's fees shall be fixed at the same amount calculated according to the Centre's Rules determining the arbitrator's fees.

e. In some cases due to its complexity, nature of dispute, dispute, length of hearings the Director of the Centre may undertake consultations with the parties before giving advice to the conciliator concerning fees and expenses of conciliation.

The Director of the Centre, in consultation with the conciliator and the parties, shall settle the basis of assesment of fees and expenses.

(Annex V)

RULES FOR TECHNICAL EXPERTISE OF
THE REGIONAL CENTRE FOR INTERNATIONAL
COMMERCIAL ARBITRATION-CAIRO

Introduction

Besides arbitration and conciliation as means of settlement of commercial and investment disputes, the Cairo Regional Centre for International Commercial Arbitration has established a new set of rules for the settlement of disputes by technical expertise. In this regard the rules for technical expertise were laid down so as to provide for a mechanism of settling disputes that depend mostly on determining technical issues which may not be determined except by technical experts. Submitting those disputes to technical expertise may therefore be an initial step towards the settlement of this kind of disputes to spare the parties resorting to other more complicated means of settlement such as litigation or even arbitration or conciliation. Technical expertise may also serve the parties in assessing their positions before deciding to submit their disputes to litigation or arbitration and also serve arbitrators by allowing them to concentrate on deciding legal issues only without having to look into other technical issues.

Rules for Technical Expertise

Art (1)

Where the parties have agreed to submit their dispute to the rules of technical expertise of the Regional Centre for International Commercial Arbitration-Cairo, "the Centre" they may appoint or ask the Director of the Centre to appoint one or more expert to render his technical opinion in the dispute.

Art (2)

The request submitted to the Director shall include:-

- a. The names and addresses of the parties.
- b. The subject and nature of the technical dispute and the expertise requested.
- c. The agreement to resort to technical expertise for the settlement of the dispute according to the Centre's rules.
- d. The proposed number and names of technical experts to be appointed or the number of experts and their names if previously agreed upon.
- e. Name or names of proposed experts in case there were no preagreement to that effect.

Art (3)

The Centre shall notify the party or parties with the request of submitting the dispute to technical expertise and receives any remarks thereof.

Art (4)

In case that the parties agree to submit the dispute to technical expertise before the Centre according to its rules and fail to appoint the expert, the Centre shall appoint one expert or more to render the technical opinion in the dispute.

The Director of the Centre or whoever substitutes for him shall appoint the expert(s) in this case from the international list of experts maintained by the Centre for that purpose, taking into consideration that in international cases the expert chosen must be a national of a country other than the countries of both parties.

In all cases the expert appointed should not have any connection or relation by the parties or with the dispute that may affect his opinion in the dispute or raise any doubts thereof.

Art (5)

One sole expert is to be appointed unless the parties choose otherwise, or wherever the circumstances of the case require more than one.

In case of multi-experts, the number of experts shall be of an odd number. In this case the report shall be rendered by majority of votes, providing that the minorities may attach their dissenting opinions.

Art (6)

The Director of the Centre shall decide after consulting with the parties the replacement of an expert in the case of death or if prevented for any reason from carrying out his functions. The replacing expert(s) shall be appointed according to the same rules of appointing the replaced expert. The Director may also replace the expert(s) on the grounds or reasonable objections made by the parties concerning appointed expert or if he finds out after having considered the expert(s) observations, that the expert is not fulfilling his functions in accordance with these rules or within the prescribed time limits.

Art (7)

The parties should provide the expert with all facilities to implement his terms of reference and in particular, to make available to him all documents he may consider necessary, and also to grant him free access to any place where the contract is being carried out. The information given to the expert will be used only for the purpose of the expertise and shall remain confidential.

Art (8)

The expert is empowered to make his findings in a written signed report, within the limits set by the request for his appointment, after giving the parties an opportunity of submitting the necessary arguments supported by the documents. The expert must also include in his report all his findings concerning the implementation of the contract and the necessary measures to safeguard its subject matter.

The expert must also include in his report what the parties might have agreed upon concerning the settlement of dispute and attach to his report the settlement agreed upon.

The expert(s) must sign the report. Where there are more than one expert and one or more fails to sign, the report shall state the reasons for the absence of the signature(s). The original copy of the report shall be delivered to the director, who provides each party with a copy.

Art (9)

The findings of the experts report, shall not be binding upon the parties unless otherwise they have agreed upon.

Art (10)

The Director of the Centre shall fix the amount of the administrative charges and the deposits to be paid in advance for the expertise taking into consideration the nature of expertise and the number of working hours.

The party or parties requesting the appointment of the expert(s) shall deposit to the Centre these amounts in advance.

The total amount of the administrative and expert costs shall be determined by the Director of the Centre when the expertise mission has been concluded.

(ANNEX VI)

INSTITUTE OF INVESTMENT AND ARBITRATION

Under the auspices of
the Cairo Regional Centre for
International Commercial
Arbitration

CONTENTS

- I- INTROCUTION
- II- GOALS AND OBJECTIVES
- III- BOARD OF DIRECTORS
- IV- TRAINING PROGRAMS
- V- FINANCIAL REGULATIONS

I- INTRODUCTION

The Institution of Investment and Arbitration is one of foundations of the Cairo Regional Centre for International Commercial Arbitration. The Institute is an autonomous unity having financial and administrative independence under the auspices of the Cairo Regional Centre for International Commercial Arbitration.

The Institute was established on the first of July 1989, having primary responsibility in conducting Seminars, Training Programs, International Conferences, and preparing researches related to Investment and International Commercial Arbitration.

The Institute is administered by its Board of Directors and its Director. The Institute's Board of Directors is responsible for laying down its annual plan and observing its implementation.

II- GOALS AND OBJECTIVES OF THE INSTITUTE

The Institute was established to persue the following objectives:

1- The organization of high standard training programs for lawyers, legal practitioners, businessmen, government officials and other public and private sector entities in all branches of international business law in the Afro-Asian Region including international contracts, drafting of contracts, financial and economic aspects of investments and international commercial arbitration, in particular, the arbitral procedures, the practical problems that arise in its course, enforcement of arbitral awards under the different international rules and especially UNCITRAL arbitration rules.

2- The organization of seminars and conferences for the dissemination of arbitration and other means for the settlement of international commercial and investment disputes.

3- Encouraging and sponsoring research and study in the fields of investment and arbitration by publishing and circulating researches and studies between the specialists and who are interested in these fields.

4- Publishing the Centre's Journal, circulars and publications.

III BOARD OF DIRECTORS

The Institute is administered by:

- The Board of Directors.
- The Director.

The Board of Directors is composed of a number of eminent jurists and economists especially from the Afro-Asian Region who have extensive experience in the fields of arbitration and investment. It is responsible for formulating the policies of the Institute and laying down the Institute's annual plan and observing its implementation.

The Board shall also be responsible for laying down the statutes and by-laws necessary for the functioning of the Institute and determining the fields in which it shall direct its funds as well as approving the annual budget, the final balance of the Institute and the annual report prepared by the Director of the Institute.

The Board meets twice a year at the invitation of the Chairman of the Board and also whenever the Director sees necessary to convene or if six members of the Board itself find it necessary to hold an exceptional meeting to discuss specific issues.

The Director of the Institute shall be responsible for administering it and carrying out its policy and projected plans laid down by the

Board. He shall also be responsible for carrying out the activities of institute in the light of the policies and annual plan laid down by the Board as well as preparing an annual report on its activities and an estimate of the budget and the final balance.

The Director shall appoint a Secretary-General who will assist him in carrying out his responsibilities, and the Secretarial and Administrative Staff necessary for the functioning of the Institute.

COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

ARTICLE (1)

The Board of Directors of the Institute shall be composed of eminent lawyers, economists, and businessmen selected primarily from the Afro-Asian Region. Chairmanship and membership of the Board are for three renewable years.

ARTICLE (2)

The Board elects its Chairman and lays down the policy of the Institute and its plans of activities, and shall be responsible for approving the annual report, its annual budget and endorsing its final balance.

ARTICLE (3)

The Board of Directors shall hold two meetings at least each year.

The Board shall meet at the invitation of the Chairman of the Board and also on the request of the Director of the Institute or three members of the Board.

The Director of the Institute shall chair the Board in the absence of the Chairman.

ARTICLE (4)

The Board of Directors shall meet at the Institute's premises unless the Director or the Board see appropriate to meet at any other place.

ARTICLE (5)

The quorum necessary for the meetings of the Board of Directors is two thirds of its members. If this quorum is not established the Board shall be invited to another meeting after the lapse of two weeks where the presence of half of the members of the Board shall be considered quorum. If this quorum is also not established the Board shall be convened after the lapse of one week at least, where the quorum shall be three of its members in addition to the Chairman or the Director of the Institute.

ARTICLE (6)

The quorum necessary for voting on the decisions and recommendations of the Board is the majority of the members present. If the votes are even the proposal shall be considered rejected.

Voting may be made by proxy to another member of the Board.

The decisions and recommendations may also be taken by circulation whenever necessary.

IV- TRAINING PROGRAMS

Training Programs are conducted in both English and Arabic, however knowledge of the English Language is an essential requirement.

Programs conducted in the French Language may also be prepared in certain cases.

Specialized Instructors who combine both high academic background and extensive practical training are entrusted with the training programs.

There are different levels of training programs for participants. Consideration in those training programs is directed towards maintaining the effective participation of all participants enrolled in the basic theoretical and practical subjects related to investment and peaceful means of settlement of commercial and investment disputes.

Training programs deal also with the recent developments in international investment and commercial contracts international sales of goods contracts, international construction contracts, and transfer of technology.

Special attention is also devoted to the role of state courts vis-a-vis arbitration on comparative bases.

The programs offered in the Institute also include hypothetical and mock cases in international commercial arbitration that are given to the participants who are divided into groups taking the roles of the parties and arbitrators.

Training programs offer also exercises for drafting of contracts and arbitration clauses.

These exercises include also the preparation of the requests for arbitration by claimants according to the rules of the different international arbitral institutions and the means of determining the disputed issues between the parties as well as preparing practical training on arbitral procedures, drafting of arbitral awards, challenge requests against enforcement of arbitral awards and the means of evading or solving problems that arise at the stage of enforcement of arbitral awards.

V- FINANCIAL REGULATIONS

The Institute's financial resources include:

- 1- Contributions from the Centre's budget.
- 2- Revenues from the Institute's own activities.
- 3- Contribution from the AALCC's budget.
- 4- Grants and donations from national and international institutions, organizations and Governments.

The Director of the Institute shall prepare an estimate of its budget in accordance with the policy and plan approved by the Board of Directors, and shall also prepare the final balance for the Institute.

The draft budget and final balance shall be presented to the Board for approval and endorsement.

COSTS OF ARBITRATION

The costs of arbitrations including the fees of arbitrators and also the expenses reasonably incurred by the Centre in connection with arbitration as well as its administrative charges are borne by the parties according to the following proportions and rules.

I. Registration Fee:

Each party shall pay Two Hundred and Fifty American Dollars (\$250.00) as a registration fee. This amount is to be paid to the Centre at the beginning of the proceedings.

II. Administrative Charges:

The administrative charges are determined in percent of value of subject-matter. The percentages applied to each successive slice of the subjectmatter are to be added together. The amount of deposition is to be paid to the Centre in American Dollars in accordance with the following table:

III. Arbitrators Fees:

The arbitrators fees are determined in percent of value of subject-matter. The percentages applied to each successive slice of the subjectmatter are to be added together. The amount of deposition is to be paid to the Centre in American Dollars in accordance with the following table:

Value of Subject-Matter (in US Dollars)	Percentage	Remarks
Upto 100,000	2%	With the minimum of US \$1,000.00 for the sole arbitrator, or for each of the members of the Arbitral Tribunal, and with the maximum of US \$10,000.00 for the sole arbitrator or for each of the members of the Arbitral Tribunal.
100,001 Upto 500,000	1%	
500,001 Upto 1,000,000	0.80%	
1,000,001 Upto 2,000,000	0.40%	
2,000,001 Upto 5,000,000	0.15%	
More than 5,000,000	0.10%	

Value of Subject-Matter (in US Dollars)	Percentage	Remarks
Upto 100,000	2%	With the minimum of US\$1000.00 and with the maximum of \$15,000.00 for each case.
100,001 Upto 500,000	0.50%	
500,001 Upto 1,000,000	0.40%	
1,000,001 Upto 2,000,000	0.20%	
2,000,001 Upto 5,000,000	0.15%	
More than 5,000,000	0.10%	