

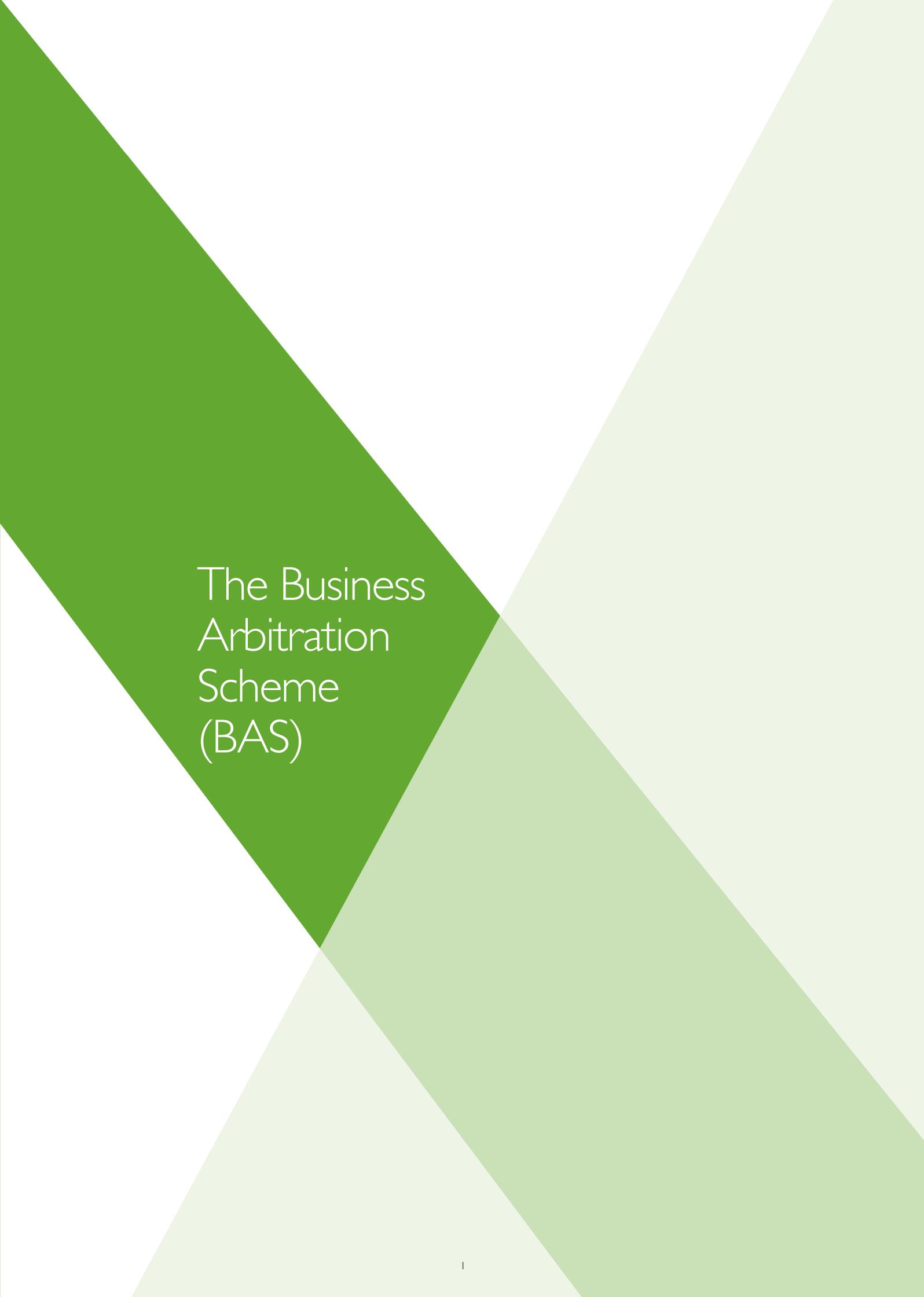


**CI Arb**  
*evolving to resolve*

# The Business Arbitration Scheme (BAS)







The Business  
Arbitration  
Scheme  
(BAS)

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The Chartered Institute of Arbitrators is a learned society that works in the public interest to promote and facilitate the use of Alternative Dispute Resolution (ADR) mechanisms. Founded in 1915 and with a Royal Charter granted in 1979, it is a UK-based membership charity that has gained international presence in 133 countries and has more than 14,000 professionally qualified members around the world.

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Registered Charity: 803725

## What is BAS?

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In the current climate of rising court fees, businesses have been seeking alternative forms of dispute resolution for a quicker and cheaper method of resolving their disputes

The Business Arbitration Scheme (BAS) has been developed by the Chartered Institute of Arbitrators (CI Arb) to provide simple, cost-effective, and timely resolution of disputes of low to medium monetary value (£5,000- £100,000) before a sole arbitrator.

The scheme is operated by CI Arb's Dispute Appointment Service (DAS) and aims to provide parties with a final, legally binding decision on their dispute in less than 90 days from the appointment of the arbitrator, by adopting the simplest procedure tailored to match the dispute in question.

## Key Features of BAS

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- ▲ BAS is aimed at low to medium value disputes, where the amount claimed is from £5,000 to £100,000.
- ▲ A fixed fee of £1,250 + VAT is payable by each party on commencement of the arbitration, to cover DAS's administrative costs and the arbitrator's fees.
- ▲ A sole arbitrator will be appointed by the Chairperson of the Applicant's Local Branch of CI Arb, within 10 days of commencement of the arbitration.
- ▲ The statement(s) of case and witness statements shall not exceed 5,000 words.
- ▲ A successful party may not recover more than the fixed fee paid by them plus a further £1,000 towards their costs of the arbitration.
- ▲ The arbitrator will issue an Award in less than 90 days of their appointment.

## Key Benefits of BAS

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- ▲ Certainty of costs: the fixed fee scheme gives parties ease of mind.
- ▲ Speed: the award is issued in under 3 months.
- ▲ Formal procedural steps are kept to a minimum.
- ▲ Simplicity: the scheme is simple enough to allow most businesses to present their own case without legal representation, and the amount recoverable has been limited to £1,000 to dissuade parties from incurring high legal costs.
- ▲ Confidentiality: the process is private and confidential.
- ▲ An award has the same effect as a court judgment.
- ▲ In a survey by the Institute of UK Fellows and small business owners:
  - ▲ 94% found the scheme to be an attractive proposition for small businesses involved in low to medium value disputes;
  - ▲ 93% found the cost of the scheme appealing;
  - ▲ 98% found the short timetable of benefit;
  - ▲ 96% found the scheme easy to understand.

## The Business Arbitration Scheme Rules

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1. These Rules apply to arbitrations under **The Business Arbitration Scheme (the Scheme)**. The Scheme has been developed to provide simple, cost-effective and timely resolution of disputes by a sole arbitrator, for a fixed fee, provided that any monetary claim is of low to medium value (£5,000 - £100,000).
  2. The object of the Scheme is to provide the parties with a final and legally binding decision on their dispute in less than 90 days from the appointment of the Arbitrator, by adopting the simplest procedure appropriate to the dispute.
  3. An arbitration is commenced when the Dispute Appointment Service (**DAS**) of The Chartered Institute of Arbitrators (**CI Arb**) receives a request for the appointment of an Arbitrator (**the Application**). The Application should contain details of the parties, a brief summary of the dispute and the issues to be determined, and an outline of the relief sought. A copy of the Application form is attached to these Rules. If there is no contractual agreement between the parties to refer disputes to arbitration under the Scheme, the Application should be signed by each party to the dispute.
  4. The Application should be accompanied by the following:
    - (a) copies of relevant contractual documents, including, in the case of a unilateral Application, a copy of the contractual agreement between the parties to refer their dispute to arbitration under the Scheme;
    - (b) a copy of the Applicant's Statement of Claim (subject to paragraph 11 below); and
    - (c) a fee of £1,250 (plus VAT) per Applicant, which is payable by cheque or bank transfer on or before the date of the Application.
- A copy of the Application, and all accompanying documents, should be sent by the Applicant to the Respondent, simultaneously, by courier. DAS retains the right to refuse to register an Application if any of the requirements in paragraphs 3 and 4 are not complied with.
5. Within 7 days of the commencement of the arbitration, the Respondent should send:
    - (a) a fee of £1,250 (plus VAT) per Respondent, payable by cheque or bank transfer; and
    - (b) to DAS and to the Applicant, a Statement of Defence (and Counterclaim, if applicable) (subject to paragraph 11 below).
  6. If a counterclaim is advanced by the Respondent, but the Respondent fails to pay the fee required under paragraph 5, and/or under paragraph 12 (if applicable), the Respondent's counterclaim may be treated by the Arbitrator and by DAS as withdrawn.
  7. Failure by the Respondent to pay any or all of the fee required under paragraph 5, and/or paragraph 12 (if applicable) may result in DAS directing the Applicant to pay the remainder of the fee due. Any payment made by the Applicant on behalf of the Respondent will be treated as a debt which the Applicant is entitled to recover immediately from the defaulting Respondent.
  8. If a counterclaim is advanced, with the Respondent's payment of the fee under paragraph 5, and the value of the Applicant's claim and the Respondent's counterclaim together exceeds £150,000, DAS will refer the dispute for determination under its Controlled-Cost Arbitration Rules.
  9. The Arbitrator will be appointed by the Chairperson of the Applicant's Local Branch of CI Arb from a Branch approved panel within 10 days of commencement of the arbitration, and the Arbitrator's details will then be notified to the parties. In the absence of the Chairperson, the Branch Secretary may make the appointment, or in the event of a conflict of interest, the President of CI Arb may make the appointment, from the Branch approved panel.

10. The Arbitrator will issue a timetable for the arbitration within 7 days of being appointed. All procedural matters are at the discretion of the Arbitrator. Any timetable issued by the Arbitrator should meet the objective of the Scheme, and meet the 89 day deadline prescribed in paragraph 14 for the issue of an award.
11. The statements of case (e.g. the Claim, Defence, and Response) must each be signed and dated by a duly authorised representative of the party concerned. All witness statements must be signed and dated by the witness. Unless otherwise directed by the Arbitrator: (i) each side's statements of case and witness statements shall, collectively, be no more than 5,000 words; and (ii) if a hearing is to take place, the hearing bundle shall not exceed one A4 lever arch file.
12. Each party may be directed by DAS to make an additional payment following the issue of the procedural timetable if either of following applies.
  - (a) **Half-day Hearing or Meeting:** If the parties require a half-day hearing or meeting with the Arbitrator, an additional fee of £500 (plus VAT) per party will be payable. This additional fee does not include the cost of a venue for the hearing or meeting, the Arbitrator's expenses for the hearing or meeting, or any other expenses associated with the hearing or meeting.
  - (b) **Site Visit:** If a half-day site visit is required, in order for the Arbitrator to better appreciate the matters in dispute, an additional fee of £500 (plus VAT) per party will be payable. This additional fee does not include the Arbitrator's expenses, or any other expenses, associated with the site visit.
13. It is for the Arbitrator to decide if one side can recover from the other any costs of the arbitration, which includes the fixed fee and reasonable legal fees. Unless the parties agree otherwise, one side shall not recover more than the fixed fee paid by them plus a further £1,000 towards their costs of the arbitration.
14. Within 89 days of the Arbitrator's appointment, the Arbitrator will issue to the parties a written reasoned award. The award will be signed and dated by the Arbitrator, and will be final and legally binding. The Arbitrator will, simultaneously, send to DAS a copy of his award, together with an invoice of his charges. Upon receipt of that invoice, DAS will release to the Arbitrator his fee.
15. If the parties settle their dispute after commencing the arbitration, they must inform DAS and the Arbitrator, if appointed, immediately. In the event of settlement after the Arbitrator has been appointed, DAS will release to the Arbitrator his fee, upon receipt of the Arbitrator's invoice.
16. The Arbitration Act 1996 (**The Act**) or any amendments to the Act, or alternative substitute legislation, shall apply to the arbitration, and the Arbitrator shall have all the powers available to an Arbitrator under that Act.
17. All communications will be in writing and any correspondence which a party sends to the Arbitrator, or the Arbitrator sends to a party, must be copied to the other party at the same time.
18. Neither CI Arb nor any of its officers, agents, or employees will be liable for anything done or omitted to be done in the appointment or nomination of an Arbitrator under the Scheme or in respect of the administration of the Scheme, unless the act or omission was shown to be in bad faith. Neither CI Arb nor its officers, agents, or employees shall be liable for anything done or omitted to be done by an Arbitrator nominated or appointed by CI Arb under the Scheme (or its employees or agents) in the discharge or purported discharge of his functions as an Arbitrator.

A professional photograph of a man in a dark suit, white shirt, and blue and white striped tie. He is wearing glasses and has a short beard. He is looking down at a document held in his hands. In the background, a woman is partially visible, looking towards the same document. The image is overlaid with a large green diagonal shape on the left side.

The Business  
Arbitration Scheme  
Appointment Form



# The Business Arbitration Scheme Appointment Form



**CI Arb**  
evolving to resolve

## In the matter of a dispute between the following:

Claimant/First Party\*

Address

Telephone  Fax

Email

Represented by\*

Address

Telephone  Fax

Email

## And

Respondent/Second Party\*

Address

Telephone  Fax

Email

Represented by\*

Address

Telephone  Fax

Email

\*Delete as applicable or add, if necessary, names of other parties or representatives

## Brief details of the dispute:

Please provide a brief summary of the dispute, the issues to be determined, and the relief sought

Amount in dispute (if appropriate)

## Preference for the Arbitrator's Background and Skills

### Party One:

Knowledge/Profession
Professional specialist expertise (if any)
Experience required as arbitrators (if any)

### Party Two:

Knowledge/Profession
Professional specialist expertise (if any)
Experience required as arbitrators (if any)

Your application is accepted on the basis that the information you provide is both accurate and complete. The liability of CI Arb and the appointed arbitrator in relation to the appointment may be restricted or withdrawn if the information provided is inaccurate or incomplete.

Please complete either part A or B below.

### Part A - Unilateral application for the appointment of an arbitrator

1. An agreement between the parties dated [ ] | [ ] | [ ] allows for or includes the provision that in the event of a dispute, the dispute shall be determined under the rules of 'The Business Arbitration Scheme' of the Chartered Institute of Arbitrators.
2. A copy of the agreement is attached and clearly marked.
3. Any condition precedent to the right of either party to make a unilateral application for the appointment of an arbitrator has been satisfied and particulars of this, if any, are attached.
4. A copy of this application and all accompanying documents is being or has been sent by the Applicant to the Respondent by courier.

It is further agreed as a condition of such an appointment to:

5. Pay the fixed fees due under the Scheme, whether or not the arbitration reaches a hearing or any award is made;
6. Make such payment(s) within the timeframe prescribed under the Scheme, or any longer timeframe permitted by the arbitrator or the Chartered Institute of Arbitrators; and
7. Inform the arbitrator and the Chartered Institute of Arbitrators promptly in the event of settlement of the dispute.

Signed	[ ]	Name	[ ]
Date	[ ]	Capacity	[ ]

### Part B - Joint Application for the appointment of an arbitrator

The parties hereby apply to the Chartered Institute of Arbitrators for their dispute (particulars of which are attached in the Statement of Case), to be referred to arbitration under the Business Arbitration Scheme, for determination by a sole arbitrator.

N.B. Items 5-7 of Part A also apply as a condition to an appointment under Part B.

Signed	[ ]	Signed	[ ]
Name	[ ]	Name	[ ]
Capacity	[ ]	Capacity	[ ]
Date	[ ]	Date	[ ]

### FEE

The Claimant's share of the fixed fee, £1,250 (plus VAT), is payable with this application. Payment may be made by cheque to 'The Chartered Institute of Arbitrators', by bank transfer, or by credit/debit card on the telephone number below.

Please return the completed form by email, fax or post to:

### Dispute Appointment Service

Chartered Institute of Arbitrators, 12 Bloomsbury Square, London, WC1A 2LP

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