

COSTS IN ARBITRATION PROCEEDINGS



What costs are usually involved in arbitration?

1. Institution Fees

Arbitral institutions charge various fees for assisting parties with the administering of their arbitrations. These typically include registration / case filing fees, administrative fees and assessment or taxation fees (if parties require the assistance of the institution to tax costs). These fees do not apply to *ad hoc* arbitrations. However, parties in *ad hoc* arbitrations may sometimes require arbitral institutions to assist with appointing one or more arbitrators. Arbitral institutions usually charge for providing this service.

Please see the attached table for a comparison of the guideline fees adopted by some popular arbitral institutions.

2. Arbitrators' fees and expenses

Arbitrators will charge a fee for their work and will also expect to be reimbursed for their expenses incurred in the arbitration. Arbitrators' fees are usually payable according to fee schedules or guidelines adopted by the particular arbitral institution administering the arbitration. In other cases or in *ad hoc* arbitrations, the arbitrators will usually agree their fees with the parties and sign a contract setting out the terms of their remuneration.

3. Expenses of factual witnesses and fees of expert witnesses

Parties will need to pay the expenses of their factual witnesses, such as travel and accommodation costs incurred during the arbitration. If parties choose to engage an expert to give evidence, the expert's fees and expenses will also need to be paid.

4. Translators and/or transcribers

Depending on the language of the arbitration, parties may need to engage the services of translators to translate documents and assist witnesses/experts with their statements/evidence. In most cases, the services of a transcriber will also be engaged to record the arbitration.

5. Hearing venue expenses

Parties will need to hire a suitable venue for the arbitration to take place. Based on online information available on 18 May 2012:

- Room hire at Maxwell Chambers in Singapore costs S\$495 to S\$3,960 per day, depending on the size of room needed.
- Room hire at the International Dispute Resolution Centre in London costs £495.00 (approx. S\$990) to £995.00 (approx. S\$1900) per day, depending on the size of room needed.
- Room hire at the Hong Kong International Arbitration Centre in Hong Kong costs HK\$7,500 (approx. S\$1,214) to HK\$11,250 (approx. S\$1,821) per day, depending on the size of room needed.

6. **Lawyers' fees**

Parties will also need to pay their solicitors' fees which are typically charged on an hourly basis.

7. **Counsels' fees**

Quite often, parties may choose to engage specialist counsel (e.g. Queen's Counsel or Barristers) to conduct the oral advocacy at the hearing. Specialist counsel will typically charge a brief fee for the arbitration hearing and/or charge on an hourly basis.

Arbitral Institution Guideline Fees (as at 2 July 2012)

		Singapore International Arbitration Centre (SIAC)	International Chamber of Commerce (ICC)	London Court of International Arbitration (LCIA)		Hong Kong International Arbitration Centre (HKIAC)
				LCIA	LCIA India	
<i>Registration Fee/ Case Filing Fee</i>		S\$1,000 <i>(Note: Singapore Parties will also have to pay GST of 7% on this amount)</i>	USD 3,000	£1,750	INR 30,000	USD 1,000
Where the sum in dispute is USD 1M (S\$1,266,745)	<i>Administration Fees</i>	S\$14,117.51	USD 21,715	Administrative Charges: £225 per hour for Registrar/Deputy Registrar/Counsel; £100/£150 per hour for other Secretariat personnel	Administrative Charges: INR 5,000 per hour for Registrar/Deputy Registrar/Counsel; INR 2,500 per hour for other Secretariat personnel	USD 6,250
	<i>Arbitrator(s) Fees (per arbitrator)</i>	Maximum: S\$64,470	Minimum: USD 14,627 Maximum: USD 64,130	Arbitrators' fees are based on hourly rates (which do not exceed £450)	Arbitrators' fees are based on hourly rates (which do not exceed INR 20,000)	Minimum: USD 10,750 Maximum: USD 45,000
Where the sum in dispute is USD 10M (S\$12,668,034)	<i>Administration Fees</i>	S\$35,550	USD 57,515	See above.	See above.	USD 14,850
	<i>Arbitrator(s) Fees (per arbitrator)</i>	Maximum: S\$154,835	Minimum: USD 39,167 Maximum: USD 187,400	See above.	See above.	Minimum: USD 26,000 Maximum: USD 100,000
Where the sum in dispute is USD 50M (S\$63,342,968)	<i>Administration Fees</i>	S\$66,500	USD 95,515	See above.	See above.	USD 26,850
	<i>Arbitrator(s) Fees (per arbitrator)</i>	Maximum: S\$276,643	Minimum: USD 63,767 Maximum: USD 281,200	See above.	See above.	Minimum: USD 46,000 Maximum: USD 180,000
Where the sum in dispute is USD 100M (S\$126,680,343)	<i>Administration Fees</i>	S\$66,500	USD 99,215	See above.	See above.	USD 26,850
	<i>Arbitrator(s) Fees (per arbitrator)</i>	Maximum: S\$330,359	Minimum: USD 77,867 Maximum: USD 351,300	See above.	See above.	Minimum: USD 55,900 Maximum: USD 246,000

Note: This above information was taken from the relevant arbitral institutions' websites as at 2 July 2012 – parties seeking an accurate costs estimate should seek independent advice.

All conversions into Singapore Dollars were calculated based on the exchange rate on 2 July 2012