

Circular From GARD**Date: 20 January 2022**

The SCMA polishes its rules to make Singapore arbitration more user-friendly

The Singapore Chamber of Maritime Arbitration (SCMA) is an independent arbitration institution with a dispute resolution framework for maritime and international trade. The SCMA has strived to respond to the needs to the industry by offering a panel of arbitrators with diverse commercial, technical, and legal backgrounds and ethnicities and including a significant number of women. The SCMA has now launched the 4th edition of the SCMA Rules which will apply in the new year.

Gard was invited by the Singapore Chamber of Maritime Arbitration to participate with other key stakeholders in the shipping and international trade industries in the drafting of the 4th edition of the SCMA Rules. After a public consultation process the proposed changes have been released and will apply to SCMA arbitrations from 1 January 2022.

Summary of key changes

The key changes in the newest edition of the SCMA Rules are meant to address the changing needs of the industry and make the SCMA Rules more user-friendly. Some key changes are:

- Technological updates to adapt to the current landscape of holding arbitrations in light of the prevailing Covid-19 measures. These updates include allowing service of documents by electronic mail and the inclusion of provisions to allow arbitration awards to be signed electronically. There is also an express provision that hearings and case management conferences, if held, may be done so virtually.
- Streamlining the arbitration process to reflect the changes in shipping arbitration practice. The SCMA Rules now clearly provide that two arbitrators may proceed with the arbitration and the third arbitrator may be appointed, just before the oral hearing. Documents-only arbitrations may be conducted by two arbitrators without the appointment of a third arbitrator.
- Oral hearings are no longer mandatory and the discretion to hold one lies with the Tribunal. Where a party requests for one though, a hearing will still be held.
- To address the instances where late change of representatives in arbitration is used as a strategy move to derail proceedings, the Tribunal is now empowered to withhold approval to such change where the conduct of proceedings or enforceability of any Award may be prejudiced by the late change of representatives.
- There is more certainty on the timeline/length of the arbitral process. Arbitration proceedings are

deemed to be closed three months from the date of any final written submissions of the final hearing, and the Award should be drafted three months after the close of proceedings.

- An increase in the limit for the Expedited Procedure (previously known as the Small Claims Procedure) to USD 300,000 from USD 150,000 in order to allow quick and cost-effective resolution of more shipping disputes. The Expedited Procedure provides for a single arbitrator and an award within 21 days if no oral hearing is required.
- Standardisation of the Terms of Appointment of arbitrators to ensure greater certainty and transparency. In order to avoid unnecessary disputes on the terms of appointment, the SCMA Standard Terms of Appointment will apply to all arbitrations by default, unless parties agree otherwise.

These changes transform the SCMA arbitration process to one that is lean and mean for a cost-effective, neutral, flexible and fair dispute resolution. The 4th edition SMCA Rules can be accessed at [Rules \(scma.org.sg\)](http://scma.org.sg).

Source of Information: The Gard P&I Club