

Approved  
by the Order of the Independent Arbitration Court “IAC”  
No. 01/11 dated 02 November 2018

**THE RULES  
OF THE INTERNATIONAL ARBITRATION COURT “IAC”**

**Recommended wording for arbitration agreement in the form of an arbitration clause in contracts:**

All disputes, controversies, and claims arising out from the present contract or in connection therewith, including its' execution, violation, termination or invalidity, shall be finally settled by the International Arbitration Court "IAC" located in Almaty city of the Republic of Kazakhstan in accordance with its Rules, by the arbitral tribunal in the amount of *(chosen by the parties)* arbitrator(s), in *(chosen by the parties)* language, in *(place of arbitration chosen by the parties)*, and in accordance with the rules of substantive law of *(chosen by the parties)*.

**The terms of the clause may be as follows:**

**Arbitral tribunal** – 1, 3, and more arbitrators *(the number of arbitrators should be odd)*.

**Language of arbitration** – *any under agreement of the parties*.

**Place of arbitration** – *settlement where the International Arbitration Court "IAC" is located or any other place chosen by the parties, subject to payment of additional charges by them*.

**Rules of substantive law** - *specify the name of the country, substantive law of which shall be used at the consideration of occurred dispute*.

**Also, for the purpose of reduction of the terms of arbitration and acceleration of the work flow between the parties and the arbitration, the parties are entitled to include into the arbitration clause the following terms:**

- Delivery by the International Arbitration Court "IAC" to the parties or any of the party of the notifications on the date and time of the session, decisions of the International Arbitration Court "IAC", copies of the claims and materials related to the subject of the dispute received from the claimant or the defendant, as well as submission to the International Arbitration Court "IAC", to the email address - arbitration.kz@gmail.com, of the claims, delivery of the scan-copies of the documents related to arbitration, except for the cases when the original copies are necessary to be presented to the International Arbitration Court "IAC", shall be executed by the parties or any of the parties via electronic communication by the following electronic addresses: *(name of the party) – (e-mail), (name of the party) – (e-mail)*.
- Consideration of the dispute between the parties shall be provided in the form of arbitration based on presented materials without the participation of the parties in the arbitration session.
- Consideration of the dispute between the parties shall be provided in the form of electronic arbitration with the help of the following information for the video link: *(name of the party) – e-mail, login, phone number, etc. and (name of the party) – e-mail, login, phone number, etc.*

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**Key terms and abbreviations used in the present Rules:**

***The International Arbitration Court*** – the institution International Arbitration Court “IAC”.

***An arbitrator*** – an individual selected in accordance with the present Rules for settlement of the dispute in the International Arbitration Court;

***Parties of arbitration*** or ***the party*** – the claimant (claimants) and the defendant (defendants) in a particular case.

***Participants of arbitration*** – parties, witnesses, experts, interpreters, third parties participating in the arbitration proceedings.

***Arbitral tribunal*** – selected sole arbitrator or selected collegial arbitral tribunal.

***List of arbitrators*** – a list of arbitrators of the International Arbitration Court “IAC”.

***Public court*** – the court of judicial system of the Republic of Kazakhstan which in accordance with the civil remedial legislation of the Republic of Kazakhstan is authorized to consider cases on disputes arising from civil-legal relations between the parties, in the first instance.

***Business practice*** - developed and widely used in the field of business rules of conduct not covered by legislation, regardless of whether they are fixed or not in any document.

## **I. General provisions**

### **Article 1. The Rules of the International Arbitration Court**

1. The present Rules define procedure for organization of the activity of the International Arbitration Court "IAC" and the rules for arbitration proceedings in this arbitration.
2. The size and rules for calculation of arbitration fees and expenses, the rules and procedure for the arbitral tribunal election, the order of acceptance of duties by an arbitrator, procedure for carrying out of the arbitration session to the extent not regulated by the Rules of the International Arbitration Court, are determined in accordance with the Statutes of the International Arbitration Court "IAC" "On arbitration fees and expenses", "On arbitral tribunal election", "On the arbitrator", "On the procedure for carrying out the arbitration session", which are an integral part hereof.
3. The Rules may be amended or supplemented, and the arbitration proceedings shall be carried out in accordance with the Rules in force at the time of filing a claim, except for the size and the rules for calculating the registration and arbitration fees determined in accordance with the Statute of the International Arbitration Court "IAC" "On arbitration fees and expenses" in force at the time of conclusion of arbitration agreement.
4. Approval of the Rules of the International Arbitration Court as well as amendments and supplements thereto shall be made by the institution International Arbitration Court "IAC".

### **Article 2. Competence of the International Arbitration Court**

1. The International Arbitration Court "IAC" is independent permanent arbitration for settlement of disputes between legal entities and/or individuals, regardless of whether the place of residence or location of the parties of the dispute are within the state or outside of it, that emerged from civil relations between them in the presence of an arbitration agreement between them providing for submission of the dispute thereon.
2. The activity of the International Arbitration Court is governed by the Constitution of the Republic of Kazakhstan, international contracts ratified by the Republic of Kazakhstan, the law of the Republic of Kazakhstan "On arbitration", as well as by other normative legal acts of the Republic of Kazakhstan regulating the activity of arbitration on the territory of the Republic of Kazakhstan.
3. The function of the International Arbitration Court is organization of consideration of arising disputes in accordance with the present Rules, at that consideration of a particular dispute and rendering of a decision on it shall be accomplished only by the elected arbitral tribunal.
4. The International Arbitration Court "IAC" is entitled to consider disputes under arbitration agreements providing for submission of the dispute to:
  - the International Arbitration Court "IAC";
  - the Trial Court of the Republic of Kazakhstan "IAC" (integrated with the International Arbitration Court "IAC" based on the law "On arbitration" dated 8 April 2016);
  - the International Arbitration (Trial) Court of the Republic of Kazakhstan (the name of the arbitration up to 7 August 2008);
  - as well as in arbitration with the name, derived from the above-mentioned items (arbitration court "IAC", Trial court "IAC", etc.) or with the abbreviated name (IAC "IAC", TC of RK "IAC", etc. ).
5. Prior to election of arbitral tribunal the question of presence or absence at the International Arbitration Court of jurisdiction to consider the dispute submitted for its settlement

shall be decided by the Chairman of the International Arbitration Court. Shall the Chairman of the International Arbitration Court, the arbitral tribunal, or the parties of the arbitration have any doubt that the dispute or its particular moments can be subject to arbitration, the final decision on presence or absence of competence in a particular case shall be rendered by the arbitral tribunal.

6. Submission of a dispute to the International Arbitration Court does not require compliance with the pre-arbitration order of its settlement if the parties did not agree on other.

### **Article 3. Arbitration agreement**

1. Arbitration agreement is a written agreement between the parties of civil law relations on submission of arisen or able to arise dispute for consideration to the International Arbitration Court, which may be concluded in the form of a clause in a contract or as a separate agreement. An arbitration agreement is considered as concluded in writing if:

- a) it is included in a document signed by the parties;
- b) it is concluded by an exchange of letters and messages using the means of communication which provide a record of such agreement with definition of the subjects and content of their will;
- c) the contract has reference to the document containing the terms of submission of the dispute for consideration to the International Arbitration Court, provided that the contract is in writing and the reference is such that it makes the arbitration agreement to be the part of the contract;
- d) if it is concluded through the exchange of statement of claim and the response to the claim, in which one party asserts existence of an agreement and the other does not object to it.

2. Conclusion by the parties of an agreement to submit dispute to the International Arbitration Court implies their consent to the present Rules, which are considered an integral part of the arbitration agreement.

3. The parties, which have entered into the agreement to submit dispute to the International Arbitration Court, shall not be entitled to refuse it unilaterally.

4. Arbitration agreement shall have legal force regardless of duration and the term of validity of the contract in accordance with which such an agreement was concluded.

### **Article 4. Applicable law**

1. Disputes in the International Arbitration Court shall be settled in accordance with such rules of the law that the parties have chosen as applicable to the substance of the dispute. Any designation of the law or legal system of any state, unless the parties have expressly agreed otherwise, shall be construed as directly referring to the substantive law of that state and not to its conflict of laws rules.

2. In the absence of agreement between the parties, the arbitral tribunal shall apply the law determined in accordance with the rules that are applicable at the place of arbitration.

3. If there is no law governing disputable relationship, the court shall apply the rules of law governing similar relationship, and in the absence of such rules shall settle the dispute on the basis of general principles and sense of the laws to ensure fair, prompt, and definitive resolution of the dispute, as well as based on business practices applicable to the given transaction.

### **Article 5. Structure of the International Arbitration Court**

1. The structure of the International Arbitration Court includes: the Chairman, the Deputy Chairman, the list of arbitrators, and the secretariat.

2. The list of arbitrators forms four specialized boards of arbitrators:
  - legal;
  - economic and financial;
  - production and technical;
  - social.
3. The secretariat includes the Executive secretary and secretaries.

#### **Article 6. Powers of officials of the International Arbitration Court**

1. The Chairman of the International Arbitration Court accomplishes supervision and coordination over the International Arbitration Court activity, control over compliance with the Rules, and is entitled to:
  - a) represent the International Arbitration Court in relations with the state bodies, legal entities, and individuals within the country and abroad;
  - b) address the issues of change in size, order, and terms of payment of the arbitration fee on a particular case;
  - c) certify copies, decisions, and other documents of the International Arbitration Court;
  - d) perform other functions provided by the present Rules.
2. The Chairman of the International Arbitration Court shall not be entitled to perform his duties in arbitration proceedings, for which he was elected as an arbitrator.
3. The Deputy Chairman shall serve as a Chairman of the International Arbitration Court in the event of his absence or otherwise.
4. The Executive secretary of the International Arbitration Court supervises the activity of the secretariat and performs other functions provided by the present Rules.
5. The secretary of the International Arbitration Court organizes paperwork in a particular case, as well as performs other functions provided by the present Rules.

#### **Article 7. Language of arbitration**

1. Parties are entitled to define the language of the arbitration. In the absence of agreement between the parties the arbitration proceedings shall be carried out in the language defined by the order of the International Arbitration Court.
2. If the party lacks knowledge of language of the arbitration, they shall provide themselves an interpreter for their own expense. If the arbitrator lacks knowledge of the language of the arbitration the interpreter shall be provided by the International Arbitration Court.
3. The Chairman of the International Arbitration Court, and the arbitral tribunal, if necessary, shall be entitled to require the parties to translate submitted to the International Arbitration Court documents and other materials.

#### **Article 8. Place of arbitration**

1. The arbitration proceedings shall be carried out at the settlement where the International Arbitration Court is located.
2. The arbitration proceedings may be carried out at any other place agreed by the parties, provided they pay the additional costs.

3. The place of the session shall be determined by the International Arbitration Court in each particular case, or, subject to payment by the parties of additional charges, they may agree to a different place for the session of the International Arbitration Court.

#### **Article 9. Confidentiality of arbitration proceedings**

1. The officials of the International Arbitration Court, the arbitrators, the parties, and other participants of the arbitration proceedings shall not disclose any information made known to them in the course of dispute consideration at the International Arbitration Court and defined by the parties as confidential.

2. Either party may determine information, which should be considered as confidential, as well as the circumstances under which this information may be disclosed in whole or in part.

#### **Article 10. Registration and arbitration fees**

1. Consideration by the International Arbitration Court of the claim, counterclaim, and motions to increase the size of the claim is subject to payment of registration and arbitration fees, as well as of additional expenses, if necessary.

2. Amount, calculation order, procedures and terms of payment of registration and arbitration fees, payment of additional expenses, procedure for determination of the claim price, as well as distribution of expenses associated with dispute settlement are established in the Statute of the International Arbitration Court “IAC” “On arbitration fees and expenses”.

#### **Article 11. Procedural terms and their calculation**

1. Legal procedures shall be taken within the period specified in the present Rules. If the time limit for the legal procedure is not established by the Rules, then, prior to election of the arbitral tribunal, the terms shall be determined by the Chairman of the International Arbitration Court, and after its election – by the arbitral tribunal.

2. The terms for legal procedures shall be defined by the exact calendar date, reference to an event, which must inevitably occur, or time period. In the latter case, the procedure may be accomplished within the whole period.

3. The term defined as a period begins the next day after the calendar date or the event, by which the beginning is defined, and expires on the last day of a prescribed period. In cases where the last day of the prescribed period is a holiday in a country, where the legal procedure should have been committed, the day of its termination shall be the next working day.

4. If necessary, the Chairman of the International Arbitration Court, as well as the arbitral tribunal after its election has the right, in a particular case, to extend any of the procedural terms established by the present Rules.

#### **Article 12. Orders of the International Arbitration Court**

1. On all matters establishing proceedings the Chairman of the International Arbitration Court or the arbitral tribunal in accordance with their authority, established by the present Rules, shall adopt orders, which are definitive.

2. In case of dispute consideration by collegial arbitral tribunal the orders shall be accepted by the majority vote.

3. The orders of the arbitral tribunal shall be signed by the presiding (sole) arbitrator.

#### **Article 13. Submission of documents**

1. Claims, counterclaims, and other documents submitted by the parties to the International Arbitration Court are subject to registration in the secretariat of the International Arbitration

Court. The date and time of registration of the documents are considered the date and time of their receipt by the International Arbitration Court.

2. The parties shall ensure delivery and presentation of documents relating to initiation and realization of arbitration proceedings, in writing, to the secretariat of the International Arbitration Court in the number of copies equal to the number of parties and arbitrators.

3. The documents, except of the claims, responses to the claim, and other written submissions of the parties, may be submitted in copies, while the court may on its own initiative or at the request of any of the party require submission of original document, notarized copy of represented document, or legalization of the document issued abroad.

4. By agreement of the parties, recorded in the arbitration clause or the relevant agreement between the parties, the parties may submit to the secretariat of the International Arbitration Court the responses to the claims, petitions and statements, documents related to arbitration proceedings and submitted for inclusion to the materials of the arbitration case, to the email address of the International Arbitration Court with the subsequent representation of them in writing.

#### **Article 14. Mailing and delivery of documents**

1. Delivery of documents to the parties and arbitrators shall be provided through the secretariat of the International Arbitration Court.

2. Definitions, notifications and notices of the International Arbitration Court, copies of the responses to the claims, petitions and statements of the parties, as well as of other documents related to the arbitration proceedings and submitted for the inclusion to the materials of arbitration proceedings shall be awarded to the parties personally against a receipt, or shall be sent by letters to the mail addresses of the parties, referred to in the claim no later than five working days from the date of signature or registration. Notifications and notices, as well as other documents and messages can be sent by the fax, telegraph or email, by text messages to the mobile subscriber number or email address, as well as using other communication facilities, which would provide message recording.

3. The International Arbitration Court sends the documents referred to in paragraph 2 of this article, in electronic form, with the possibility of receiving them in writing in the secretariat by request, to the parties if there is an agreement on this, fixed in the arbitration clause or the relevant agreement, or to the party submitted corresponding application.

4. Any document sent to the parties and other participants of the arbitration proceedings shall be deemed received on the day of its handing (attempt of handing) or delivery (attempt of delivery) by the ways providing its records, even in the case where the addressee has refused to accept them or is not residing (does not live) at the postal address.

5. Parties and other participants of arbitration proceedings take responsibility for the accuracy of submitted information on location, residence, and other addresses, and shall immediately inform the secretariat of the IAC of changes of previously submitted information. Delivery to the specified address of the party's representative shall be considered as delivery to the party.

#### **Article 15. Case compilation**

1. All documents related to initiation, realization, and termination of arbitration proceedings shall be binding attached to the case.

2. Compilation of the case shall be carried out since the initiation of arbitration proceedings and completed at its termination.

## **II. Submission of the claim and initiation of arbitration proceedings**

### **Article 16. Content of the claim**

1. Submission of the dispute to the International Arbitration Court shall be accomplished by submitting a written claim by the party wishing to initiate arbitration proceedings. The date of initiation of the arbitration proceedings appears the date of registration of the claim.
2. The claim should include:
  - a) the name of the arbitration;
  - b) the date of submission of the claim;
  - c) the names of the parties, their residence address or, if they are legal entities, location addresses, identification numbers, bank details, information about the phone numbers and e-mail addresses, and the same data on the claimant representative, if the claim is being submitted by a representative;
  - d) justification of the recourse to the arbitration;
  - e) demands of the claimant;
  - f) price of the claim if the claim is subject to evaluation;
  - g) statement of actual circumstances, on which the claim is based, references to evidence confirming these circumstances, as well as legal basis of the claim;
  - h) a list of documents and other materials attached to the claim.

The claim may contain other information, if it is essential for proper and timely consideration of the case.

3. The claim shall be accompanied by:
  - a) a copy of the document, which contains the agreement on submission of the dispute to the International Arbitration Court;
  - b) if required - calculation of the claimant's demand or amount in dispute;
  - c) documents confirming the claim requirements, where possible;
  - d) a copy of the document confirming payment of registration fee.
4. The statement of the claim shall be signed by the claimant or his representative, and when submitting it to the secretariat of the International Arbitration Court it is necessary to present:
  - a) the original of the power of attorney or certified copies of other documents confirming the authority to sign and submit the statement of the claim;
  - b) a copy of the document confirming registration, if the claimant is a legal entity, or of identity document, if the claimant is an individual,

and to present for review the document proving the identity of the person submitting the statement of the claim.

### **Article 17. Arbitration initiation**

1. If the claimant complies with the requirements of the present Rules for submitting a claim, the Chairman of the International Arbitration Court within ten working days from the date of registration of the claim shall render an order on arbitration initiation, which shall include actions to be made by the persons involved in the case, including those related to the arbitral tribunal election, and terms of their execution.

2. An order on arbitration initiation shall be sent or delivered to the defendant on receipt along with a copy of the claim with the attached documents.

#### **Article 18. Leaving the claim with no progress**

1. In case of discrepancies of the claim to the requirements of the present Rules, the Chairman of the International Arbitration Court within ten working days from the date of registration of the claim shall render the order to leave the claim with no progress, where indicates the shortfalls and sets the deadlines for their elimination. The decision to leave the claim with no progress shall be sent or delivered on receipt to the claimant.

2. If the claimant in due time fulfills the requirements listed in the order, the Chairman of the International Arbitration Court within five working days shall pronounce the order to initiate arbitration. In this case, the claim shall be considered as submitted on the day of its initial submission to the arbitrage. Otherwise, the claim shall be considered as not submitted and returned to the claimant by the order of the International Arbitration Court.

#### **Article 19. Return of the claim**

1. In case if arbitration is not initiated - the Chairman of the International Arbitration Court renders a reasoned decision on the return of the statement of claim, and if the arbitration proceedings are initiated, the Chairman of the International Arbitration Court prior to the formation of the arbitral tribunal and after its formation the arbitral tribunal shall render a reasoned decision on the return of the statement of claim with termination of the arbitral proceedings, if:

- a) there is an absence of arbitration agreement between the parties;
- b) the interests of third parties who are not participants to the arbitration agreement are being affected;
- c) the claim is submitted to the arbitration, which is not provided in the arbitration agreement;
- d) the claim is signed or submitted by a person not authorized to sign or submit it;
- e) there are proceedings on dispute between the same parties, about the same subject, and on the same grounds in the same or another arbitration;
- f) the claimant submitted a motion for return of the claim;
- g) the subject of the claim is outside the scope of the arbitration agreement.

1. Return of the claim does not preclude the claimant from repeated recourse to the IAC with the claim to the same defendant, on the same subject, and on the same grounds.

#### **Article 20. Refusal to accept the claim**

1. The Chairman of the IAC within five working days from the date of registration of the claim may pronounce the reasoned order on refusal to accept the claim, which shall be sent or delivered on receipt to the claimant, if:

- a) the dispute involves the interests of underage, persons who has been declared in the manner prescribed by the law legally incapable or partially incapable are being affected;
- b) the dispute arose out of personal non-property relations, not related to property, associated with the life and health, privacy, personal and family privacy, the right to the person's name;
- c) there is entered into legal force decision of the court or the arbitration between the same parties, on the same subject, and on the same grounds;

- d) in other cases defined by the legislation of the Republic of Kazakhstan.
2. Refusal to accept the claim prevents the applicant from the repeated recourse to the International Arbitration Court against the same defendant, on the same subject, and on the same grounds.

#### **Article 21. Statement of defense**

1. The defendant prior to rendering the decision by the arbitral tribunal is entitled to submit to the International Arbitration Court the statement of defense, outlining:
- a) the declaration about recognizing by the defendant of the claim requirements in whole or in part;
  - b) objections against the claim requirements brought and the circumstances, on which they are based;
  - c) information on evidence, to which the defendant cites in support of his objections;
  - d) any other explanations on the essence of the claim requirements brought as well as requests on commission of legal procedures allowed in accordance with the present Rules.
2. Failure to submit the statement of defense by the defendant cannot be considered as evidence of recognition by him of the claim requirements and shall not preclude from consideration of the case with the evidence available in the case.

#### **Article 22. Counter-claim**

1. The defendant is entitled to raise a counter-claim to the claimant provided that there is an interdependence of the requirements of the counter-claim with the requirements of the claimant, and further provided that the counter-claim may be considered by the International Arbitration Court in accordance with the arbitration agreement.
2. The counter-claim may be submitted during the arbitration proceedings pending a decision of the International Arbitration Court, unless the parties have agreed upon a different period for submitting a counter-claim.
3. Submission of the counter-claim is subject to the same rules that are applied to submission of the initial claim. Filing the counter-claim shall not entail changes in the arbitral tribunal.
4. The claimant is entitled to submit objections to the counter-claim within the time specified in the order of acceptance of the counter-claim.
5. Unless the parties agreed otherwise, the defendant is entitled to require offsetting the counter-claim.

### **III. Arbitral tribunal election**

#### **Article 23. Quantitative arbitral tribunal**

1. Submitted for consideration of the International Arbitration Court dispute shall be considered on the merits by the arbitral tribunal, which may consist of one or more arbitrators, whose number must be odd.
2. A dispute shall be considered by the sole arbitrator, if the parties have determined composition of the court in the amount of one arbitrator. In case of appointment of the arbitral tribunal of three or more arbitrators, the dispute shall be considered by collegial arbitral tribunal, where the presiding arbitrator supervises the process of dispute consideration.

3. Procedure for determining the quantitative arbitral tribunal is set in the Statute of the International Arbitration Court "IAC" "On arbitral tribunal election".

#### **Article 24. An arbitrator**

1. As an arbitrator may be selected an independent of the parties and not interested in the outcome of the case individual over the age of thirty, possessing the necessary knowledge for qualified dispute settlement and work experience in the specialty for at least five years, with graduate degree, and who agrees to execute duties of an arbitrator and to be withdrawn in the following cases, except those provided by the legislation of the Republic of Kazakhstan:

- a) the arbitrator through his actions or inaction impedes the course of the arbitral proceedings, including when he twice failed to appear at the arbitration session without reasonable excuse;
- b) the arbitrator in the course of arbitral proceedings made disclosure of information identified as confidential by the parties, and it has caused any consequences;
- c) violation of ethical conduct by the arbitrator.

2. An arbitrator resolving a dispute individually should have law degree. In case of dispute settlement by collegial arbitral tribunal the presiding arbitrator should have law degree.

3. An arbitrator may be a citizen of any country or a person without citizenship.

4. Additional requirements to the arbitrator candidate may be agreed by the parties.

5. The procedure of acceptance of responsibilities of an arbitrator and rejection of them, as well as basic rights and duties of the arbitrators are established by the Statute of the International Arbitration Court "IAC" "On the arbitrator".

#### **Article 25. Procedure for election of arbitrators**

1. At the arbitral tribunal election the parties may select an arbitrator (arbitrators) and reserve arbitrator (reserve arbitrators) from the International Arbitration Court list of arbitrators or suggest another candidate.

2. Unless the parties agree otherwise, with participation in the case of two or more claimants and/or defendants election of the arbitral tribunal shall be as provided by the present Rules, based on the fact that all of the co-claimants or co-defendants are recognized as one party for the election of an arbitrator(s) and reserve arbitrator(s).

3. The secretariat of the International Arbitration Court shall provide each of the parties, at their request, an opportunity to review information relating to the professional experience and education of arbitrators of the International Arbitration Court.

4. The order for election of the sole arbitrator and arbitral tribunal is established by the Statute of the International Arbitration Court "IAC" "On arbitral tribunal election".

#### **Article 26. Challenge of the arbitrator**

1. Any party may submit a reasoned motion to challenge the arbitrator within ten working days from the date when any circumstances indicating a mismatch of the arbitrator to the requirements of these Rules and to the legislation of the Republic of Kazakhstan that may warrant for the challenge became known to occur.

2. If a party failed to challenge an arbitrator in a timely manner, or have challenged an arbitrator after withdrawal of the arbitration tribunal for formulation of a decision of the International Arbitration Court, it is deemed to have waived its right to challenge.

3. A person selected as an arbitrator shall refuse to accept the duties of an arbitrator in the event of non-compliance with the Article 24 of these Rules, and shall immediately notify the parties in writing and disqualify himself in the following cases:

- a) occurrence of his non-compliance with this article in the course of arbitration proceedings;
- b) occurrence in the course of arbitration proceedings of other circumstances that made it impossible for him to participate.

4. The question on challenge of the arbitrator shall be decided by the other arbitrators of arbitral tribunal, and at failure to reach agreement between them or in case of challenge of two or more arbitrators or the sole arbitrator, or if the challenge had been declared prior to the end of arbitral tribunal election, by the Chairman of the International Arbitration Court within ten working days from the date of the motion submission. Decision to challenge an arbitrator shall be made in the form of an order without indications of the reasons of the challenge and is definitive.

#### **Article 27. Termination of the powers of the arbitrator**

1. Powers of the arbitrator shall be terminated in the following cases:

- a) based on the decision to challenge the arbitrator on the grounds and in the manner specified in the present Rules;
- b) in the event of the arbitrator's death;
- c) at the termination of arbitration proceedings.

2. In cases provided for in the Articles 46 and 47 of the present Rules the powers of the arbitrator shall be updated, and then terminated after completion of the proceedings provided for by the indicated articles.

3. In the case provided for in the Article 49 of the present Rules, the powers of the arbitrator shall be renewed, and then terminated after the arbitration proceedings, if it is carried out by the arbitral tribunal that rendered the earlier decision of the International Arbitration Court.

#### **Article 28. Replacement of the arbitrator**

1. In the event of termination of the powers of the arbitrator under the paragraphs a), b) of the Clause 1 of the Article 27 of these Rules, he shall be replaced by the arbitrator chosen to him for reserve (reserve arbitrator). This action shall not entail changes in the rest of arbitral tribunal in case of collegial dispute consideration.

2. In case of inability of reserve arbitrator to participate in the arbitration or termination of his powers in accordance with the paragraphs a), b) of the Clause 1 of the Article 27, the new arbitrator and the reserve arbitrator shall be elected in accordance with the rules that were applied to election of the arbitrator being replaced.

3. Modified arbitral tribunal may appoint rehearing of the case, if necessary.

### **IV. Arbitration procedure**

#### **Article 29. Preparation of the case to the arbitration**

1. The arbitral tribunal, after studying the materials of the case and provided payment of the arbitration fee, shall appoint the date and time of preliminary hearing on agreement with the Executive secretary of the International Arbitration Court. In the absence of need for preliminary hearing the arbitral tribunal shall be entitled to proceed to the merits.

2. The parties shall be duly notified on the date and the time of preliminary hearing and the court sessions.

### **Article 30. Preliminary hearing**

1. In the course of preliminary hearing the arbitral tribunal:
  - a) decides on the presence or absence of jurisdiction to consider dispute submitted for its consideration in cases established by the present Rules;
  - b) considers requests of the parties;
  - c) defines the form of arbitration proceedings;
  - d) if necessary, suggests the parties to present written explanations, evidence, and other supporting documents;
  - e) performs other actions necessary for timeliness and completeness of arbitration proceedings;
  - f) appoints the date and time of the arbitration session.
2. Decisions taken on issues reviewed during preliminary hearing may be specified in the relevant agreement of the parties.
3. As a result of preliminary hearing the protocol shall be recorded stating the issues discussed and the decisions taken, unless the parties agree otherwise. The protocol shall be signed by the presiding (sole) arbitrator and the secretary.

### **Article 31. Determination of jurisdiction by the arbitral tribunal**

1. The party may declare a lack of jurisdiction of the International Arbitration Court to consider the dispute submitted for its settlement before it submits its first motion on substance of the dispute.
2. The party may declare that International Arbitration Court exceeded its jurisdiction if in the course of dispute consideration the subject in question will be an issue not provided by the arbitration agreement.
3. The arbitral tribunal within 10 (ten) calendar days shall consider the statement of the lack of jurisdiction of the International Arbitration Court or of its excess, and declare an order on the review.

### **Article 32. Security measures**

1. Unless the parties agree otherwise, the Chairman of the International Arbitration Court prior to formation of the arbitral tribunal or the arbitral tribunal may, at request of any of the parties, require the other party to assume an obligation to implement such security measures in respect of the subject matter, which they consider necessary. Instructions of the International Arbitration Court regarding security measures shall be rendered in the form of an order.
2. The parties of the arbitration are entitled to file the application for securing a claim considered in the International Arbitration Court to the public court at the place of arbitration or at the location of the property in respect of which the provisional measures may be taken.

### **Article 33. The form of arbitration proceedings**

1. Legal investigations in the International Arbitration Court can be carried out in the form of an oral hearing in presence of the parties as well as on the basis of submitted documents without participation of the parties in a session. Unless the parties agree otherwise, examination

of the case shall be carried out in the form of oral hearing, if the arbitral tribunal deems it appropriate or at the request of either party.

2. An oral hearing shall be carried out at the arbitration session where the parties shall be given an opportunity to examine evidence, ask questions to other participants of the arbitration proceedings, present their position on the case, give explanations, and participate in debate.

3. An oral hearing of the case in the International Arbitration Court may be carried out in the form of electronic arbitration.

4. The rules for carrying out of the arbitration session in the International Arbitration Court in the form oral hearing are defined in the Statute of the International Arbitration Court "IAC" "On the procedure for carrying out of the arbitration session".

#### **Article 34. Electronic arbitration**

1. By agreement of the parties the electronic arbitration may be conducted - the implementation of arbitration using computer electronic programs, which enables to conduct it in the mode of direct communication of arbitrator (s) and the parties by video connection in real-time mode.

2. The parties' agreement to hold an electronic arbitration may be concluded either before or after the dispute arose.

3. For the implementation of electronic arbitration the parties shall specify in the relevant agreement the information to organize video communication between the arbitrator (s) and the participants of the arbitration, as well as e-mail addresses of the parties, to which all documents related to the arbitration proceedings will be sent, including the orders of the International Arbitration Court. The admission and registration of documents, including claims, motions and other documents related to the arbitration shall be accomplished from the specified e-mail addresses of the parties by the secretariat of the International Arbitration Court.

4. At the end of an electronic arbitration, the arbitral tribunal renders a decision of the International Arbitration Court in accordance with the articles 44 and 45 of this Rules or an order on termination of the proceedings.

#### **Article 35. The rules of arbitration proceedings**

1. Arbitral tribunal defines the rules of arbitration proceedings, including terms and procedure for carrying out the arbitration sessions, as well as commission of certain proceedings in accordance with these Rules, unless the parties have agreed to the application of other rules of arbitration in respect to the dispute submitted by them.

2. In part, not agreed by the parties and not defined in these Rules, the rules of arbitration shall be defined by the arbitral tribunal taking into account principles of objectivity and effectiveness of the proceedings.

3. The established rules of arbitration proceedings shall provide the parties an equal opportunity to present their case and to protect their rights and interests.

#### **Article 36. Participation of parties in arbitration proceedings**

1. The parties may participate in proceedings either directly or through their representatives appointed by the parties at their discretion, and whose powers are drawn up properly.

2. Either party may submit a written request for carrying out of arbitration proceedings in their absence, or for postponement of arbitration proceedings for reasonable excuse, the confirmation of which shall be attached to the request.

3. Failure to appear at the arbitration session of the parties or their representatives duly notified of the time and place of the session shall not preclude from carrying out of the session and declaration of decision, if the parties have not submitted a written request for postponement of the proceedings, or the excuse for absence of the parties is recognized by the arbitral tribunal unreasonable.

4. At the absence at the arbitration session of experts, witnesses, interpreters duly notified of the time and place of its holding, the arbitral tribunal shall declare an order on postponement of the court session, unless the parties have submitted a written request for carrying out of arbitration proceedings in the absence of the mentioned persons.

5. Entry to the arbitration of the third parties is allowed pending a decision on the case, if in the course of arbitration their rights, freedoms and legitimate interests may be affected, or they can affect on the rights and obligations of the parties participating in the arbitration, subject to the conclusion of the arbitration agreement between them and the parties of the arbitration.

### **Article 37. The rights of the parties**

1. The parties participating in the case are entitled:

- a) to amend or supplement their claim demands or defense to the claim;
- b) to submit petitions, challenges to arbitrators;
- c) provide evidence and participate in their investigation;
- d) ask questions to the participants of the arbitration, provide oral and written explanations;
- e) present their arguments on all issues arising during the process;
- f) oppose to the requests and arguments of the participants of arbitration;
- g) get acquainted with the materials of the case, make extracts from them and make copies.

2. The parties in the course of the proceedings elect the position, methods and means of defending it by themselves and independent of the arbitration tribunal and other participants in the proceedings.

3. The party, which had not expressed an objection against non-compliance with any provision or requirement of the legislation of the Republic of Kazakhstan on international arbitration, of these Rules, or the arbitration agreement prior to declaration of the decision of the International Arbitration Court shall be deemed to have waived its right to object.

### **Article 38. Evidence**

1. Each party shall prove the facts, on which they rely in support of their claims and defenses.

2. The arbitral tribunal is entitled, if they consider evidence insufficient, to suggest parties to present additional evidence. Failure of a party to present evidence in the time prescribed by the order shall not prevent the court to continue proceedings and declare decision on the basis of available evidence, if the excuse for failure to provide evidence is recognized by the arbitral tribunal unreasonable.

3. The arbitral tribunal or the party, with the approval of the arbitral tribunal, may appeal to the public court with a request for assistance in obtaining evidence.

4. At the course of the arbitration proceedings the arbitral tribunal shall directly examine the evidence of the case: learn written evidence, examine material evidence, listen to explanations of the persons participating in the case, witness statements and expert opinions, at this, the order and means of examining evidence shall be established by the arbitral tribunal.

5. The arbitral tribunal evaluates the evidence according to their conviction based on a thorough, complete, objective, and direct investigation of the evidence available in the case.
6. Arbitral tribunal determines relevance, admissibility, reliability, and importance of each of the evidence individually, as well as sufficiency and mutual relationships of the evidence in their entirety. No evidence shall have for the arbitral tribunal a pre-determined force.
7. The International Arbitration Court is unconditionally discharged from collection of evidence on its own initiative.

#### **Article 39. Witnesses**

1. At the request of the parties witnesses may be invited for participation in the arbitration. The party applying for calling the witness shall state what circumstances relevant to the case the witness may confirm, report his full name, the language in which he will testify, as well as ensure independently attendance of the witness at the arbitration session.
2. The witnesses may report data known to them, with consent of the arbitral tribunal, in the form of written statements, which shall be attached to the case file.

#### **Article 40. Appointment and execution of examination**

1. To clarify issues emerging in the proceedings and requiring special knowledge the arbitral tribunal on its own initiative or at the request of any party may appoint examination of documents, articles, and other materials.
2. Unless the parties agree otherwise, the candidate for an expert or experts, as well as issues that need to be put in front of them shall be defined by the arbitral tribunal taking into account opinion of the parties.
3. The arbitral tribunal shall be entitled to request any of the parties to represent the materials required for examination to the expert. If the party refuses to participate in examination or obstructing its implementation (does not attend examination, does not represent materials to experts and opportunity to expose them for necessary investigation), the arbitral tribunal is entitled to accept the fact subject to examination as proven or disproven.
4. Any of the parties may challenge an expert appointed by the arbitral tribunal, if circumstances that give rise to justifiable doubts to his impartiality and independence of the parties exist or he does not possess necessary qualifications. The question on challenge of an expert shall be decided by the arbitral tribunal.
5. An expert's report must be submitted in writing. At request of any of the parties or at discretion of the arbitral tribunal an expert after submission of the expert's report shall take part in the court session where the parties and the arbitrators shall be given opportunity to ask an expert questions related to the examination and to the report.

#### **Article 41. The protocol of the arbitration session**

1. Unless the parties agree otherwise, at the oral hearing of the case the secretary shall record a protocol of the arbitration session with a summary of the session and indication of essential points of the proceedings.
2. The protocol of the arbitration session shall specify:
  - a) year, month, date, place, time of the beginning and close of the session;
  - b) the name of the International Arbitration Court, the name and initials of the arbitrator (s) and the secretary;
  - c) the title and the number of the case;

- d) information on presence at the court session of the persons participating in the case, witnesses, experts, and interpreters;
  - e) the orders of the presiding (sole) arbitrator and orders declared by the arbitral tribunal in the courtroom;
  - f) explanations of the individuals participating in the case, their statements and requests, as well as the content of the decisions declared on them;
  - g) the testimony of witnesses and oral explanations by experts of their reports;
  - h) information on disclosure of documents, examination of physical evidence, listening to audio and viewing video records;
  - i) the content of the questions and answers that took place in the courtroom;
  - j) information about disclosure and explanation to the persons participating in the case of the content of the decision and the orders, clarifying the order of their appeal and the right to get acquainted with the protocol and submission of the comments on it;
  - k) the date of the protocol.
3. The protocol of the arbitration session shall be drawn up and signed by the presiding (sole) arbitrator and the secretary no later than five calendar days after closing of the arbitration session.
4. The parties may submit written comments on the completeness and accuracy of the protocol of the arbitration session, within five calendar days after its signing, as well as get acquainted with the content of the protocol at any stage of the proceedings.
5. The arbitral tribunal shall issue an order regarding acceptance or rejection of the comments on the protocol within five calendar days from the date of their submission. In case of acceptance of remarks all the comments and amendments shall be specified in the amendment to the protocol of the arbitration session signed by the presiding (sole) arbitrator and the secretary.
6. The secretary is entitled to videotape or audiotape the proceedings of the arbitration session, which shall be evidenced in the protocol, and to destroy it after the termination of the arbitration proceedings.

#### **Article 42. The terms of arbitration proceedings**

1. The term of preparation of the case to arbitration shall be determined by the Chairmen of the International Arbitration Court, and after its formation – by the arbitral tribunal.
2. The disputes shall be considered and resolved by the arbitration in a period from ten (10) calendar days to eighteen (18) months from the date of the end of preparation of the case to arbitration.
3. The identified deadlines may be extended by the arbitral tribunal based on the circumstances of the arbitration proceedings.

### **V. Decision of the International Arbitration Court**

#### **Article 43. Termination of arbitration proceedings**

1. The arbitration proceedings shall be terminated by:
- a) formulation by the arbitral tribunal of definitive decision on the merits of the dispute or the decision on agreed terms;

- b) pronouncement of an order on termination of the proceedings without decision formulation.
2. An order on termination of arbitration proceedings without decision formulation shall be pronounced if:
- a) the parties have reached an agreement on termination of arbitration proceedings;
  - b) the claimant withdraws the claim, unless the defendant expresses an objection to termination of arbitration proceedings in relation to the existence of legitimate interest in settlement of the dispute on the merits;
  - c) the decision of a public court or arbitration formulated on the dispute between the same parties, on the same subject, and on the same grounds has entered into force;
  - d) the legal entity, which is a party to the arbitration, has been liquidated;
  - e) the death of the individual who is a party to the arbitration has occurred, or he has been declared dead, found missing, or incapable;
  - f) the arbitral tribunal has established an absence at the International Arbitration Court of jurisdiction to consider the dispute submitted for its settlement;
  - g) in case of non-payment of the arbitration fee and/or additional expenses, failure to pay of which precludes carrying out of arbitration proceedings, in the amount and terms defined in the Statute of the International Arbitration Court "IAC" "On arbitration fees and expenses".
3. Termination of arbitration proceedings on the grounds stated in the clauses a), b), f), g) of the paragraph 2 of the current Article shall not prevent the repeated reference of the claimant to the International Arbitration Court with the claim against the same defendant, on the same subject, and on the same grounds.

#### **Article 44. Decision formulation**

1. After examination of all circumstances the arbitral tribunal formulates a decision on the merits of the dispute by the majority vote in a closed session. The presiding arbitrator shall vote last. The arbitrator who disagrees with the decision of the majority may present a dissenting opinion in writing, which shall be annexed to the decision of the International Arbitration Court.
2. The decision of the International Arbitration Court shall be deemed accepted in the place of arbitration. The date of the decision formulation by the International Arbitration Court and its entry into force is considered the date of its signing.
3. The decision of the International Arbitration Court shall be declared at the arbitration session. The arbitral tribunal is entitled to declare only the operative part of the decision.
4. The decision of the International Arbitration Court shall be handed over or sent to each of the parties in a period not exceeding fifteen calendar days from the date of the decision formulation.
5. The decision of the International Arbitration Court is definitive and is not appealable.

#### **Article 45. The form and content of the decision**

1. The decision of the International Arbitration Court shall be stated in writing and signed by the sole arbitrator or arbitrators, who are members of the arbitral tribunal.
2. If the arbitration process was carried out by the collegial arbitral tribunal, the decision of the International Arbitration Court may be signed by the majority of the arbitrators, and in the absence of the signature of any of the arbitrators the stated reason for its absence shall be

indicated. The decision of the International Arbitration Court may not be signed by the arbitrator, having a dissenting opinion.

3. The decision of the International Arbitration Court shall specify the following:
  - a) the name of the International Arbitration Court;
  - b) the number of the case;
  - c) the date and place of the decision formulation;
  - d) the arbitral tribunal composition;
  - e) the names of the parties, the names and initials of their representatives with indication of their authority;
  - f) substantiation of the jurisdiction of the International Arbitration Court;
  - g) nature of the dispute, claims of the claimant, and objections of the defendant;
  - h) the circumstances of the case established by the arbitral tribunal, the evidence on which the conclusions of these circumstances are based, regulations that guided the arbitral tribunal in the decision.
4. The conclusions of the International Arbitration Court on satisfaction or refusal to satisfy every demand of the claim, amount of the costs associated with the settlement of the dispute in the International Arbitration Court, distribution of these costs between parties and, if necessary, time and order of execution of the decision shall be specified in the operative part of the decision.
5. The decision of the International Arbitration Court shall be prepared per one copy for each party and one copy to be attached to the case file.

#### **Article 46. Supplementary decision**

1. Unless the parties agree otherwise, either party, with notice to the other party, has the right, within sixty calendar days after receipt of the decision of the International Arbitration Court, to appeal to the International Arbitration Court with a motion on adoption by the arbitral tribunal of a supplementary decision concerning the claims that were claimed during the arbitration proceedings but omitted from the decision. The specified motion shall be considered by the arbitral tribunal, which had been settling the dispute, within sixty calendar days after its receipt.
2. The arbitral tribunal shall be entitled to consider a claim for the supplementary decision in the arbitration session if it deems it necessary.
3. Upon review of the corresponding motion a supplementary decision, which is an integral part of the decision of the International Arbitration Court, or an order on refusal in satisfaction of the motion on supplementary decision shall be formulated.

#### **Article 47. Clarification and correction of the decision**

1. Either party has the right, with the notice to other party, within sixty calendar days after receipt of the decision of the International Arbitration Court, to appeal to the International Arbitration Court for clarification of the decision or a part thereof or for the correction of made in the decision misprints, typos, and arithmetic errors. This request shall be reviewed by the arbitral tribunal, which had been settling the dispute, within thirty calendar days after its receipt.
2. Upon review of the corresponding request the arbitral tribunal shall issue an order on clarification of the decision or corrections to it, which is an integral part of the decision of the International Arbitration Court, or an order on refusal of the decision clarification or of the corrections.

3. The arbitral tribunal may, at its own initiative, within sixty calendar days from the decision date to correct a clerical, typographical, and arithmetical errors made in the decision.

#### **Article 48. Decision on the agreed terms**

1. If, during arbitration proceedings, the parties settle the dispute by entering into an amicable agreement, the arbitral tribunal, at the request of the parties shall record the agreement in the form of the International Arbitration Court decision on agreed terms.

2. The decision of the International Arbitration Court on the agreed terms has the same status and effect and shall be accordingly adopted, signed, and executed in the same manner as the decision of the International Arbitration Court on the merits.

#### **Article 49. Resumption of arbitration**

1. In case of cancellation of the decision of the International Arbitration Court or refusal to issue a writ of execution to enforce the arbitral decision on the grounds not excluding the re-arbitration legal proceedings, the arbitral tribunal may, at the request of interested party resume the arbitral proceedings and pronounce a new decision by the same arbitral tribunal, which adopted the initial decision.

2. If due to any circumstances the arbitral tribunal, who rendered the decision in consideration of a dispute, is not able to take part in the repeated arbitration and the parties have not notified about replacement of the arbitral tribunal, the new arbitral tribunal shall be elected by the International Arbitration Court.

3. The repeated arbitration shall be considered by different arbitral tribunal, if at least one of the parties would claim on the replacement of the arbitral tribunal, given that the arbitration fee is paid by the claiming party. In this case, the formation of the new composition of the arbitration shall be done in accordance with the Statute of the International Arbitration Court "IAC" "On formation of the arbitral tribunal".

#### **Article 50. Exclusion of liability**

1. The International Arbitration Court shall not be liable to any party or any other person for any act or omission, or for any decision taken by the arbitral tribunal in connection with any arbitration proceedings.

2. The arbitrators shall not be liable to any party or any other person for any act or omission in connection with any arbitration proceedings, except in cases where the arbitrators may be responsible for the consequences of conscious and deliberate wrongdoing.

3. After the decision of the International Arbitration Court has been rendered and opportunities for its correction and formulation of supplementary decision have been exhausted, the International Arbitration Court and the arbitrators shall not be required to make any statements on any matter relating to the arbitration proceedings.

#### **Article 51. Execution of the decision**

1. The parties, who have concluded an arbitration agreement, accept the responsibility to execute voluntarily the decision of the International Arbitration Court in the manner and terms established in the decision.

2. In case if the decision of the International Arbitration Court shall be executed in the Republic of Kazakhstan and is not executed voluntarily by the parties, it will be recognized as binding and shall be executed in accordance with the legislation of the Republic of Kazakhstan.

*The present Rules are presented in three languages (Kazakh, Russian, English). In case of any discrepancy, the version in Russian (language of writing) shall prevail.*