

**DISPUTE BOARD RULES OF THE
LUSAKA INTERNATIONAL ARBITRATION CENTRE**



Lusaka International Arbitration Centre

LIAC DISPUTE BOARD RULES
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INTRODUCTORY RULES

Rule 1: Definitions

In these Rules, the following definitions apply:

- i. "Administered Dispute Board" means a Dispute Board "DB" for which the Parties have opted into the optional administrative services provided under Rule 18 of the Rules.
- ii. "Applicable Law" means the rules of law applicable to the Contract and/or to the substance of the Dispute.
- iii. "Arbitration Rules" means the LIAC arbitration rules in effect on the date of commencement of the arbitration proceedings.
- iv. "Centre" or "LIAC" means the Lusaka International Arbitration Centre.
- v. "Conclusion" means either a Recommendation or a Decision issued by the Dispute Board as described in the Rules.
- vi. "Contract" means the agreement of the Parties, which contains or is subject to provisions for establishing a Dispute Board under these Rules.
- vii. "Decision" means a binding, but not immediately final, decision issued in writing by a Dispute Adjudication Board.
- viii. "Dispute" means an assertion of a right or a claim by a Party that has been rejected by another Party and such rejection is rejected by the former.
- ix. "Dispute Board" or "DB" means a Dispute Review Board ("DRB") or a Dispute Adjudication Board ("DAB").
- x. "Dispute Board Member Agreement" or "DBMA" means an agreement by and between the Parties to the Contract and a Member of a Dispute Board, specified under Rule 8 and (if used) Annex (A) of the Rules.
- xi. "Fee(s)" means the "Monthly Fixed Fee(s)" and/or the "Daily Fee(s)" and/or the "Fixed Fee" as defined under Rule 21(1) of the Rules.
- xii. Notice of Dissatisfaction means a written notice submitted by a Party in accordance with Rule 3 of these Rules to express its dissatisfaction with a Recommendation issued by a Dispute Resolution Board.
- xiii. Notice of Rejection means a written notice submitted by a Party in accordance with Rule 4 of these Rules to express its rejection of a Decision issued by a Dispute Adjudication Board.
- xiv. "Party" or "Parties" means a Party or the Parties to the Contract.
- xv. "Recommendation" means a formal report issued in writing by a Dispute Resolution Board that is not immediately binding on the Parties.
- xvi. "Referral" means a written statement sent by either Party for the purpose of referring a Dispute to the DB.
- xvii. "Reply" means a written statement sent as a response to Response.
- xviii. "Response" means a written statement sent in response to a Referral.
- xix. "Rules" means the LIAC Dispute Board Rules current at the date of the Contract (as stated in it or, if not stated, the date on which it has been executed by all Parties).
- xx. "USD" means United States Dollars.

- xxi. “Written” or “in Writing” means any document, including e-mails and faxes/telexes or any other means of communications that provides or allows a written form.

Rule 2: Application of the Rules

1. Where the Parties have agreed in writing to seek the assistance of a DB under the Rules to avoid or resolve any Dispute(s) that may arise or have arisen out of a Contract, any such Dispute shall be avoided or resolved in accordance with the Rules subject to such modification as the Parties may agree in writing.
2. The Rules apply to two types of Dispute Boards: Dispute Review Boards (“DRB”) and Dispute Adjudication Boards (“DAB”). The Parties shall consider the kind of Dispute Board that is appropriate for their Contract and specify in the Contract whether it is to be DRB or DAB.
3. If the Parties fail to agree on or specify the kind of Dispute Board in their Contract or subsequently, the Parties shall be deemed to have agreed on and specified a DAB.
4. The Parties shall cooperate with each other, the DB and the Centre in the application of the Rules.
5. Dispute Boards are not arbitral tribunals and their Conclusions, being of a contractual nature, are not enforceable in the same way as arbitral awards.
6. The Rules apply to both types of Dispute Boards. The only difference arising from the Parties’ choice of a DRB or a DAB is that contractually the Recommendations issued by DRBs are not immediately binding, as described in Rule 3 of the Rules, whereas, the Decisions issued by DABs are binding, but not immediately final, as described in Rule 4 of the Rules.

SECTION

II

TYPES OF DISPUTE BOARDS

Rule 3: Dispute Review Board (“DRB”)

1. The DRB shall assist the Parties with the avoidance and the timely resolution of any Disputes, in accordance with Rule 13 of the Rules. Either Party may refer any matters, disagreements or Disputes arising out of the Contract to the DRB.
2. The DRB shall issue a Recommendation in respect of each Referral in accordance with Rule 16 of the Rules. The Parties shall duly consider each Recommendation, which carries great weight, although it is not immediately binding.
3. If a Party is dissatisfied with the Recommendation, the dissatisfied Party shall, within 28 days after receiving it, submit a Notice of Dissatisfaction to the other Party and the DRB, which shall

state that it is submitted pursuant to this Rule 3 of the Rules and shall set out so far as practicable the reasons for dissatisfaction.

4. If a Notice of Dissatisfaction has been submitted by a Party within 28 days after receiving the Recommendation, either Party may, subject to Rule 3(5) below, submit the Dispute to arbitration or litigation as the case may be.
5. Where a Notice of Dissatisfaction has been given under Rule 3(3) above, both Parties shall attempt to settle the dispute amicably before commencement of arbitration or litigation. However, unless both Parties agree otherwise, the Party giving a Notice of Dissatisfaction should move to commence arbitration or litigation after the fifty-sixth day from the day on which a Notice of Dissatisfaction was given, even if no attempt at an amicable settlement has been made.
6. If neither Party submits a Notice of Dissatisfaction to the other Party and the DRB within 28 days after receiving the Recommendation, the Recommendation shall become final and binding on the Parties.
7. If either Party fails to comply with a Recommendation that has become final and binding, then the other Party may submit the failure to comply with the Recommendation to arbitration or litigation as the case may be.
8. Recommendations shall be admissible as evidence in any subsequent arbitral or judicial proceedings.

Rule 4: Dispute Adjudication Board (“DAB”)

1. The DAB shall assist the Parties in the avoidance of Disputes, in accordance with Rule 13 of the Rules, and/ or the timely resolution of Disputes. Either Party may refer to the DAB any Disputes arising out of or in connection with the Contract.
2. The DAB shall issue a Decision in respect of each Referral in accordance with Rule 16 of the Rules. A Decision is binding on the Parties upon its receipt. The Parties shall comply with the Decision without delay, notwithstanding any Notice of Rejection pursuant to this Rule 4 of the Rules.
3. If a Party rejects the Decision, the rejecting Party shall, within 28 days after receiving it, submit a Notice of Rejection to the other Party and the DAB, which shall state that it is submitted pursuant to this Rule 4 of the Rules and shall set out so far as practicable the reasons for rejection.
4. Where a Notice of Rejection has been given under Rule 4(3) above, both Parties shall attempt to settle the dispute amicably before commencement of arbitration or litigation. However, unless both Parties agree otherwise, the Party giving a Notice of Rejection should move to commence arbitration or litigation after the fifty-sixth day from the day on which a Notice of Rejection was given, even if no attempt at an amicable settlement has been made.

5. If a Party fails to submit a Notice of Rejection to the other Party and the DAB within 28 days after receiving the Decision, the Decision shall remain binding and shall become final.
6. If a Party rejects the Decision by submitting a Notice of Rejection, then such Party may submit the Dispute to arbitration or litigation as the case may be. Pending a ruling by an arbitral tribunal or a competent court, the Parties must comply with the Decision.
7. If either Party fails to comply with the Decision, then the other Party may submit the failure to comply with the Decision to arbitration or litigation as the case may be.
8. Decisions shall be admissible as evidence in any subsequent arbitral or judicial proceedings.

SECTION

III

ESTABLISHMENT OF THE DISPUTE BOARD

Rule 5: Appointment of the Dispute Board Members

1. The DB shall be established in accordance with the provisions of the Contract or, where the Contract is silent, in accordance with the Rules, which shall be deemed incorporated by reference into the Contract.
2. The DB shall comprise one or three DB Members, unless the Parties agree otherwise. Where the number is not stated in the Contract and the Parties have not agreed on it subsequently, the DB shall be composed of three members. However, the Centre, after consultation with the Parties and in view of the relevant circumstances, may decide that a sole DB member shall be appointed.
3. Where the Parties have agreed to have a sole DB Member, they shall jointly appoint the sole Member within the time-period stated in the Contract or, where the Contract is silent on that, within 28 days after the effective date of the Contract, or within any other time-period agreed upon by the Parties. If the Parties fail to appoint a sole DB Member within this time-period, the sole DB Member shall be appointed in accordance with Rule 5(7) of the Rules.
4. Where the Parties have agreed to have three DB Members, each Party shall appoint one Member. The third Member of the DB, who shall act as chairperson, shall be jointly appointed by the two selected Members after obtaining the approval of the Parties. The chairperson shall be appointed within the time-period stated in the Contract or, where the Contract is silent on that, within 28 days after the appointment of the other Members or within any other time-period agreed upon by the Parties. In case of failure to appoint the chairperson within this time-period, the chairperson shall be appointed in accordance with Rule 5(7) of the Rules.
5. If the parties have agreed that the DB is to be composed of a number of Members other than one or three, the Members shall be appointed according to the method agreed upon by the parties.

6. If a DB Member declines to act or has to be replaced due to death, disability, resignation or termination of appointment, the Parties shall appoint, as a replacement, a substitute DB Member. The substitute DB Member shall be appointed in the same manner as the replaced Member was appointed.
7. If the Parties fail to establish a DB in accordance with Rule 5(3), 5(4), 5 (5) and 5 (6) of the Rules; or if the Parties fail to agree on a substitute DB Member; or the DB Members fail to agree on a chairperson in accordance with Rule 5(4) of the Rules, then the Centre shall, after due consultation with the Parties, appoint the DB Member(s) as soon as practicable after the written request of any or all Parties.
Such request may include the specific qualifications of the potential member, as well as identifying any conflicted individuals from among the Centre's panel of adjudicators.
The Centre's appointments shall be final and conclusive.
8. When appointing a sole DB Member or a chairperson of the DB, the Centre shall use the following procedure, unless the Parties agree that such procedure should not be used or unless the Centre determines in its discretion that the use of such procedure is not appropriate for the case:
 - a) The Centre shall communicate to each of the Parties an identical list containing at least three names;
 - b) Within 15 days after receipt of this list, each Party shall return the list to the Centre, having deleted the name(s) to which it objects and having numbered the remaining names on the list in the order of the Party's preference;
 - c) After the expiration of the above 15 days, the Centre shall appoint the sole DB Member or a chairperson of the DB from among the names approved on the list returned to it and in accordance with the order of preference indicated by the Parties;
 - d) If, for any reason, the appointment cannot be made according to this procedure, the Centre may exercise its discretion in appointing the sole DB Member or a chairperson of the DB. The Centre's appointment shall be final and conclusive.
9. Upon any appointment of DB Members by the Centre in accordance with the above procedure either under Rule 5(7) or 5(8) of the Rules, the Parties and the Member(s) so appointed shall be deemed to have consented to and be bound by the DBMA, contained in Annex (A) to these Rules, under which: (i) the Monthly Fixed Fee; the Daily Fee and the Fixed Fee shall be decided by the Centre in accordance with Rule 21 of the Rules; and (ii) the law governing the DBMA shall be the governing law of the Contract, if stated. If not stated, the Centre shall determine the governing law of the DBMA taking into consideration any relevant circumstances and after consultation with the Parties and the DB Member(s). The fees and the governing law shall be stated in the terms of the appointment of the DB Member(s) in the DBMA.
10. Any Party may, within 21 days of learning of the facts upon which the application is based, file an application to the Centre for the removal of any DB Member on the grounds of conflict(s) of interest or circumstances giving rise to justifiable doubts as to the DB Member's impartiality or independence, or a proven failure to comply with the DBMA. An impartial and independent

tripartite ad hoc committee to be composed by the Court of the Centre will decide on the application after having given the challenged DB Member, any other DB Members and the other Party an opportunity to comment on the application. The decision of the Tripartite Committee on any such application to remove a DB Member shall be final and conclusive. If a Party does not notify an express objection in writing to the Centre within that period of 21 days after becoming aware of the facts surrounding this objection, this Party is deemed to have waived its right to raise this objection at a later stage of the proceedings, unless otherwise considered by the Centre to prevent the Member from remaining on the DB. If the application is successful, that DB Member shall be removed forthwith; and the DB Member Agreement, if any, between that DB Member and the Parties shall be terminated.

Rule 6: Impartiality and Independence

1. A prospective DB Member who is aware that he/she is being considered for appointment may not discuss any issue understood to be in dispute under the Contract with only one of the Parties or its representative(s).
2. At the time of accepting an appointment, each prospective DB Member must provide a written statement to the Parties declaring his/her acceptance, impartiality and independence, as well as disclosing any facts or circumstances which may give rise to any justifiable doubts as to his/her impartiality and independence. Each Member shall also disclose to the Parties and the other DB Members promptly any such facts or circumstances which arise, or of which the Member becomes aware, after appointment.
3. A disclosure provided by a DB Member shall not be considered an admission of a conflict of interest. A DB Member must consider himself/herself to be impartial and independent of the Parties despite the disclosed facts or circumstances, otherwise, the Member must decline the appointment or resign when it becomes aware of any such facts.
4. After appointment of the DB Members and until the DB's activities are completed:
 - a) Every DB Member must be and remain impartial and independent of the Parties;
 - b) Any communications between any Party and any of the DB Members must be copied to the other Party and the other DB Members; and
 - c) The DB shall not meet separately with any of the Parties or its representatives. Any meeting with the DB must be attended by a representative of each Party, unless otherwise agreed in writing by both Parties.

Rule 7: Dispute Board Members' Qualifications and Obligations

1. The DB Members undertake to carry out their obligations as set out in the Rules and the DBMA.

2. At the time of appointing DB Members, a DB Member's expertise in the type of work or services subject to the Dispute and the Contract between the Parties must be considered. DB Members must have the expertise to comprehend and interpret the Contract, as well as the suitable skills to manage the Dispute. DB Members must be fluent in the language defined in the Contract or as agreed by the Parties. When appointing a DB Member, the Centre shall appoint from its panel of dispute board members.
3. The Centre shall endeavour to select DB Members with the appropriate skills for the project in question, taking into consideration the prospective DB Member's attributes and credentials such as nationality, residency, regional experience, familiarity with the applicable law, language(s) skills, qualifications, availability and experience relating to the type of project. In making such appointments, the Centre shall endeavour to take into consideration any comments, observations or requests made by the Parties.
4. The responsibilities of the chairperson of the DB or a sole DB Member include ensuring that the procedure to be adopted always provides the Parties with a fair and equitable opportunity to prepare their respective cases and to respond to the case of the other Party, while paying due regard to cost and time efficiencies.
5. Unless otherwise agreed by the Parties or otherwise required by applicable law or a judicial authority, all information served by the Parties to the DB Members or any information obtained by a DB Member or the Centre during the course of the DB's activities, which is not in the public domain shall be kept confidential by the DB Members and used only for the proper purposes of the DB's activities. Such obligation shall also apply to the Centre.
6. Unless otherwise agreed in writing by the Parties, a DB Member shall not have acted or act in any judicial, arbitral or similar proceeding relating to the Contract.

Rule 8: Dispute Board Member Agreement ("DBMA")

1. After being appointed and before commencing the DB activities, each DB Member shall sign a DBMA with the Parties.
2. The DB Members and the Parties are bound by the Rules and the terms of the DBMA.
3. The DBMA shall define whether the DB Member is a sole DB Member, a DB Member in a three-member or more DB or the chairperson of a three-member or more DB.
4. The Parties may at any time, without cause, jointly terminate the appointment of any of the DB Members, by giving written notice of no less than one month to the Member.
5. A DB Member may resign, at any time, by giving written notice of no less than two months to the Parties, unless otherwise agreed by the Parties and the DB Member.
6. A standard form for the DBMA is contained in Annex (A) to the Rules.

CONTROL OF THE PROCEEDINGS**Rule 9: Provision of Information**

1. The DB shall be kept informed of the project's development, the Contract and its performance by the Parties, regardless of the date of establishment of the DB. The Parties shall fully cooperate with the DB and provide copies of any documents pertinent to the Contract.
2. The Parties shall communicate any relevant information and provide all documents and notifications to the DB in a timely manner.
3. The Parties shall endeavour to keep the DB informed of any disagreements which may arise during the performance of the Contract and shall submit any additional information and copies of documents which the DB may request in preparing its Conclusion.
4. In relation to a DB comprising more than one Member, the date on which the DB is deemed to have received any communication from the Parties shall be the date when such communication is received by the DB's chairperson.

Rule 10: Site Visits and Meetings

1. As soon as the DB initiates its activities, it shall arrange an initial meeting with the Parties to establish a schedule of meetings and, if relevant to the Contract, site visits.
2. In cases where site visits are relevant to the Contract, there shall be a site visit at least every four months, or as otherwise agreed between the Parties and the DB. The schedule of site visits shall be mutually agreed between the Parties and the DB or shall be decided by the DB if no agreement can be reached. The Parties and the DB shall attend site visits.
3. The purpose of site visits is to keep the DB up to date with the performance of the Contract, site conditions, progress of the work and any actual or potential disagreements. During meetings and/or site visits, the DB may raise any disagreements that it considers could arise between the Parties and encourage them to avoid such disagreement on their own without the involvement of the DB.
4. Meetings can be held at any location face-to-face or via telephone or other communication methods as may be agreed between the Parties and the DB. In the absence of agreement, the DB shall decide the venue, time and any other matters relevant to such meeting.
5. Upon the request of any Party to hold an urgent meeting or site visit, the DB shall use their best efforts to accommodate such request and arrange a meeting or a site visit within 21 days after receiving the Party's request.
6. The DB will prepare a summary report within 14 days, unless otherwise agreed by the Parties, after every meeting or site visit and provide a copy of that report to each Party.

Rule 11: Written Notifications or Communications and Time Limits

1. All written notifications or communications from a Party to the DB or from the DB to the Parties, together with any enclosures and attachments, shall be communicated simultaneously to all Parties and DB Members at the address on file for each of them.
2. Written notifications or communications shall be sent in the manner agreed between the Parties and the DB or in any manner that provides the sender with a record of the sending thereof.
3. All written notifications or communications from a Party to the Centre shall be communicated simultaneously to all Parties and the DB, if in place, at the address on file.
4. A written notification or communication shall be deemed to have been made on the date that it was received by the intended recipient or by its representative; or, if made by e-mail, on the date of sending it to the correct e-mail address(es).
5. Periods of time specified in or fixed under the Rules shall:
 - a) Start to run on the day following the date a notification or communication is deemed to have been made in accordance with the preceding paragraph. When the day following such date is an official holiday or a non-business day in the country in which the notification or communication is deemed to have been made, the period of time shall commence on the first following business day; and
 - b) Include official holidays and non-business days; unless the last day of the period of time is an official holiday or a non-business day in the country where the addressee(s) are based, the period of time shall then expire at close of business of the first following business day.

Rule 12: Commencement and Completion of the DB's Activities

1. The DB shall commence its activities after each DB Member and the Parties have signed the DBMA(s).
2. Unless otherwise agreed by the Parties, the DB shall complete its activities upon receiving notice from the Parties of their joint decision to disband the DB.
3. Any Dispute that may arise between the Parties after the DB has been disbanded shall be finally settled by arbitration according to the Centre's Arbitration Rules, if the Parties have so agreed.

INFORMAL DISPUTE AVOIDANCE**Rule 13: Dispute Avoidance**

1. Upon the joint request of the Parties, the DB may informally assist the Parties in the avoidance of Disputes by providing an informal advisory opinion. The informal advisory opinion may be given to the Parties jointly during a conversation with the Parties, during any meeting or site visit or through any other form as may be agreed with the Parties. The Parties are not bound to act upon any informal advice given by the DB.
2. The DB may, on its own initiative, raise any matter with the Parties jointly in an effort to avoid any potential Disputes and in an endeavour to help the Parties. The Parties may stop the DB's initiative provided that they jointly notify the DB in writing that they regard the DB's initiative unnecessary.
3. If the DB is required to issue a Conclusion regarding any matter on which it has earlier provided an informal advisory opinion, the DB shall not be bound by any views, whether expressed orally or in writing, which it may have given during the course of its informal advisory opinion.

Rule 14: Dispute Resolution: Formal Referrals

1. As soon as a Dispute arises, the Parties must comply with the dispute resolution process as provided for in the Contract.
2. A Party may, at any time, refer a Dispute to the DB by submitting a Referral to the DB and the other Party simultaneously.
3. The Referral shall comprise a summary of the Dispute, a clear and concise list of the issues submitted to the DB for Conclusion and a statement of the referring Party's position thereon, including any relevant facts, contractual basis and law, as well as the relief sought. The Referral shall include, in its body or as an attachment, copies of all documents relied on to support for the position stated.
4. Within 21 days after receiving the Referral, the other Party shall submit its Response to the referring Party and the DB. The Response shall include, in its body or as an attachment, copies of all documents relied on to support the position stated and a statement of any relief sought.
5. Within 7 days after receiving the Response, subject to the DB's permission, the referring Party may submit a Reply to the other Party and the DB, simultaneously.
6. The DB may, at any time, request in writing the Parties to provide additional submissions or additional information or documents.
7. The Parties remain free to settle the Dispute at any time, with or without the DB's assistance.

Rule 15: Conduct of Hearings

1. Within 21 days after receipt of the Response or the Reply, if any, by the DB, it may arrange, after consultation with the Parties, a hearing of the Dispute.
2. Should a Party fail to attend a properly notified hearing, the DB may proceed with the hearing.
3. Should a Member of a DB of three or more members be unable to attend a hearing, the DB may, after consultation with the Parties and obtaining their written approval, hold a hearing in the absence of that DB Member.
4. The DB shall: (a) be fully responsible for the conduct of the hearing(s); (b) at all times act fairly and impartially; and (c) ensure that each Party has a reasonable and fair opportunity to present its case. No express opinions concerning the merits shall be disclosed by the DB during the hearing(s).
5. The Parties shall be represented by authorized person(s) who are overseeing the performance of the Contract during the hearing and may be assisted by advisers. Nevertheless, it is of optimum importance that representatives of the Parties with personal knowledge of the project appear in person to ensure a concise and clear representation of their case.
6. The DB may deliberate at any location it considers appropriate, as well as through remote communication or electronic means, before issuing its Conclusion.

Rule 16: Conclusions

1. The procedure for rendering a Conclusion is identical, whether it is a Recommendation or a Decision. The only difference between Recommendations and Decisions is that Decisions are immediately binding in accordance with Rule 4 of the Rules, and Recommendations become binding when they are final, in accordance with Rule 3 of the Rules.
2. The DB shall issue its Conclusion within 84 days after receiving the Referral. However, depending on the complexity and nature of the Dispute, the DB may extend this time limit, subject to the agreement of the Parties. Such extensions shall not normally exceed 21 days.
3. The DB's Conclusion must state the date on which it is issued, the DB's findings and the reasons upon which they are based.
4. On its own initiative, the DB may correct a clerical, computational or typographical error, or any errors of a similar nature, contained in a Conclusion, provided such correction is delivered to the Parties in writing within 14 days after the date of such Conclusion.
5. Within 28 days after receiving the Conclusion, any Party may apply to the DB for the correction of a clerical, computational or typographical error of the kind stated in the previous paragraph, or for an interpretation of the Conclusion. Within 7 days after receiving the application, the other Party may submit any comments it may have. Within 21 days after the expiry of the deadline for comments, unless extended by agreement of the Parties, the DB shall issue any

required correction or interpretation of the DB's previous Conclusion. Such extensions shall not normally exceed 7 days.

6. Should the DB issue a correction or interpretation of the Conclusion, all time limits associated with the Conclusion shall recommence from receipt by the Parties of the correction or interpretation of the Conclusion.

Rule 17: Powers of the Dispute Board

1. Unless otherwise stated in the Rules or by agreement of the Parties, the DB shall have the power to:
 - a) Determine the language of the proceedings, taking into consideration the Parties' respective views, the language of the Contract and all relevant circumstances;
 - b) Hold meetings, site visits and hearings;
 - c) Request the Parties to produce any additional documents that the DB deems necessary and may draw adverse inference in case of a Party's failure to produce requested documents;
 - d) Establish the procedure to be implemented to issue a Conclusion;
 - e) Decide upon its own jurisdiction and the scope of a Dispute referred to it;
 - f) Decide on all procedural matters arising during meetings, site visits and hearings;
 - g) Implement any sequence it chooses when questioning the Parties, their representatives and any witnesses that the Parties may call;
 - h) Make use of its own specialist knowledge;
 - i) Take any measures necessary for it to fulfil its function as a DB; and
 - j) Appoint one or more experts after consultation with the Parties.
2. If the DB is composed of three members or more and unanimity cannot be achieved on procedure, it shall be established by majority. When there is no majority or when the DB so authorises, the chairperson alone may establish the procedure.
3. If the DB is composed of three members or more and unanimity cannot be achieved on the Conclusion, it shall be issued by majority. Any DB Member who disagrees with the Conclusion may give the reasons for such disagreement in a separate written report that shall not form part of the Conclusion but shall be communicated to the Parties. Any failure of a DB Member to give such reasons shall not prevent the Conclusion from being issued, or from being or becoming binding in accordance with Rules 3 and 4 of these Rules.

OPTIONAL ADMINISTRATIVE SERVICES OF THE CENTRE

Rule 18: Optional Administrative Services

1. The optional administrative services which may be requested from the Centre by either Party or the DB Members may include the following:
 - a) Providing the Parties with the DBMA.
 - b) Maintenance of a file of written communications (correspondences and submissions) in addition to facilitating communication between the Parties and/ or the DB Members;
 - c) Providing necessary practical arrangements for meetings and hearings at the Centre's premises or at one of its alternative hearing centres, including:
 - i. Assisting the DB Member(s) in establishing the date, time and place of any hearing(s);
 - ii. Arranging meeting rooms for hearing(s) or deliberations of the DB Members as well as breakout rooms;
 - iii. Arranging telephone conferencing and videoconferencing facilities;
 - iv. Arranging secretarial or clerical assistance;
 - v. Making available or arranging for interpretation services;
 - vi. Making arrangements for recording services;
 - vii. Facilitating entry visas to the Centre's host state, if possible and when required; and
 - viii. Arranging accommodation for Parties and DB Member(s), with special rates where possible.
 - d) Providing fund-holding services, especially through holding the Parties' deposits and disbursing DB Member(s)' fees and expenses;
 - e) Ensuring that procedurally important dates are followed and advising DB Member(s) and the Parties when these dates are not adhered to;
 - f) Providing secretarial or clerical assistance in other respects; and
 - g) Carrying out any other practicable tasks entrusted to the Centre by the Parties and/or the DB Member(s), such as serving communications, notifications and submissions.

ADMINISTRATIVE FEES OF THE CENTRE AND COMPENSATION OF THE DISPUTE BOARD MEMBERS**Rule 19: Administrative Fees of the Centre**

1. The fees for any or all optional administrative services provided under Rule 18 of the Rules, shall be determined by the Centre at its discretion, depending on the tasks requested to be carried out by it. These fees normally shall be not less than US\$ 500 (Five hundred US dollars) and not more than US\$ 3000 (Three thousand US dollars), but in exceptional circumstances the Centre may charge fees outside those limits.
2. For non-Administered Dispute Boards, each request for the appointment of a DB Member, pursuant to Rule 5(3), (4) and (7) of the Rules must be accompanied by a non-refundable fee of US\$ 500 (Five hundred US Dollars), which shall be the total charge for the appointment of one DB Member by the Centre. The Centre shall not proceed with the appointment until the specified payment has been received.
3. For non-Administered Dispute Boards, each request for a decision on the compensation of a DB Member pursuant to Rule 21(3) of the Rules must be accompanied by a non-refundable fee of US\$ 500 (Five hundred US dollars) which shall be the total charge for a decision by the Centre on the compensation of one DB Member. The Centre shall not proceed with the decision until the specified payment has been received. For Administered Dispute Boards, this service is free of charge.
4. For non-Administered Dispute Boards, each application for the removal of a DB Member shall be accompanied by a non-refundable fee of US\$ 500 (Five hundred US dollars), which shall be the total charge for the decision by the Centre on the removal of one DB Member. The Centre shall not proceed with the decision unless the specified payment has been received. For Administered Dispute Boards, this service is free of charge.
5. The Parties shall share equally the fees payable to the Centre under Rule 19 (1), (2) and (3) of the Rules. If a Party fails to pay its share of the administrative fees of the Centre when due, the other Party shall pay the entire amount of such administrative fees and shall be entitled to reimbursement from the non-paying Party of its unpaid share.
6. The fees, referred to under this Rule 19 of the Rules, shall be paid by the Parties to the Centre by wire transfer to the Centre's bank account, referencing the relevant DB case number. The full amount due to the Centre without deduction for transfer or exchange charges must be paid.

Rule 20: Compensation of the Dispute Board Members

1. The fees and expenses of the DB Members shall be shared equally by the Parties.
2. The terms and rate of compensation for each of the DB Members shall be mutually agreed between the Parties and the DB Member(s) and recorded in the DBMA.

3. Unless otherwise agreed between the Parties and the DB Members, the Parties shall reimburse at cost all reasonable expenses incurred by a DB Member in carrying out obligations in respect of the DB including, but not limited to:
 - a) Air travel between the DB Member's place of residence and the place of any site visit, hearing(s) or deliberation(s), at unrestricted and flexible business class rates;
 - b) Hotels and meals whilst away from home; and
 - c) Ground transport, long distance telephone calls, courier services, printing, photocopying, postage, visas, etc.
4. If the Parties and a DB Member fail to agree on the DB Member's compensation, one or both Parties may submit a written request to the Centre for a decision on the reasonable compensation of the Member. In such request, the Parties may ask the Centre to decide the DB Member compensation as a Fixed-Fee pursuant to Rule 20(7) of the Rules. The Centre shall decide on the DB Member's compensation within 28 days after receiving the written request. The Centre's decision shall be final and binding on the Parties. For non-Administered Dispute Boards, each request shall be accompanied by a non-refundable fee of US\$ 500 (Five hundred US dollars), which shall be the total charge for the decision by the Centre on the determination of reasonable compensation. The Centre shall not proceed with the decision unless the specified payment has been received. For Administered Dispute Boards, the service is free of charge.
5. When the Centre decides on a DB Member's compensation, the DB Member shall be paid either a Monthly Fixed Fee and/or a Daily Fee pursuant to Rule 20(6) of the Rules. The Centre determines the amounts of the DB Member's compensation at its discretion in light of the complexity of the dispute, the amount in dispute, the experience of the DB Member and any other relevant circumstances. The Centre's decision shall be final and binding on the Parties.
6. In the event the Centre decides a DB Member's compensation, the amount of the Daily Fee (based on an 8-hour workday) determined shall not be less than US\$ 2400 (Two thousand Four hundred US dollars) and shall not exceed US\$ 3500 (Three thousand Five hundred US dollars). The Monthly Fixed Fee shall be equal to one to two times the amount of Daily Fee.
7. If the DB Member compensation relates to a Dispute to be referred to the DB pursuant to Rule 14(2), whether or not the claim is quantified, and the written request to the Centre for a decision on compensation submitted according to Rule 20(4) includes a request to have the DB Member compensation determined on a Fixed- Fee basis, the Centre may then decide the DB Member compensation as a Fixed-Fee. The amount of the Fixed-Fee shall be determined in accordance with the Table of Arbitrators' fees annexed to the Arbitration Rules, taking into account the complexity of the dispute, the amount in dispute, the experience of the DB Member (s) and any other relevant circumstances. The Fixed Fee shall represent the Member(s) total compensation in deciding the Dispute and issuing its Conclusion pursuant to Rule 16, including any corrections or interpretation of that Conclusion, regardless of the DB Member (s) working days or hours. In any event, the amount of the Fixed Fee shall not exceed the maximum amount of the Daily Fee provided for in Rule 20 (6) multiplied by the maximum number of days to issue a Conclusion provided for in Rule 16.

8. In the event that a Party fails to pay its share of the fees and expenses of a DB Member when due, the other Party, without waiving its rights, shall pay the outstanding amount. The Party making such payment, in addition to any other rights, shall be entitled to reimbursement from the non-paying Party of all such amounts paid.

Rule 21: Payment Arrangements

1. The DB Fee(s), unless agreed otherwise in the DBMA, shall comprise the Monthly Fixed Fee(s) and/or the Daily Fee(s), and/or the Fixed Fee as defined below:
 - a) The Monthly Fixed Fee(s) means the fixed fee received by each Member to cover the following:
 - i. becoming and remaining conversant with the Contract and the progress of its performance;
 - ii. activities in managing and coordinating the operation of the DB; and studying progress reports in order, inter alia, to evaluate the progress of performance and identify potential disagreements;
 - iii. reviewing all correspondence between the Parties copied to the DB; and being available to attend all DB meetings with the Parties, internal DB meetings, and site visits; and
 - iv. fixed office overhead expenses.
 - b) The Daily Fee(s) means the daily fee received by each Member to cover time spent on the following activities:
 - i. meetings and site visits;
 - ii. travel;
 - iii. internal meetings of the DB;
 - iv. study of documents submitted by the Parties in connection with procedures before the DB;
 - v. work in connection with avoidance of disagreements;
 - vi. work in connection with informal assistance with disagreements; and
 - vii. work in connection with a formal referral for a Conclusion, including hearings.
 - c) The Fixed Fee means the fee decided by the Centre in accordance with Rule 20 (4) and (7) and received by each Member to cover the issuance of a Conclusion in accordance with Rules 14 (2) and 16.
2. Unless otherwise agreed between the Parties and the DB Members, invoices shall be submitted by each DB Member to each Party for its share of the fees and expenses chargeable by the DB Member and shall be paid as follows:
 - a) Monthly Fixed Fees shall be invoiced and paid on a quarterly basis in advance of the next three-month period;
 - b) Daily Fees and travel expenses shall be invoiced and paid after each meeting, site visit, hearing or Conclusion; or

- c) Alternatively, the Fixed Fee shall be invoiced by the Centre to the Parties immediately after the Centre determines its amount.

The Parties shall pay to the Centre the amount of the Fixed Fee within 15 days of the date of the Centre's request for payment. The Centre shall pay the Fixed Fee to the DB Member immediately after issuing the Conclusion.

3. Invoices of DB Members shall be paid within 30 days of the date of receipt by the Parties.
4. If either Party fails to pay its share of fees and expenses stated in a DB Member's invoice within 30 days after the date of receipt:
 - a) The DB Member, in addition to any other rights, shall be entitled to give a notice of suspension to the Parties and any other DB Members; and then, following the expiry of 15 days after the date of giving such notice, to suspend work until receipt of full payment of all outstanding amounts, plus interest at 2% above the 90-day average SOFR (Secured Overnight Financing Rate).
 - b) The other Party, without waiving its rights, may pay the outstanding amount(s) and interest and, in that event, the paying Party, in addition to any other rights, shall be entitled to reimbursement from the non-paying Party of all such sums paid, plus interest at 2% above the 90-day average SOFR (Secured Overnight Financing Rate).
5. Upon signing the DBMA, the Parties shall provide the DB Member(s) with the form of the invoice to be sent by DB Members, including the invoicing address, taxpayer identification number (TPIN) and the value added tax (VAT) number, if applicable.
6. Each of the DB Member(s) shall be entitled to an advance payment for security of his/her fees and expenses as agreed with the Parties.

Rule 22: Exclusion of Liability

1. Save for intentional wrongdoing, neither the DB Member(s), the Centre, its employees, nor the members of the Board and the Advisory Committee shall be liable to any person based on any act or omission in connection with the DB mission or related services.

ANNEX A: DISPUTE BOARD MEMBER AGREEMENT

Each Dispute Board Member Agreement (DBMA) is an agreement between the Parties to the contract specified below and a Member of a Dispute Board. An identical DBMA is used for all DB Members (except in relation to fees).

THIS DBMA is made this [] day of [] in the year [] by and between:

[Name and address of Employer (including contact details)]

[Name and address of Contractor (including contact details)]

Each referred to as “Party” and jointly referred to as the “Parties”

AND

[Name and address of DB Member (including contact details)]

WHEREAS:

- A. The Parties have entered into a contract dated [] (the “Contract”) for [specify scope of work/services to be provided at which location/name of project].
- B. In this DBMA, words and expressions shall have the same meanings that are assigned to them in the Rules. The Parties have agreed to establish a [Dispute Review Board (“DRB”)] [Dispute Adjudication Board (“DAB”)] in accordance with the Dispute Board Rules of LIAC (the “Rules”) and to refer their Disputes to the DB in accordance with these Rules.
- C. The Parties desire to jointly appoint the undersigned person to act as [sole DB Member/one of three DB Members] [and desire the Member to act as chairperson of the DB], hereinafter referred to as the DB Member. The date of this DBMA shall be the date of the DB Member’s appointment.
- D. If the Centre appoints the undersigned DB Member, the Parties and the DB Member are bound by the Rules and the terms of this DBMA and agree to be bound by its contents as if the Parties had appointed the DB Member.

IT IS agreed as follows:

1. Purpose and Role of Dispute Board

- 1.1 The DB shall assist the Parties in the avoidance or mitigation of Disputes and the timely resolution of Disputes in accordance with the Rules, which are incorporated into this DBMA by reference.
- 1.2 The Dispute Board is not an arbitral tribunal. The mission of a Dispute Board is to both avoid and resolve formal Disputes.

- 1.3 A Party may at any time refer a matter or Dispute to the DB for it to give an informal advisory opinion as a means of Dispute avoidance or provide informal assistance to resolve a disagreement in any other form deemed appropriate by the DB. Upon referral of a Dispute, the DB shall confer with the Parties to schedule and conduct a timely hearing process.
- 1.4 All DB Members shall communicate or meet as needed to review and discuss the Dispute and issue timely Recommendations or Decisions to the Parties in accordance with the Rules.
- 1.5 The DB Member is not liable for anything done or omitted in the discharge or purported discharge of his/her functions as DB Member unless the act or omission is in bad faith. Any employee or agent of the DB Member is similarly not liable.
- 1.6 If a Dispute is submitted to arbitration or to the courts, the DB Member shall not be called as a witness in any of the proceedings. A DB Member shall not act as an arbitrator with respect to any Dispute submitted to the DB Member.
- 1.7 Any notice to the Parties and the DB Member shall be given at the above addresses. Any changes in these contact details shall be immediately communicated to all concerned.

2. DB Member's Qualifications and Obligations

- 2.1 The DB Member undertakes to perform his/her duties in accordance with the Rules and the terms of this DBMA and confirms that he/she is impartial and independent of the Parties and shall remain so until his/her appointment is terminated. If any facts or circumstances arise that from a reasonable third person's point of view could be perceived as a conflict of interest, the DB Member shall promptly disclose such facts or circumstances to the Parties.
- 2.2 The Parties hereby agree that the appointed DB Member has the necessary expertise in the type of work or services to be performed under the Contract and has the language skills needed to fulfil the duties as DB Member.
- 2.3 The DB Member shall keep confidential all information provided to it during the course of its service and use such information only for the avoidance and settlement of Disputes, unless otherwise agreed by the Parties or required by applicable law.

3. Parties' Obligations

- 3.1 The Parties shall provide each DB Member with a copy of the Contract documents, as well as any other documents pertinent to the performance of the Contract and necessary for the DB's operations and shall keep the DB informed of the project's development by furnishing the DB with relevant information such as progress reports or minutes of meetings.
- 3.2 The Parties jointly and severally undertake to pay the DB Member, in consideration of the carrying out the services under this DBMA and the Rules, in accordance with Clause 4 below. The fees and expenses of the Member shall be shared equally by the Parties.

3.3 The Parties shall communicate any relevant information and copy all documents and notifications to the other Party and the DB Members in a timely manner.

3.4 The Parties undertake to observe the Rules and the terms of this DBMA.

4. DB Member's Fees and Expenses

4.1 The DB Member shall be paid a Monthly Fixed Fee of [], plus a Daily Fee of [] and/or a Fixed Fee of []. The Monthly Fixed Fee and Daily Fee shall remain fixed for the first 24 months and shall thereafter be increased by agreement between the Parties and the DB Member at each anniversary of the date on which the DBMA became effective. If the Parties and the DB Member are unable to agree the increase in the Fees, either party may request the Centre in accordance with Rule 20(4) of the Rules to fix the Fees.

4.2 The DB Member shall be reimbursed for all reasonable expenses incurred in connection with carrying out the Member's mission.

4.3 All payments to the DB Member shall be made without deductions or restrictions to the following account: [insert account details]. The transfer charges shall be borne by the Party making the transfer. No taxes and charges, except for value added tax (VAT), levied in connection with the services rendered by a DB Member by the country of the residence or nationality of the DB Member shall be reimbursed by the Parties.

4.4 All fees and expenses shall be invoiced to and paid by each of the Parties in equal shares. All payments shall be made within 30 days of receipt of the DB Member's invoice.

4.5 The DB Member shall be entitled to an advance on fees and expenses as needed for the security of its payment.

5. Termination

5.1 The Parties may jointly terminate this DBMA or the Dispute Board at any time by giving no less than one month's written notice to each DB Member.

5.2 The DB Member may resign from the Dispute Board at any time by giving no less than two months' written notice to the Parties.

6. Dispute Resolution and Applicable Law

6.1 This DBMA shall be governed by the laws of [specify applicable law].

6.2 If any dispute arises out of or in connection with this Agreement, the Parties and the DB Member shall, within 14 days of a written request from one Party or the DB Member, meet in a good faith effort to resolve the dispute.

6.3 If the dispute is not resolved at that meeting, the Parties and the DB Member will attempt to settle it through mediation in accordance with the Mediation Rules of LIAC.

- 6.4 Unless resolved amicably or by mediation, or after 35 days of receipt of the written request under paragraph 6.2 above, any dispute arising out of or in connection with this DBMA shall be finally settled by a single arbitrator to be appointed by the Parties and the DB Member or, failing such appointment, within 14 days after either Party or the DB Member has given notice to the other, it may request LIAC to appoint an arbitrator.
- 6.5 The arbitration shall be conducted under LIAC Arbitration Rules. The place of arbitration shall be [specify city and country]. The language of the arbitration proceedings shall be English.