



THE ARBITRATION INSTITUTE
OF THE CENTRAL CHAMBER OF COMMERCE
OF FINLAND

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General Information

The Arbitration Institute of the Central Chamber of Commerce of Finland (FCCC) has a tradition of more than 90 years. The FCCC Institute was established already in 1911. From the beginning of 1919 it has been functioning within the Central Chamber of Commerce in Helsinki.

The FCCC Institute provides settlement by arbitration of both international and domestic disputes. The decisions of the FCCC Institute are final and not subject to review by the Central Chamber of Commerce. The FCCC Institute is the only arbitration institute in Finland of some importance.

The FCCC Institute promotes the settlement by arbitration of domestic and international business disputes and provides information concerning arbitration. Moreover, it also administers arbitrations when the parties have agreed on arbitration in accordance with the FCCC Rules. It also appoints an arbitrator or arbitrators in other cases if the parties have so agreed. The FCCC Institute acts, however, as an appointing authority under the UNCITRAL Arbitration Rules.

The FCCC Institute has a Board of nine members and a Secretariat. The members of the Board of the FCCC Institute shall be persons of good repute who has business experience. The Chairman, the Vice-Chairman and at least two other members shall be lawyers, two of whom shall be qualified to serve as a judge. The present Chairman of the Board is Mr. Gustaf Möller, Justice of the Supreme Court. The other Board members include professors and other lawyers.

In arbitral proceedings governed by the Rules of the FCCC Institute, a member of the Board may not act as an arbitrator or be appointed as arbitrator by the Board. However, a member of the Board may act and be appointed as a sole arbitrator or chairman of an arbitral tribunal where so requested by the parties or by the arbitrators appointed by the parties.

The Finnish Arbitration Act

The Finnish Arbitration Act ("the Act") entered into force in Finland in 1992. The Act is based on the same basic principles as the UNCITRAL Model Law on International Commercial Arbitration. The Act applies to both domestic and international arbitration.

According to the Act (section 3(1) of the Act) an arbitration agreement must be in writing. The agreement is in writing if it is contained in a document signed by the parties or in an exchange of letters, telegrams or telexes or other such documents (section 3(2) of the Act).

The FCCC Institute recommends the following wording in English: Any dispute, controversy or claim arising out of or relating to this contract or the breach, termination or validity thereof shall be finally settled by arbitration in accordance with the Arbitration Rules of The Central Chamber of Commerce of Finland.

Finland is a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

The FCCC Institute as a Forum for International Disputes

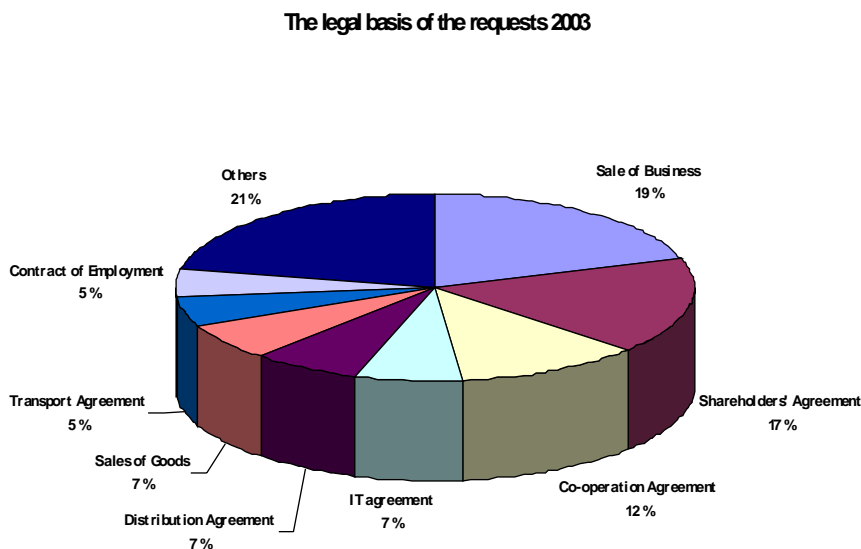
The arbitration regime in Finland is flexible and efficient. Parties may select non-Finnish arbitrators, choose the law governing their disputes, designate the language for the arbitration and be represented by a foreign counsel.

The FCCC Institute appoints over 60 arbitral tribunals per year. Helsinki as a gateway between east and west offers an excellent venue for arbitration. In addition, Finland is known as a country of no

corruption. In the past few years the number of international cases has increased.

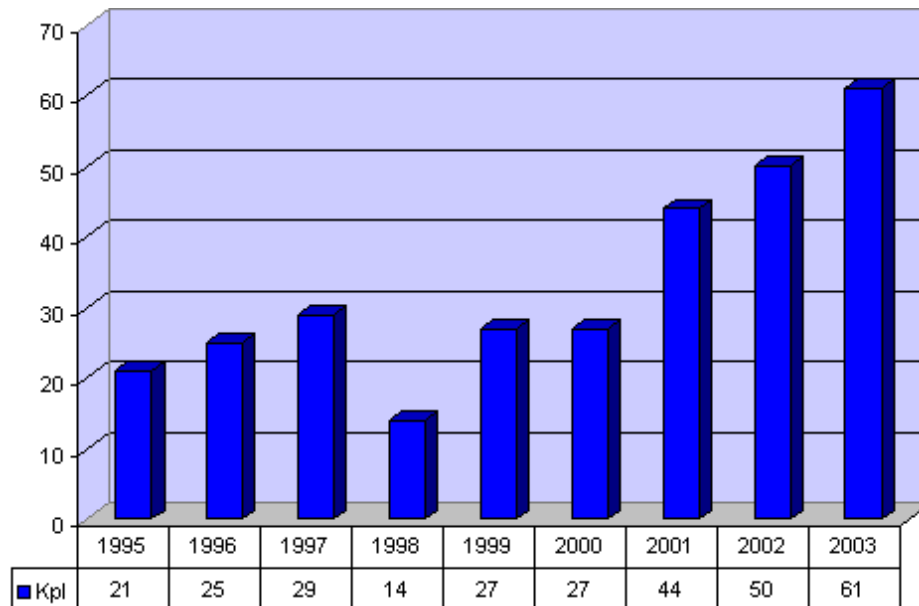
Parties to arbitrations under the FCCC Rules and other arbitrations in which the Institute acts as an appointing authority are mostly Finnish, but about 30 percent of the disputes referred to the FCCC Institute is of international character. The parties in the FCCC arbitrations commenced in 2003 came from fourteen different countries. There were parties from for example Germany, Estonia, Sweden, Great Britain, Russian, Mexico and China.

The chart below shows the type of contract out of which the disputes arose.



The Rules of the FCCC

Shortly after the Act entered into force the FCCC Institute adopted a set of new Arbitration Rules (FCCC Rules) on 16 December 1993. The Rules are flexible. The number of the cases administered under the Rules and other arbitrations in which the Institute acts as an appointing authority is constantly increasing.



An evaluation of the cases administered under the Rules in recent years show that the proceedings take approximately ten to eleven months -from the submission of the request for arbitration until the award is rendered.

Unless the parties have agreed on the language or languages to be used in the proceedings such language or languages shall be determined according to the Rules by the arbitral tribunal.

If requested by a party, the FCCC Institute may in an arbitration administered under the Rules, the time it appoints the arbitrators, determine the place of arbitration if the parties have not agreed on such place. Otherwise the place of arbitration shall be determined by the arbitral tribunal.

Appointment of Arbitrators

According to FCCC Rules if the parties have not agreed on the number of arbitrators, there shall be three arbitrators, unless the Institute considers it to be appropriate to appoint a sole arbitrator taking into account the nature of the dispute, the amount in dispute or other circumstances. If a sole arbitrator is to be appointed, the appointment shall be made by the Institute. In other cases, each party shall appoint an equal number of arbitrators and the Institute shall appoint the Chairman of the arbitral tribunal unless the parties have agreed otherwise.

If the parties are of different nationalities the FCCC Institute will appoint a sole arbitrator or a chairman of the Arbitral Tribunal of a nationality other than of the parties, unless the parties otherwise agreed or there is some other reason not to appoint a foreign arbitrator, e.g., the language is Finnish or the amount of the dispute is very small. Qualifications and Disclosure

An arbitrator appointed by the FCCC Institute must be independent and impartial and possess full legal capacity and sufficient knowledge in the field at issue in the arbitration. Only a lawyer is qualified to be appointed as the Chairman of the arbitral tribunal or as the sole arbitrator, unless the FCCC Institute decides otherwise due to special reasons.

An arbitrator appointed by the FCCC Institute must be impartial and independent of the parties at

the time he or she accepts the appointment to act as arbitrator. He or she shall remain so during the entire arbitration proceeding until the final award has been rendered. The FCCC Institute asks the arbitrator to give a statement of independence when he or she accepts the appointment to act as arbitrator.

If a party wishes to challenge an arbitrator, the challenge shall be made to the Institute in writing. The challenge shall state the ground therefore and must be made within 30 days from the date these grounds became known to the party making the challenge, failing which such party shall be deemed to have waived his right to make such a challenge.

Extent of Services

The Arbitration Institute of the Central Chamber of Commerce of Finland offers good facilities:

- * The secretariat of the FCCC Institute speaks Finnish, English and Swedish.
- * The Arbitration Rules are printed in Finnish, Swedish and English. The Rules are also available in Internet www.arbitration.fi
- * The FCCC Institute is located in the World Trade Center Helsinki in the middle of Helsinki City.
- * The FCCC Institute provides hearing rooms and interpreters.

Expedited Arbitration

The Central Chamber of Commerce will introduce the Rules for Expedited Arbitrations ("the Expedited Rules) shortly.

In arbitrations conducted with the Expedited Rules a sole arbitrator decides the dispute. Parties' written statements shall be brief and must be submitted within a period of fourteen days. There shall be only one hearing if a party so requests and the arbitrator deems it necessary. The award shall be rendered within a year after the FCCC Institute has sent the file in the case to the arbitrator.

The Expedited Rules will be adopted 1 June 2004.

The Future

The FCCC Institute expects continuously increased caseload administered under its rules. As the Rules for Expedited Arbitrations shall enter into force an increased interest for expedited arbitrations is foreseen as well.

The Address of the FCCC Institute

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