

# *Arbitration Rules*



*The Korean  
Commercial Arbitration Board*

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As Amended by the Supreme Court on Nov. 16. 1989

As Amended by the Supreme Court on Dec. 14. 1993

As Amended by the Supreme Court on Aug. 5. 1996

As Amended by the Supreme Court on Apr. 27. 2000

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# **Arbitration Rules of KCAB**

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## **CHAPTER I. GENERAL PROVISIONS**

### **Article 1 (Purpose)**

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The purpose of these Rules is for the Korean Commercial Arbitration Board ("KCAB") to provide for speedy and fair procedures for commercial arbitrations pursuant to the Arbitration Act.

### **Article 2 (Types of Arbitration)**

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"Commercial arbitrations" mentioned in Article 1(hereinafter referred to as "Arbitration") shall be categorized into Domestic Arbitration and International Arbitration. Domestic Arbitration refers to arbitrations in which the parties have their principal offices or permanent residences in the Republic of Korea, whereas International Arbitration refers to all types of arbitration other than Domestic Arbitration as defined above.

### **Article 3 (Secretariat)**

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- (1) The KCAB shall establish and maintain the Secretariat within its main office or branch offices to administer arbitration related matters.
- (2) Matters concerning the organization, function

and operation of the Secretariat shall be separately determined by the KCAB.

**Article 4 (Roster of Arbitrators)**

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The KCAB shall prepare and maintain a Roster of Potential Arbitrators. In cases where arbitrators are to be appointed by the Secretariat, they shall be chosen from the Roster of Arbitrators in accordance with relevant provisions of these Rules.

**Article 5 (Arbitration Tribunal)**

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- (1) For the purpose of dispute settlement between the parties, one or more arbitrators appointed pursuant to relevant provisions of these Rules shall constitute an Arbitration Tribunal (hereinafter referred to as "Tribunal").
- (2) The office of the Tribunal shall be established and maintained in the main office or a branch office of the KCAB.

**Article 6 (Tribunal Clerk)**

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- (1) The KCAB shall designate one or more Tribunal Clerks (hereinafter referred to as "Clerk") from among the employees of the Secretariat so as to handle administrative matters concerning each arbitration case.
- (2) With respect to a designated arbitration case, the Clerk shall perform the duties prescribed in these Rules.

**Article 7 (Representation)**

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With respect to arbitration proceedings under these Rules, a party may be represented by a counsel or such other person

as shall be recognized to be proper. However, the Tribunal has the right to reject such representation when the Tribunal deems it to be improper.

**Article 8 (Confidentiality of Proceedings)**

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The arbitration proceedings shall be kept confidential.

**CHAPTER II. AGREEMENT BETWEEN  
THE PARTIES**

**Article 9 (Agreement between the Parties)**

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The parties shall be deemed to have agreed to the arbitration procedures of these Rules, when, in the parties' submission of existing disputes to arbitration or in their contract containing an arbitration clause, they have agreed to arbitration under these Rules or to KCAB arbitration.

**CHAPTER III. REQUEST FOR ARBITRATION**

**Article 10 (Claim)**

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- (1) A person desiring to request arbitration before the KCAB under these Rules shall submit to the Secretariat the statement of claim and the following documents, accompanied by payment of the arbitration costs as provided in Chapter IX:
  - a) A document certifying the parties' agreement to arbitration; and
  - b) A power of attorney, if the Claimant is represented by an agent.



- (2) The following items shall be included in the statement of claim:
  - a) The full names of the parties and their addresses (in case of legal entities, the full names and addresses of the representatives shall also be included);
  - b) If the Claimant is represented by an agent, the full name and address of the agent;
  - c) The basis of the claim;
  - d) The grounds of the claim and the proofs

**Article 11 (Acceptance and Notification of Statement of Claim)**

---

- (1) The Secretariat shall, upon submission of a statement of claim, examine whether such claim is in conformity with the provisions of Article 10 and accept it upon confirmation of its conformity.
- (2) The Secretariat shall, upon acceptance of the statement of claim, give notice to both parties of such acceptance. The notice served on the Respondent shall include a copy of the statement of claim.

**Article 12 (Defence )**

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- (1) The Respondent may, within 15 days in case of Domestic Arbitration, and within 30 days in case of International Arbitration, from the date of receipt of the notice in accordance with Paragraph (2) of Article 11(hereinafter referred to as "Reference Date"), file a defence with the Secretariat by submitting the following documents:
  - a) A statement of defence;
  - b) The originals or (reproduced) copies of documentary evidence, if any, proving

- the grounds stated in the defence;
- c) A power of attorney, in case the defence is made by an agent.
- (2) The following items shall be included in the statement of defence referred to a) of Paragraph (1):
- a) The full names of the parties and their addresses(in the case of legal entities, their full names and their addresses as well as the full names and addresses of their representatives shall be included);
- b) In case the Respondent is represented by an agent, the full name and address of the agent;
- c) The purport of the defence;
- d) The grounds of the defence and the proofs.
- (3) The Secretariat shall, upon receipt of the statement of defence, examine whether such defence is in conformity with the provisions of Paragraph (2) of this Article, and accept it upon confirmation of its conformity.
- (4) The Secretariat shall, upon acceptance of the statement of defence, give notice to the same effect to both parties. In this case, a copy of the defence shall be served on the Claimant.
- (5) If no statement of defence is filed within the period provided in Paragraph (1) hereinabove, the Respondent is deemed to seek dismissal of the claim.

**Article 13 (Number of Copies of Documents to be Submitted)**

---

The number of copies to be submitted under the provisions of Paragraph (1) of

Article 10, and Paragraph (1) of Article 12 (inclusive of the case where these provisions apply *mutatis mutandis* to Paragraph (3) of Article 14 and Paragraph (3) of Article 16) shall, except where such a document is a power of attorney, be five (including the original when it is so submitted); provided, however, that the Secretariat may, if it is deemed necessary, increase or decrease the number of copies of documents to be submitted.

#### **Article 14 (Counterclaim)**

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- (1) The Respondent may submit a counterclaim at any time during the arbitral proceeding. However, if a counterclaim is filed late in the proceeding and has an adverse effect on the other party, or causes delay in the completion of the proceeding, then the Tribunal may, on the other party's request or at its own discretion, deny filing of such a counterclaim.
- (2) The proceedings for the Respondent's counterclaim shall be annexed to the Claimant's request for arbitration.
- (3) The provisions of Article 10 through Article 13 shall apply *mutatis mutandis* to the acceptance of a counterclaim, its notice and the answer thereto.

#### **Article 15 (Request by Tribunal as to Filing of Counterclaim)**

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When the Tribunal considers that the purport and grounds of the Respondent's defence includes a counterclaim, the Tribunal may request the Respondent to clarify whether it intended to file a counterclaim as

provided in Article 14.

**Article 16 (Amendment and Supplement to Claim and Defence)**

---

- (1) A party or parties desiring, after the filing of a statement of claim or defence, to amend or supplement the statement, shall file such a request with the Secretariat in writing.
- (2) During the course of the arbitral proceedings, any amendment or supplement to claims or defences shall be subject to the approval of the Tribunal. However, if the request for such an amendment or supplement is filed late in the proceeding and has an adverse effect on the other party, or causes delay in the completion of the proceeding, then the Tribunal may, on the other party's request or at its own discretion, deny such amendment or supplement.
- (3) The provisions of Article 10 through Article 13 shall apply *mutatis mutandis* to procedures for amendments provided for in Paragraph (1).

**Article 17 (Fixing of Locale)**

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In the absence of an agreement between the parties, the Secretariat shall determine the place of arbitration, taking into account relevant factors including the convenience to the parties and access to documentary evidence.

**Article 18 (Settlement through Conciliation)**

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- (1) Upon the receipt of a conciliation request from both parties within 15 days from the Reference Date for Domestic Arbitration

and within 30 days in case of International Arbitration the Secretariat shall refer the dispute to conciliation proceedings before arbitration procedures commence.

- (2) The Secretariat shall appoint one or three conciliator(s) from among those in the Roster of Arbitrators. Procedures for and the manner of conciliation shall be determined by conciliator(s).
- (3) If the conciliation proceeding succeeds in settling the dispute, the conciliator shall be deemed to be the arbitrator appointed under the agreement of the parties, and the result of the conciliation shall be treated in the same manner as an award given and rendered upon settlement by compromise under the provisions of Article 53, and shall have the same effect as such an award.
- (4) When the conciliation proceeding fail to settle the dispute within 30 days after the appointment of conciliator(s), the conciliation procedure shall come to an end and the arbitration procedure under these Rules, inclusive of appointment of the arbitrator(s), shall commence immediately. However, the parties may extend the above period by mutual agreement.
- (5) The parties to the conciliation proceeding, in the absence of an agreement, shall each bear their own conciliation costs.
- (6) The provisions for Arbitration Costs provided for in Chapter IX shall apply *mutatis mutandis* to the case of conciliation and when an arbitral proceeding commences pursuant to Paragraph (4) of this Article, the conciliation costs shall be deemed to constitute part of the arbitration costs.

## **CHAPTER IV. APPOINTMENT OF ARBITRATORS**

### **Article 19 (Qualifications of Arbitrator)**

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No person shall serve as an arbitrator if he/she has any legal or financial interest in the outcome of the arbitration, provided, however, that the parties can appoint such person as an arbitrator, by mutual agreement in writing, notwithstanding that person's knowledge of such facts.

### **Article 20 (Appointment by Agreement between the Parties)**

---

- (1) If the parties have agreed to specific arbitrator(s) or to the method of appointment thereof (inclusive of a presiding arbitrator who shall act as chairman, also inclusive thereof as provided in the following provisions), the arbitrator(s) shall be appointed in accordance therewith.
- (2) If the arbitrators are to be appointed by an agreement between the parties as provided in Paragraph (2) of Article 12, it shall be done in a manner as provided for under the following subparagraphs:
  - a) When the parties have directly appointed the arbitrator(s), a document stating the full name(s), address(es) and occupation(s) of the arbitrator(s) together with his/their letters accepting appointment shall be submitted to the Secretariat within 15 days from the Reference Date for Domestic Arbitration and within 30 days from the Reference Date for International Arbitration;

- b) The Secretariat shall, upon the request of any appointing party, make the KCAB Roster of Arbitrators available to such party;
  - c) If an agreement between the parties specifies a period of time within which the arbitrator(s) shall be appointed, and any party fails to make the appointment thereunder within such period, the Secretariat shall appoint the arbitrator(s);
  - d) If the agreement between the parties does not specify a time period for appointing the arbitrator(s), the Secretariat shall immediately notify the parties to make the appointment of the arbitrator(s), and if the parties have not appointed the arbitrator(s) within 15 days for Domestic Arbitration and within 30 days for International Arbitration, the Secretariat shall appoint the arbitrator(s);
  - e) If the arbitrators appointed by the parties in accordance with the agreement between the parties are to appoint the other arbitrator, and the parties do not fix the period of appointment for the other arbitrator, or the arbitrators do not appoint the other arbitrator within the period of appointment, the Secretariat shall notify the arbitrators appointed by the parties to make an appointment of the other arbitrator, and if such arbitrator has not been appointed within 15 days for Domestic Arbitration and within 30 days for International Arbitration, the Secretariat shall appoint such arbitrator.
- (3) If the parties have not appointed the arbitrator(s) or have not provided for the

method of appointment as provided in Paragraph (1) of this Article, or if the Secretariat is to appoint one or more arbitrators in accordance with c) and d) of Paragraph (2) of this Article, the arbitrator(s) shall be appointed by the Secretariat applying Article 21 *mutatis mutandis*.

#### **Article 21 (Appointment by Secretariat)**

---

- (1) Upon the acceptance of the statement of claim, if there is no chance of settlement by conciliation as provided in Article 18, or if such conciliation turns out to be unsuccessful, the Secretariat shall without delay furnish both parties with a list of several candidates for arbitrators chosen from among the Roster of Arbitrators.
- (2) Within 15 days from the date of receipt of the list under Paragraph (1) in the case of Domestic Arbitration, and within 30 days from the date of receipt of the same list in the case of International Arbitration, each party shall return the list to the Secretariat after marking by number the order of the party's preference of the names of the candidates in the respective columns of the said list for a presiding arbitrator and co-arbitrators, respectively. If any party fails to return the list within the above period, each candidate shall be deemed to be of the same preference. If more than two candidates are marked on the same order of preference or no particular order of preference is marked on a candidate or if a party objects to a specific candidate by deleting his/her name, then the KCAB shall adjust the order of preference giving due consideration



to the other party's order of preference. This adjustment of the order of preference shall be made in the order of: (i) more than one candidates who have been marked on the same order of preference; (ii) candidates for whom no particular order of preference is marked; and (iii) candidates who have been objected to.

- (3) The Secretariat shall invite arbitrators, in the designated order of preference under Paragraph (2), to accept an appointment in writing. However, in the event that there are two or more candidates occupying the same place in the designated order, the Secretariat shall appoint an arbitrator from among those candidates.
- (4) If a candidate who received higher preference from both parties refuses to serve or is unable to perform his/her duties for any reason, then the candidate next in order of preference on the candidate's list shall be invited to accept an appointment. If candidates on the list have been fully exhausted, then a new arbitrator shall be appointed according to the manner provided for under this Article.
- (5) When the Secretariat invites an arbitrator to accept an appointment, it shall draw his/her attention to the requirements provided in Article 25 of these Rules and enclose a copy of these Rules.

#### **Article 22 (Restriction on Appointment of Arbitrators)**

---

In regard to an arbitrator to be appointed by the Secretariat, if the parties are nationals of different countries and/or are domiciled in different countries, the sole arbitrator or the presiding arbitrator shall, upon the request

of either party, be appointed from among nationals of countries other than those of the parties. However, any such request for appointment of the third country national arbitrator shall be filed with the Secretariat no later than the time for returning the list of candidates, as provided in Paragraph (2) of Article 21.

**Article 23 (Number of Arbitrators)**

---

If the number of arbitrators is specified in the arbitration agreement, the case shall be heard and determined by the same number of arbitrators as so specified; if, however, there has been no agreement as such, the Secretariat shall determine between a sole arbitrator or three arbitrators as appropriate.

**Article 24 (Notice of Appointment of Arbitrators)**

---

If all members of the arbitrator(s) have been appointed pursuant to these Rules, the Secretariat shall without delay notify in writing all members of the arbitrator(s) and both parties of the full name(s), address(es) and occupation(s) of the arbitrator(s).

**Article 25 (Disclosure by Arbitrator of Conflict of Interest)**

---

- (1) Upon being notified of his/her appointment as an arbitrator, each arbitrator shall immediately disclose in writing to the Secretariat any and all circumstances which might cause reasonable doubt about his/her impartiality or independence.
- (2) Upon receipt of such disclosure of information as prescribed in Paragraph (1), the Secretariat shall immediately forward it to

both the Tribunal and the parties. If any party wishes to raise any objection to the appointment of such arbitrator(s), he/she shall file an objection within 15 days from the date of the constitution of the Tribunal or from the date when the party was informed of those circumstances provided in Paragraph (1) of this Article. However, if a party does not submit any objection within the above period, that party may not submit any objection to the qualification of such arbitrator(s) based on the same grounds.

- (3) If either party submits an objection to the appointment of such questioned arbitrator(s) on the grounds of the notified reasons, the vacancy thus created shall be filled in the same method as provided in Article 26.

#### **Article 26 (Vacancy of Arbitrator)**

---

- (1) If an arbitrator ceases to serve for the Tribunal due to resignation, death or other causes, the party which appointed the arbitrator shall appoint and notify a new arbitrator to fill the vacancy in the same manner of appointment as for the vacating arbitrator concerned. If the arbitrator was appointed by the Secretariat, then the new appointment shall be made, and duly notified, pursuant to Paragraphs (3) and (4) of Article 21.
- (2) In case of Paragraph (1), unless otherwise agreed by the parties, the same proceeding shall continue, if both parties or the remaining members of the Tribunal present or describe the results of the previous hearing to the new arbitrator and the new arbitrator does not raise objections thereto.

However, if any party requests a new hearing with regard to a witness already examined in the previous hearing, the Tribunal must conduct the new hearing for that purpose.

## CHAPTER V. PROCEEDINGS OF HEARING

### **Article 27 (Time, Date and Place)**

---

- (1) The Tribunal shall determine the time, date, place and manner of each arbitration hearing.
- (2) The Secretariat shall notify each party of decisions made under Paragraph (1) 10 days prior to the opening date of the hearing for Domestic Arbitration, and 20 days prior to the opening date of the hearing for International Arbitration, unless a different period is otherwise agreed upon by the parties.
- (3) In determining the manner of hearings under the provisions of Paragraph (1), the Tribunal shall give due consideration to employing measures, such as a concentrated hearing, to avoid delay of the proceedings.

### **Article 28 (Stenographic Record, etc.)**

---

- (1) The Secretariat shall, upon request by one or both parties, make necessary arrangements for the stenographic or tape recording of statements by either party and/or witness testimonies.
- (2) At the direction of the Tribunal, the expenses incurred from the services referred to in Paragraph (1) shall be paid from the deposits made in advance by the party,

pursuant to Article 65.

**Article 29 (Presentation of Translation)**

---

Parties shall, upon request, submit to the Secretariat or the Tribunal translations of the written submissions, evidentiary documents and /or other written materials.

**Article 30 (Interpretation or Translation)**

---

- (1) The Secretariat shall, upon the request of any party or at the direction of the Tribunal, make necessary arrangements for interpretation or translation.
- (2) The expenses incurred from the services referred to in Paragraph (1) at the direction of the Tribunal shall be paid from the deposits made in advance by the party under Article 65.

**Article 31 (Attendance at Hearings)**

---

- (1) Parties are entitled to attend the hearing.
- (2) Persons who are not parties, but have an interest in the outcome of the arbitration award, may submit *prima facie* evidence of such interest to the Tribunal, and, subject to approval by the Tribunal, may attend the hearing.
- (3) The Tribunal may order any witness to retire during the testimony of any other witness.

**Article 32 (Adjournments or Continuations)**

---

The Tribunal may, on justifiable grounds, take adjournments or change the date of a hearing upon the request of any party or on its own motion. However, the request for

adjournment shall be made at least 3 days prior to the originally scheduled hearing date, and the next hearing should be held within 15 days from the original hearing date in case of domestic arbitration and 30 days in case of international arbitration. Consecutive postponements are not permitted.

### **Article 33 (Decisions of Tribunal)**

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Whenever there is more than one arbitrator, simple majority rule shall apply for all decisions, including that of the arbitral awards, unless parties agree otherwise. However, if no majority is formed with regard to procedural matters, then the presiding arbitrator shall decide.

### **Article 34 (Hearing)**

---

- (1) The Tribunal may require the parties to submit in advance memorials and defence memorials containing arguments, evidence, and comments on the other party's arguments in order to ensure a speedy and fair process for the hearings.
- (2) The Tribunal, when it deems it necessary or upon the request of the parties, may require the parties to submit summary versions of memorials and defense memorials, or may prepare its own summary versions and present them to the parties for their confirmation. The Tribunal may consider and render an award on such summarized issues only.

### **Article 35 (Proceedings of Hearing)**

---

- (1) A hearing shall commence with the Tribunal's announcement of a case title and both

parties' names.

- (2) The Tribunal may, at the beginning of the hearing, require the parties to make statements to clarify issues involved in the dispute.
- (3) The claimant party shall present its statements on the requested relief and grounds of the claims, and introduce documentary evidence and its witnesses. The respondent party shall present its defence, and introduce documentary evidence and its witnesses.
- (4) The Tribunal may accept evidentiary materials from either party, and the evidence so accepted shall be filed in numerical order by the Clerk and shall constitute part of the record.
- (5) The Tribunal, when it deems necessary, may adopt special procedures for the hearing, provided, however, that the Tribunal shall provide equal and sufficient opportunities for both parties to present evidence and relevant materials.
- (6) If any party repeatedly submits several memorials that the Tribunal finds difficult to understand the gist of causes of action or defence, the Tribunal may order the party to submit a summary version of such memorials prior to the conclusion of the hearing.

#### **Article 36 (Parties' Lack of Care)**

---

The Tribunal may decide to close the arbitration proceedings if it is deemed improper to continue the proceedings because the claimant party fails to specify the requested relief for the claim, clarify the causes of action or submit evidence, or

because both parties show the lack of care in their arguments and proofs.

**Article 37 (Arbitration in the Absence of Parties)**

---

- (1) The arbitration may proceed in the absence of any party who, after being duly notified, fails to attend or participate in the hearing even if it attends.
- (2) In case of Paragraph (1), if an absent party or a party otherwise not participating in the hearing produced documents or other evidence, those shall be deemed to have been orally stated or submitted thereat. In this case, the Tribunal may proceed with the hearing with the parties present, if such a proceeding is necessary for rendering an award.
- (3) If the parties have been duly notified of the hearing but fail to attend the hearings two or more times, or fail to participate in the hearing even if the parties attend, the Tribunal may decide to close the arbitral proceedings.

**Article 38 (Withdrawal of Request for Arbitration)**

---

- (1) The claimant party may, in writing, withdraw its request for arbitration in part or in its entirety at any time before the Tribunal renders an arbitral award. However, the respondent party's consent shall be obtained if the respondent party has submitted an answer or made statements at the hearing.
- (2) If the respondent party does not raise any objection to the withdrawal made under Paragraph (1) within 15 days in domestic arbitration, and within 30 days in international



arbitration, after a written notice of withdrawal is sent, the respondent party shall be deemed to consent to such withdrawal.

**Article 39 (Filing of Memorials and Other Documents)**

---

- (1) Memorials and other documents, which were not filed with the Tribunal at the hearing, but agreed between the parties to be filed at or after the hearing, or at the request of the Tribunal, shall be filed with the Secretariat and then be delivered to the Tribunal. In such case, both parties shall be afforded the opportunity to examine such documents.
- (2) The Tribunal may, at its discretion, continue with the hearing even if memorials and other documents under Paragraph (1) were not filed within the designated period.

**Article 40 (Inspection or Investigation)**

---

Should the Tribunal deem it necessary to make an inspection or investigation, it shall, prior to making such inspection or investigation, direct the Secretariat to notify the parties of the purpose, time, date and place for such inspection or investigation. Any party who so desires may be present at such inspection or investigation.

**Article 41 (Interim Measure)**

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- (1) The Tribunal, at the application of any party, may issue to other parties such orders as may be deemed necessary to safeguard the property which is the subject matter of the dispute without prejudice to the rights of the parties or to the final determination of the dispute.

- (2) The Tribunal may, at its discretion, order any party who applied for the interim measure to provide a proper security.

#### **Article 42 (Evidence)**

---

- (1) The parties may produce any evidence to support their arguments, or request that any witness or expert witness voluntarily appear at the hearing. However, the Tribunal may refuse to examine such evidence when no relevance exists between the evidence so produced and the argument of the parties concerned.
- (2) The Tribunal may, where it is deemed necessary, seek the production of evidence or the voluntary appearance of witnesses or expert witnesses at the hearings. However, the Tribunal may, at its discretion, proceed with the hearing even if evidence has not been produced within the designated time, or witnesses or expert witnesses have not appeared at the hearing.
- (3) In the event that the Tribunal is unable to directly examine evidence necessary for an arbitration award, the Tribunal may request a competent court to do so, upon its own initiative or upon the request of any party.
- (4) All evidence shall be submitted and examined in the presence of all the parties as well as the sole arbitrator or a majority of the arbitrators, except where any of the parties is absent without a justifiable reason or has waived his right to be present.
- (5) The Tribunal has the full authority to determine the relevance and materiality of the evidence produced.

**Article 43 (Closing of Hearings)**

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- (1) The Tribunal shall, when it determines that the parties have exhausted all their arguments and evidence, declare the closure of the hearings.
- (2) If the parties are required to submit summary versions of memorials and other documents, the hearings shall be deemed to be closed as of the final date set by the Tribunal for the submission of the aforementioned documents.

**Article 44 (Reopening of Hearings)**

---

- (1) The Tribunal may, on its own discretion or upon an application by a party for a reasonable cause, reopen the hearings at any time before an award is rendered.
- (2) If the reopening of the hearings under Paragraph (1) would cause the failure of the Tribunal to render the award within the specific time agreed upon by the parties in the arbitration agreement, the hearings shall not be reopened unless the parties agree upon the extension of such time limit.
- (3) When the hearing is reopened, the closing date of the hearing shall be the date on which the proceedings of the reopened hearing were concluded.

**Article 45 (Arbitration without Oral Hearings)**

---

- (1) The parties may, by written agreement, submit their dispute to arbitration to be conducted by means of documentary examination without oral hearings.
- (2) In case the parties have not agreed

otherwise as to the procedures, arbitration of this type shall be conducted pursuant to the other provisions of these Rules, provided, however, that the provisions of this Article prevail in case of conflict.

- (3) The Secretariat shall notify the parties to submit documents and evidence necessary for the proceeding of the arbitration in such manner as provided in the following Paragraphs.
- (4) The parties shall submit to the Secretariat their respective arguments in writing, including a statement of facts and causes of action, accompanied by evidence. Summary versions may be attached to those documents.
- (5) All the documents shall be filed within 15 days for Domestic Arbitration and within 30 days for International Arbitration from the date of notice to submit such statements and evidence, providing the number of copies requested by the Secretariat.
- (6) The Secretariat shall forward to each party copies of the statements and evidences submitted by the other parties. Each party may reply to or comment on the other parties' statements or evidence. Any party who fails to reply or comment within 15 days in case of Domestic Arbitration and within 30 days in case of International Arbitration from the date such documents are forwarded to that party, shall be deemed to have waived the right to reply or comment.
- (7) The Secretariat shall transmit to the Tribunal all the evidence and documents which have been submitted in any manner

provided for in Chapter IV. The Tribunal may request any party to produce additional evidence within 10 days from the date of their transmission to it. The Secretariat shall notify the party of such request and the party shall submit such additional evidence within 15 days from the date of such notice in cases of Domestic Arbitration, and within 30 days in cases of International Arbitration.

- (8) The Secretariat shall forward to each party copies of the additional statements and evidence submitted, which parties may reply to or comment on such statements and evidence. Any party who fails to reply or comment within 15 days in cases of Domestic Arbitration and within 30 days in cases of International Arbitration after the date of forwarding such documents to him, shall be deemed to have waived the right to reply or comment.
- (9) Upon completion of the transmittal to the Tribunal of all documents submitted as provided in the preceding Paragraphs, the arbitration proceeding shall be deemed to be concluded.

## CHAPTER VI. SPECIAL PROVISIONS

### **Article 46 (Waiver of the Right to Objection)**

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Any party who proceeds with the arbitration, with knowledge or being able to have known that any provision or requirement of these Rules has not been complied with, shall be deemed to have lost the right to object unless that party states an objection thereto without delay.

**Article 47 (Extension of Period)**

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The parties may modify any period prescribed under these Rules by written agreement. The Tribunal for good cause, may extend any period established by these Rules, except the period for rendering an award. The Tribunal shall notify the parties through the Secretariat of any such extension and reasons therefor.

**CHAPTER VII. AWARD**

**Article 48 (Arbitral Award)**

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- (1) The award shall be rendered in a speedy manner. Unless otherwise agreed by the parties or specified by law, it shall be rendered not later than 30 days from the date of the close of the hearings.
- (2) Where the Tribunal is composed of more than one arbitrator and a minority of arbitrators refuses to partake in the arbitration decision, or do not participate in the deliberation process for the arbitral award without justifiable cause, the award shall be made by the remaining majority of arbitrators.
- (3) The Secretariat may, to the extent that it does not affect the substance of the arbitral award, present to the Tribunal its opinions on the form of the arbitral award.

**Article 49 (Form of Award)**

---

- (1) The arbitral award shall be made in writing, shall be signed by the arbitrators stating the following particulars. However, reasons for the award may be omitted

from the award if the parties have so agreed or the award is rendered as a result of a settlement agreement under Article 53.

- a) The full personal or corporate names of the parties and their addresses. Where a party is represented by an agent, the full name and address of the agent;
  - b) The conclusions and reasons upon which the award is based;
  - c) The date of award; and
  - d) The place of arbitration.
- (2) In an arbitral award rendered by more than one arbitrator, if a minority arbitrator refuses to, or can not, sign the award, the other remaining arbitrator shall specify the reasons and sign thereon.

#### **Article 50 (Language)**

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The Korean language shall be used in the arbitral proceedings unless otherwise agreed by the parties. Where there has been a request from one of the parties or both, or there is among the arbitrators a person of nationality other than that of Korea, both Korean and the English language may be used and the arbitral award written in both Korean and English shall be deemed to be the duly authenticated arbitral award. However, when a discrepancy in interpretation has arisen between the two versions, the Korean language version shall prevail.

#### **Article 51 (Interpretation and Application of Rules)**

---

- (1) The Tribunal in charge of the case shall interpret and apply these Rules insofar as they relate to the specific case.

- (2) If members of the Tribunal cannot agree on the matters under Paragraph (1), majority rule shall apply.

**Article 52 (Scope of Award)**

---

- (1) The Tribunal may in the award order the specific performance of a contract, grant equitable and reasonable damages or other relief which falls within the scope of the arbitration agreement of the parties.
- (2) The Tribunal shall render a decision on the assessment of arbitration costs as provided in Chapter IX to be borne by the responsible party or parties.
- (3) The Tribunal may, to the extent reasonable, order the losing party to pay interest and make compensation for any loss from delay in performance.

**Article 53 (Arbitral Award based on Settlement)**

---

If the parties reach a settlement during the course of the arbitral proceedings, the Tribunal may, upon a request from the parties, record the agreed settlement in the form of an Award.

**Article 54 (Correction or Interpretation of Award and Additional Award)**

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- (1) The Tribunal may correct, by its decision, any error in computation, any clerical or typographical error, or any other obvious error of a similar nature in the arbitral award. In case such error can not be corrected by the Tribunal concerned, the Secretariat may correct that error.
- (2) If the parties jointly request the interpretation of a specific point or any part of



the award within 30 days of receipt of the duly authenticated arbitral award, the Tribunal shall decide on it within 30 days of receipt of the request.

- (3) The Tribunal shall make an additional award as to claims presented in the arbitral proceedings but omitted from the award within 60 days of receipt of the request by any party.
- (4) All of the corrections, interpretations and additional awards provided for in this Article shall form an integral part of the award.

#### **Article 55 (Delivery of Arbitral Award)**

---

- (1) The Secretariat shall deliver a duly authenticated arbitral award to each party or its agent as provided in Paragraph (1) through (3) of Article 4 of the Act. The original arbitral award shall be delivered to a competent court, enclosed with a document certifying the delivery.
- (2) Service as provided for under Paragraph (1) may be made only after all the arbitration costs, as provided in Chapter IX, have been paid in full to the Secretariat by the responsible party or parties, unless other circumstances arise.

### **CHAPTER VIII. EXPEDITED PROCEDURE**

#### **Article 56 (Scope of Application)**

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These rules of Expedited Procedure shall apply in arbitration cases generally where both parties have agreed in a separate agreement to follow the procedures provided in this Chapter or in any Domestic

Arbitration case of which the claim amount is less than 100,000,000 won in the Korean currency. In cases of Domestic Arbitration where the claim amount is less than 100,000,000 won, no increase in the claim amount shall be allowed after the Reference Date.

**Article 57 (Appointment of Arbitrator)**

---

The Secretariat shall appoint one arbitrator from among the Roster of Arbitrators without recourse to Article 21 of these Rules unless otherwise agreed by the parties.

**Article 58 (Proceedings of Hearing)**

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- (1) The Tribunal shall fix the time, date and place of the hearing, and the Secretariat shall notify each party of the same, three days prior to the opening date of the hearing orally, by person, by telephone, in writing, or by any other appropriate method.
- (2) The hearing will be held in once principle. However, provided that it is deemed necessary, the Tribunal may reopen the hearing.
- (3) The Respondent may submit a counterclaim at any time up to the closing of the hearing.

**Article 59 (Time limit for rendering an award)**

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The Tribunal shall render the award not later than 10 days from the date of closing the hearings.

**Article 60 (Application *Mutatis Mutandis*)**

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Other provisions of these Rules shall apply *mutatis mutandis* to the matters which are not prescribed in this Chapter.

## CHAPTER IX. ARBITRATION COSTS

### **Article 61 (Costs of Arbitration)**

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- (1) The costs of arbitration comprise the fees, the expenses and the allowances as prescribed in Article 62 through Article 64 of these Rules.
- (2) The costs of arbitration as prescribed in Paragraph (1) shall be borne by the parties in accordance with the apportionment fixed in the award. However, such arbitration costs shall be borne equally by the parties unless the award assesses such costs of arbitration or any part thereof against any party specified in the award.
- (3) Even where the arbitration proceedings shall be conducted only on the basis of the documents without hearings pursuant to Article 45, the provisions of this Article through Article 65 shall apply to the costs of that arbitration.
- (4) Any interest incurred expense pursuant to the advance payment of the arbitration costs shall not be refunded.

### **Article 62 (Fees)**

---

- (1) The fees shall be categorized into the administrative fee and the hearing postponement fees; provided, however, that the Tribunal postpones the date of hearing on its own initiative, the hearing postponement fees will not be assessed independently.
- (2) Should the amount of arbitration fees be reduced due to the modification of the claim according to the provisions of Article 16, the administrative fees already paid

shall not be refunded.

- (3) The actual rate and the method of deposit, or the ratio and the method of refunds, for the fees shall follow the attached Fee Schedule. Any other matters which are not specified in the attached Fee Schedule shall be decided by the KCAB.

#### **Article 63 (Expenses)**

---

- (1) All the expenses required for an arbitration, including the expenses of the arbitrators and Clerk, the expenses of any proofs produced, the expenses of witnesses or expert witnesses, the expenses of inspection, interpretation or translation, tape recording, stenographic recording or all transcripts thereof, shall be deposited in advance by the party requesting such services.
- (2) The claimant party, unless otherwise agreed between the parties, shall make an advance payment for the expenses under Paragraph (1), if they accrue from such services as requested by the Tribunal.

#### **Article 64 (Allowances for Arbitrators)**

---

The claimant party shall make an advance payment for the allowances for the arbitrators, as fixed by the KCAB.

#### **Article 65 (Method of Advance Payment, etc.)**

---

- (1) The Claimant shall make an advance payment to the Secretariat for the arbitration costs as provided in Article 62 through Article 64 at the time of requesting an arbitration, in such currency as the Secretariat designates.
- (2) In case the amount of advance payment

as provided in Paragraph (1) is deemed insufficient, the Secretariat may demand that the Claimant make an additional payment. If the Claimant fails to make an advance payment as provided in Paragraph (1) or (2) herein, or the Respondent does not pay in lieu of the Claimant, the Tribunal may decide to terminate the proceedings.

- (3) The Secretariat shall prepare an Accounting Statement of the advance payment when the hearing is closed, and a Balance Statement when the arbitral award is made. After delivery of the arbitral award, enclosed with the Balance Statement, the Secretariat shall refund any balance to the parties concerned.

#### **SUPPLEMENTARY PROVISIONS**

- (1) These Rules shall be effective on and from January 1, 1990.
- (2) Any arbitration, the proceedings of which are pending at the time these Rules become effective, shall be governed by the previously existing Rules.

#### **SUPPLEMENTARY PROVISIONS**

- (1) These Rules shall be effective on and from March 1, 1994.
- (2) Any arbitration, the proceedings of which are pending at the time these Rules become effective, shall be governed by the previously existing Rules.

#### **SUPPLEMENTARY PROVISIONS**

- (1) These Rules shall be effective on and from September 1, 1996.
- (2) Any arbitration, the proceedings of which

are pending at the time these Rules become effective, shall be governed by the previously existing Rules.

#### **SUPPLEMENTARY PROVISIONS**

- (1) These Rules shall be effective on and from May 15, 2000.
- (2) Any arbitration, the proceedings of which are pending at the time these Rules become effective, shall be governed by the previously existing Rules.

#### **SUPPLEMENTARY PROVISIONS**

- (1) These Rules shall be effective on and from January 15, 2005.
- (2) Any arbitration, the proceedings of which are pending at the time these Rules become effective, shall be governed by the previously existing Rules.

#### **SUPPLEMENTARY PROVISIONS**

- (1) These Rules shall be effective on and from December 1, 2008.
- (2) Any arbitration, the proceedings of which are pending at the time these Rules become effective, shall be governed by the previously existing Rules.

(Annexed Table)

**SCHEDULE OF FEES**

**(1) Fees**

<b>Classification</b>	<b>To be paid in advance by</b>	<b>To be finally borne by</b>	<b>Apportionment</b>	<b>Amount of Claim</b>	<b>Amount of Fee(s)</b>	<b>Remarks</b>
<b>1.Administrative Fee</b>	<b>Claimant</b>	<b>Such responsible party or parties as decided by the Tribunal</b>	<b>Such responsible party or parties as decided by the Tribunal</b>	<b>₩10,000,000 or less</b>	<b>2%(Minimum ₩50,000)</b>	
				<b>Over ₩10,000,000 to ₩50,000,000 or less</b>	<b>₩200,000 plus 1.5% of excess over ₩10,000,000</b>	
				<b>Over ₩50,000,000 to ₩100,000,000 or less</b>	<b>₩800,000 plus 1% of excess over ₩50,000,000</b>	
				<b>Over ₩100,000,000 to ₩5,000,000,000 or less</b>	<b>₩1,300,000 plus 0.5% of excess over ₩100,000,000</b>	

Classification	To be paid in advance by	To be finally borne by	Apportionment	Amount of Claim	Amount of Fee(s)	Remarks
1. Administrative Fee	Claimant	Such responsible party or parties as decided by the Tribunal	Such responsible party or parties as decided by the Tribunal	Over ₱5,000,000,000 to ₱10,000,000,000 or less	₱25,800,000 plus 0.25% of excess over ₱5,000,000,000	
				Excess over ₱10,000,000,000	₱38,300,000 plus 0.2% of excess over ₱10,000,000,000	
				In case no express claim amount is stated	₱1,000,000	
2. Hearing postponement fees	Claimant	Such responsible party or parties as decided by the Tribunal	Such responsible party or parties as decided by the Tribunal	₱100,000 per postponement		

\* The KCAB, at its discretion, may adjust the practicing rate within the above rates.



- (2) Rules for the Refunding of the Fees
- a) If the Secretariat is notified in writing that a case has been settled or withdrawn before the acceptance of statement of claim has been sent out, any fees paid in excess of ₦50,000 will be refunded.
  - b) If the Secretariat is notified in writing that a case has been settled or withdrawn thereafter but before the constitution of the tribunal, the remaining amount, excluding one third of the administrative fee in excess of ₦50,000, will be refunded.
  - c) If the Secretariat is notified that a case has been settled or withdrawn thereafter but at the latest 48 hours before the date set for the first hearing [in case of the fee for the proceedings of arbitration without oral hearings, before the date and time on which the first evidence and documents were delivered to the Arbitrator(s)], the remaining amount, excluding one half of the administrative fee in excess of ₦50,000, will be refunded.

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Publisher & Editor  
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Published by the Korean Commercial Arbitration Board

*The Korean Commercial Arbitration Board*

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