



**Korean Commercial  
Arbitration Board**  
대한상사중재원

[www.kcab.or.kr](http://www.kcab.or.kr)

**Main Office** (Trade Tower, Samseong-dong)  
43rd floor, 511, Yeongdong-daero, Gangnam-gu, Seoul,  
06164 Rep. of Korea  
TEL : +82-2-551-2000, FAX : +82-2-551-2020

Korean  
Commercial  
Arbitration  
Board

# Domestic Arbitration Rules



# **Domestic Arbitration Rules**

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### Article 1. Purpose

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These domestic arbitration rules (the “Rules”) of the Korean Commercial Arbitration Board (the “KCAB”) are instituted for the purpose of adjudicating arbitration cases in appropriate, fair, and efficient manner.

### Article 2. Definitions

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Terms used in the Rules shall be defined as follows:

- (a) “Domestic Arbitration” refers to arbitration between parties whose place of business is located within Korea, and does not fall within the scope of international arbitration as defined in the International Arbitration Rules of the KCAB.
- (b) “Arbitral Tribunal” refers to an arbitral tribunal composed of one or more arbitrators.
- (c) “Chair” refers to an arbitrator who presides as president of the Arbitral Tribunal where the Arbitral Tribunal is composed of three arbitrators.
- (d) “Document” includes an electronic document. An “Electronic Document” refers to information that has been created or transformed to an electronic form through a computer or a device that can process information thereby transmitted or stored electronically.

### Article 3. Scope of Arbitration

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In either of the following cases, arbitration shall be conducted in accordance with the Rules, and the Rules shall be deemed to be part of the arbitration agreement, subject to any modifications the parties have agreed in writing:

- (a) where the parties have agreed in writing to refer their disputes to arbitration under the Rules; or
- (b) where the parties have agreed in writing to refer their disputes to arbitration before the KCAB, and the arbitration is a Domestic Arbitration.

### Article 4. Secretariat

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- 1. KCAB shall have a Secretariat at its main office or branch offices.
- 2. Secretariat shall assist in the administration of arbitral proceedings under the Rules.
- 3. KCAB shall separately set forth the composition and work scope of the Secretariat.
- 4. In relation to performing its duties under Paragraph 2 above, the Secretariat may designate one or more clerks.
- 5. Any decision by the Secretariat under the Rules may be given without providing an explanation of the grounds for such decision.

## **Article 5. Roster of Arbitrators**

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1. For the purpose of transparency and convenience in the selection process, the Secretariat shall maintain and disclose a roster of arbitrators.
2. Barring any special circumstances, the Secretariat shall select an arbitrator from the roster provided under Paragraph 1 above.

## **Article 6. Representation**

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1. A party may be represented by counsel or any other authorized representative. However, the Arbitral Tribunal may prohibit such person's involvement during the proceedings if it is concluded that such representation is no longer appropriate.
2. The Arbitral Tribunal may require a written proof of the authority of any party representative.

## **Article 7. Notification and Document Submission**

---

1. All written notifications and submissions under the Rules, including supporting documents, submitted by a party shall be submitted in a manner that can provide a record of delivery. Where the other party consents, all written notifications and submissions may be submitted by any form of electronic communication that provides a record of its transmission, including e-mail and facsimile.
2. All notifications and written communications to a party in

accordance with Paragraph 1 shall be made to the addressee personally, to the party's place of business, habitual residence or mailing address (hereinafter, the "Address"), unless otherwise designated. Delivery shall take effect upon arrival of the notifications or documents at the Address. In case the recipient refuses delivery of the same, delivery shall be deemed if the notifications or documents are left at the premises.

3. If, after all reasonable efforts, the Address cannot be identified, all notifications and documents shall be deemed delivered if sent to the last known address by mail that can provide a record of its delivery.
4. All notifications between the parties or between the parties and the Arbitral Tribunal shall be first delivered to the Secretariat, unless otherwise provided by the Arbitral Tribunal or the Secretariat.
5. All notifications or documents submitted in the form of electronic communication pursuant to Paragraph 1 shall be transmitted to the contact detail designated or agreed by the recipient. Delivery will be deemed upon arrival to the recipient via electronic means of the same.
6. Parties shall submit all notifications or documents in a number of hard copies sufficient to provide one copy for each party, each arbitrator and the Secretariat, unless they are submitted electronically.

## **Article 8. Time Limits**

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1. For the purpose of calculating any period of time under these

Rules, such period shall begin to run on the day following the day when a notice, communication or proposal is deemed to have been received. However, where the last day of any period of time under these Rules is not a business day, the period shall be extended until the first business day that follows.

2. Parties may change any time limits prescribed under Articles 15(1), 21, and 46(1) by written agreement.
3. Where deemed necessary by the Arbitral Tribunal or the Secretariat, the time limit prescribed under stipulated pursuant to Articles 40(2), 43(1), and 49(1) may be changed. In such event, the Secretariat shall notify all parties.
4. For the purpose of determining compliance with a time limit, where it is determined by the Secretariat, a notice or other communication shall be deemed to have complied with a time limit based on when the document is registered with the Secretariat.

### **Article 9. Waiver of the Right to Object**

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Where a party does not object to the other party's non-compliance with the Rules without undue delay or, if a time limit is provided therefor, within such period of time, and proceeds with the arbitration, that party shall be deemed to have waived his/her right to object.

### **Article 10. Language of the Arbitration**

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1. Unless otherwise agreed by the parties, the language of the

arbitration shall be Korean.

2. The Secretariat may choose between English or Korean as the language of arbitration. The Arbitral Tribunal or the Secretariat may, where necessary, request that any documents be accompanied by a translation into the language of the arbitration or correspondence.
3. Where there is a difference between the arbitral award in the Korean language and the arbitral award in another language, the Korean language shall control.

### **Article 11. Interpretation of the Rules**

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The Secretariat shall interpret the Rules; provided however, that the interpretation by the Arbitral Tribunal shall take precedence and be final in the pending arbitral proceedings.

### **Article 12. Confidentiality**

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1. Arbitral proceedings and the records thereof shall be kept confidential.
2. Unless otherwise agreed by the parties, the arbitrator(s), staff of the Secretariat, the parties and their counsel, and any other persons involved in the arbitral proceedings shall treat all matters disclosed to them during the arbitration or arbitral proceedings as confidential.
3. The Secretariat may disclose the arbitral award for public interest

such as publication of a case book or training of arbitrator(s). In this case, the Secretariat shall ensure that personal information of the parties or business secrets are redacted to protect such information.

### **Article 13. Exclusion of Liability**

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Except in case of willful or gross negligence, the court of arbitration, arbitrator(s), or the Secretariat and its staff shall not be liable for any act or omission in connection with the arbitral proceedings.

## **CHAPTER II. REQUEST FOR ARBITRATION**

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### **Article 14. Request for Arbitration**

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1. A party wishing to commence arbitration under the Rules shall submit its sealed or signed Request for Arbitration (the “Request”) to the Secretariat containing the following, and remit payment of the arbitration costs stipulated under Chapter 7. The Request shall contain necessary documents, including a written arbitration agreement, and where there is a counsel, a signed power of attorney, and may indicate evidentiary support.

- (a) the full name and address of the Claimant and its counsel, or the name of the business, its address and contact information;
- (b) the purport of the claim (including an estimate of the claim amount, to the extent possible);
- (c) a statement describing the nature and circumstances of the dispute giving rise to the claims;
- (d) a statement of the arbitration agreement which forms the basis of the claim; and
- (e) the date of the Request.

2. Upon receipt of the Request, the Secretariat shall register the Request once it is satisfied that the Request complies with Paragraph 1.
3. Arbitration proceedings shall commence on the date the Request is registered by the Secretariat.
4. Once the Secretariat registers the Request pursuant to Paragraph 2, the Secretariat shall send a notice to the Respondent with a copy of the Request attached.

### **Article 15. Answer to the Request**

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1. The Respondent shall submit an answer (the “Answer”) within 30 days of receiving the Request from the Secretariat pursuant to Article 14(4). The Answer shall include the following, and may also include necessary documents or indicate evidentiary support:
  - (a) the full name and address of the Respondent and its counsel, or



the name of the business, its address and contact information;

- (b) the purport of the defense;
  - (c) a statement describing the nature and circumstances of the dispute giving rise to the claims; and
  - (d) the date of the Answer.
2. Failure to submit an Answer under Paragraph 1 shall be deemed as a request for dismissal of the claims, and shall continue with the arbitral proceedings. However, where the Arbitral Tribunal believes that the circumstances warrant an arbitral award, the Arbitral Tribunal may proceed to deliberate without further examination.
  3. Where there is an Answer under Paragraph 1, the Secretariat shall notify the same to the Claimant attaching one copy of the Answer.

### **Article 16. Counterclaim**

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1. The Respondent may submit a counterclaim by the closing of pleadings. However, the Arbitral Tribunal may deny such counterclaim if it concludes that such counterclaim substantially delays the arbitral proceedings or deemed inappropriate. The Respondent may submit a separate Request for Arbitration in respect of its counterclaim.
2. The Arbitral Tribunal shall consolidate the Request and the Counterclaim.
3. Articles 14 and 15 shall apply to counterclaims.

### **Article 17. Amending the Request**

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1. The Claimant may amend the Request in writing to the extent such amendment does not affect the basis of the Request and does not fall outside the scope of the arbitration agreement. However, the Arbitral Tribunal may deny such amendment where it concludes that such amendment will substantially delay the arbitral proceedings or is inappropriate.
2. Articles 14 and 15 shall apply to an amendment under Paragraph 1.

## **CHAPTER III. ARBITRAL TRIBUNAL**

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### **Article 18. Impartiality and Independence of Arbitrators**

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1. Arbitrators under the Rules shall be and remain at all times impartial and independent.
2. An arbitrator who accepts an appointment or nomination after being requested to serve as arbitrator shall sign and submit a Statement of Acceptance and a Statement of Impartiality and Independence in the form provided by the Secretariat. An arbitrator shall disclose to the Secretariat any circumstances likely to give rise to justifiable doubts as to the arbitrator's impartiality

or independence, and if at any stage during the arbitration, new circumstances arise that may give rise to such doubts as to the arbitrator's impartiality or independence, the arbitrator shall disclose such circumstances in writing to the parties and to the Secretariat without undue delay.

3. The Secretariat shall provide to the parties the Statement of Acceptance and the Statement of Impartiality and Independence immediately upon receipt. The same applies where an arbitrator has notified the Secretariat of any circumstances likely to give rise to justifiable doubts as to the arbitrator's impartiality or independence.
4. An arbitrator may be selected notwithstanding his/her nationality. Where the parties make a request in the Request under Article 14 or the Answer under Article 15 for a sole arbitrator or a chair of a nationality different from that of the parties, the Secretariat shall comply with such request barring any special circumstances.

#### **Article 19. Number of Arbitrators**

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1. Where the parties have agreed to the number of arbitrators, such number shall be used. Where the parties have not agreed to the number of arbitrators, the disputes under the Rules shall be heard by one or three arbitrators. If the Answer has already been submitted or the time limit stipulated under Article 15(1) has elapsed, the Secretariat shall determine the number of arbitrators.
2. The Secretariat shall notify the parties of the number of arbitrators without delay.

#### **Article 20. Appointment of Arbitrator(s) by the Secretariat**

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1. If the Secretariat appoints arbitrator(s) pursuant to Article 19, the Secretariat shall, without delay, select a number of arbitrators as candidates from the roster of arbitrators and notify the list of candidates to the parties.
2. Upon receipt of the notice under Paragraph 1, each party shall notify the Secretariat within 10 days of a list of arbitrators in the order of preference by indicating a number above the arbitrator's name. Failure to submit the list within the stipulated time shall be deemed as having equal preference for all candidates on the list.
3. The Secretariat shall appoint an arbitrator taking into consideration the list of preference submitted under Paragraph 2.
4. In the event constitution of the Arbitral Tribunal in accordance with Paragraphs 1 to 3 is not possible, the Secretariat shall directly appoint an arbitrator.
5. When requesting acceptance from an arbitrator, the Secretariat shall remind the prospective arbitrator of the requirements under Article 18, and send one copy of the Statement of Acceptance and the Statement of Impartiality and Independence and any other necessary documents to the prospective arbitrator.

#### **Article 21. Appointment of Arbitrator(s) by Agreement of the Parties**

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1. If the parties have agreed to an arbitrator(s) or to the method of appointment thereof, the arbitrator(s) shall be appointed in

accordance therewith. However, such agreement on the method of appointment shall be deemed as an agreement on naming a specific arbitrator.

2. Appointment of an arbitrator(s) shall only become effective upon confirmation by the Secretariat. The Secretariat shall, without delay, notify the arbitrator(s) and the parties of such confirmation. However, when the Secretariat concludes that such appointment is clearly inappropriate, the Secretariat may decide not to confirm the appointment after having heard the opinion of both the prospective arbitrator and the parties. In this case, the Secretariat may designate a time limit to appoint a new arbitrator.
3. If the parties have not specified a time period for appointing the arbitrator(s), the Secretariat shall immediately notify the parties to make the appointment of an arbitrator(s) within 15 days. Failure to appoint within this time period shall result in the Secretariat appointing the arbitrator(s). The same shall apply where the parties fail to appoint the arbitrator(s) within the time period agreed by the parties.
4. In case where the parties have agreed that the arbitrator appointed by respective parties would appoint a chair, but have not agreed to a time period for such appointment or have failed to appoint a chairman within the agreed time frame, the Secretariat shall notify the arbitrators to appoint a chair. Failure of the appointed arbitrators to appoint a chair within 15 days of receipt of the notice shall result in the Secretariat appointing the chair. The counting of time for appointing a chair by the party-appointed arbitrators shall commence as of the last of receipt of the notice of appointment of arbitrators from the Secretariat under Paragraph 2.

## **Article 22. Notice of Constitution of the Arbitral Tribunal**

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The Secretariat shall immediately notify the arbitrator(s) and the parties of the constitution of the Arbitral Tribunal attaching one copy of the Statement of Acceptance and a Statement of Impartiality and Independence.

## **Article 23. Challenge of Arbitrators**

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1. An arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence or if the arbitrator does not possess any requisite qualification on which the parties have agreed. However, a party may challenge the arbitrator nominated by it only for reasons of which it becomes aware after the appointment has been made.
2. The challenge must be made in writing within 15 days from the date of the appointment of the subject arbitrator or the date when the party making the challenge was informed of the facts and circumstances under Paragraph 1. The Secretariat must notify the Arbitral Tribunal and the parties.
3. The Arbitral Tribunal and the other party shall have 15 days of receipt of the notice under Paragraph 2 to submit its comments to the challenge in writing. The Secretariat shall notify any comments to the challenge applicant and the Arbitral Tribunal.
4. Where an arbitrator is challenged by a party, the other party may agree to the challenge, and the arbitrator shall be removed if all parties agree to the challenge. The challenged arbitrator may also voluntarily withdraw from office, regardless of the merits of the

challenge. Where the other party does not agree to the challenge, and the arbitrator who is being challenged does not withdraw voluntarily from office, the Arbitral Tribunal shall decide on the challenge without undue delay.

#### **Article 24. Removal of Arbitrator**

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1. In the occurrence of any of the events below, an arbitrator's mandate shall be terminated.
  - (a) The death of an arbitrator;
  - (b) The resignation of an arbitrator;
  - (c) The Removal of an arbitrator through a challenge;
  - (d) A request by all parties to replace an arbitrator; or
  - (e) The removal of an arbitrator by the Secretariat.
2. The Secretariat may remove an arbitrator when the arbitrator does not discharge his/her obligations or unreasonably delays discharging his/her obligations or the arbitrator has become unable to carry out his/her obligations in law or in fact.

#### **Article 25. Replacement of Arbitrators**

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1. Where an arbitrator is removed pursuant to Article 24, the Secretariat shall immediately notify the Arbitral Tribunal and the parties, and appoint a new arbitrator in accordance with Article 20 or Article 21. However, where an arbitrator is removed after

the close of pleadings but before rendering an arbitral award, the Secretariat may decide not to appoint a replacement arbitrator and allow the Arbitral Tribunal to render an arbitral award after consulting with the other arbitrators and the parties.

2. Where a new arbitrator is appointed pursuant to Paragraph 1, the Arbitral Tribunal, after consultations with having considered the opinion of the parties, shall decide whether or not to repeat the proceedings conducted so far, and if so, shall determine the scope of the proceedings to be repeated.

#### **Article 26. Decision Making of the Arbitral Tribunal**

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Unless otherwise agreed by the parties, a majority decision of the Arbitral Tribunal shall rule in case of an Arbitral tribunal composed of three arbitrators. However, where there is an agreement by the parties on the arbitral procedure or where all members of the Arbitral Tribunal confer authority, the Chair may make the decision.

### Article 27. Equitable Treatment of the Parties

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The parties shall be treated equally during the arbitral proceedings, and must be afforded with sufficient opportunity to present its case.

### Article 28. Time, Date and Place

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1. The Arbitral Tribunal shall determine the time, date, place, and the manner of the hearing.
2. The Secretariat shall notify the parties, without delay, the decision made under Paragraph 1.
3. In determining the matters under Paragraph 1, the Arbitral Tribunal shall give due consideration to employing measures, including but not limited to concentrated hearings, to avoid delay in the proceedings.

### Article 29. Assistance by the Secretariat

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Upon request by the Arbitral Tribunal or the parties, the Secretariat may make necessary arrangements for stenographic, tape recording, translation of statements, reservation of hearing location, or any other measures necessary for proceedings, at the cost of the parties.

### Article 30. Attendance at the Hearing

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1. The parties may attend the hearing.
2. Interested third parties may submit evidence of such interest to the Arbitral Tribunal, and, subject to the approval by the Arbitral Tribunal, may attend the hearing.

### Article 31. Adjournments or Continuations

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The Arbitral Tribunal may, on justifiable grounds, adjourn or continue the date of a hearing at its discretion or upon request by any party. However, the Arbitral Tribunal shall ensure that the arbitral proceedings are not delayed due to such adjournment or continuation.

### Article 32. Hearing

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1. In order to ensure an efficient and accurate process for the hearings, the Arbitral Tribunal may require the parties to submit briefs containing arguments, evidence, and comments on the other party's arguments.
2. Unless otherwise agreed by the parties, the arbitral proceedings shall be conducted as oral hearings.
3. The Arbitral Tribunal may require the parties to submit a summary brief, where necessary.
4. The Arbitral Tribunal may question the parties on factual or legal matters where necessary, and may require a party to support its claim.

5. Pursuant to Paragraph 4, the Arbitral Tribunal may direct party to explain, substantiate or provide further opinion on a claim and provide the same before the hearing.

### **Article 33. Default**

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1. The Arbitral Tribunal shall close the arbitral proceedings if it is deemed improper or impossible to continue the proceedings because the Claimant fails to specify the requested relief for the claim or clarify the causes of action.
2. The Arbitral Tribunal shall continue with the arbitral proceedings even when a party fails to attend a hearing without a justifiable cause or fails to submit evidence by the stipulated deadline, and may render an arbitral award without negative inference made against such party.

### **Article 34. Withdrawal of a Claim**

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1. The Claimant may withdraw its claim in part or in its entirety until the arbitral award is rendered.
2. The withdrawal shall be in writing. The withdrawal notice shall be made to the Secretariat before constitution of the Arbitral Tribunal, and to the Arbitral Tribunal once it is constituted.
3. If the withdrawal notice is made after the Respondent files its Answer or after the hearing, the Claimant must obtain the Respondent's consent for the withdrawal to be effective. If the Respondent does not raise any objection to the withdrawal

within 15 days after a written notice of withdrawal is sent, the Respondent shall be deemed to have agreed to such withdrawal.

4. Where the Claimant withdraws its claim, the Arbitral Tribunal must close the proceedings unless the Respondent objects and the Arbitral Tribunal concludes that the Respondent has the interest in having the dispute finally resolved.
5. Unless the parties agree otherwise, once a claim is withdrawn, such claim shall be rescinded to the extent it was withdrawn.

### **Article 35. Interim Measure**

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1. Unless otherwise agreed by the parties, the Arbitral Tribunal may issue an interim order upon request by a party and where it is deemed necessary.
2. The interim measure under Paragraph 1 shall be an interim order requiring a party to implement any of the following actions before a final arbitral award is rendered:
  - (a) to maintain or restore the status quo pending determination of the dispute;
  - (b) to take action that would prevent, or refrain from taking action that is likely to cause, current or imminent harm or prejudice to the arbitral proceedings themselves;
  - (c) to provide a means of preserving assets out of which a subsequent award may be satisfied; or
  - (d) to preserve evidence that may be relevant and material to the resolution of the dispute.

3. The Arbitral Tribunal may grant a measure in Paragraph 2(a) to (c) only when the applicant party has substantiated all of the following requirements:
  - (a) if the applicant is not granted the interim measure requested, then there is a possibility that the harm suffered by the applicant cannot appropriately be compensated by the damages included in the arbitral award, and such harm substantially outweighs the harm that the other party may suffer as a result of the interim measure; and
  - (b) strength of the case favors the applicant in the merits of the case; however, the Arbitral Tribunal shall not be obligated to consider the decision on the interim measure when rendering the arbitral award.
4. In regards to the interim measure under Paragraph 2(d), the Arbitral Tribunal may apply the requirements under Paragraph 3 in its discretion.
5. Upon request from a party or under a special circumstance, the Arbitral Tribunal may change, halt, or cancel the interim measure at its discretion with advance notice to the parties, subject to the Arbitral Tribunal examining the parties prior to the change, halt, or cancellation.
6. The Arbitral Tribunal may order the applicant of the interim measure to post a substantial security.
7. Where there is an important change in the circumstance that forms the basis of the interim measure, the Arbitral Tribunal may request a party to immediately notify the other party.

## **Article 36. Evidence**

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1. The parties may produce any evidence to support their arguments, or request that any witness or expert witness appear at the hearing or request examination by the Arbitral Tribunal. However, the Arbitral Tribunal may refuse to examine such evidence if it deems it unnecessary.
2. The Arbitral Tribunal may, where it is deemed necessary or is not satisfied of the evidence proffered by the parties, seek the production of evidence or appearance of witnesses or expert witnesses at the hearing.
3. In case of Paragraph 2, the Arbitral Tribunal may proceed with the hearing even if a party, witnesses or expert witnesses has not appeared at the hearing.
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. Where the Arbitral Tribunal is satisfied that a party's request for document production is justified the Arbitral Tribunal may order the other party to produce the document. However, the Arbitral Tribunal may order only a part of the document be produced where the document production request is warranted only for a part of the document.
6. The Arbitral Tribunal may determine the method of witness examination, and may order another witness to leave the hearing room pending testimony of a witness.

7. The Arbitral Tribunal has the full authority to determine the relevance and materiality of the evidence produced.

### **Article 37. Seeking Assistance of a Court in Evidence Examination**

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1. The Arbitral Tribunal may, at its sole discretion or at the request of the parties, commission a court to examine evidence or request assistance from a court in examination of evidence.
2. When commissioning a court of competent jurisdiction to examine evidence, the Arbitral Tribunal may designate in writing the items to be examined.
3. When examining evidence in accordance with Paragraph 2, an arbitrator or the parties may take part upon approval of the presiding judge.

### **Article 38. Closure and Reopening of the Proceedings**

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1. The Arbitral Tribunal shall, when it determines that the parties have exhausted all their arguments and evidence, declare the closure of the proceedings.
2. The Arbitral Tribunal may, on its own discretion or upon a request by a party, reopen the proceedings at any time before an award is rendered.

### **Article 39. Mediation**

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1. The parties may at any time during the arbitral proceedings request mediation of all or part of the dispute upon a written agreement in accordance with the Mediation Rules of KCAB (hereinafter, the “Mediation Rules”). The mediators shall be different from the members of the arbitrators.
2. In the event the parties’ request upon agreement pursuant to Paragraph 1, the Arbitral Tribunal shall suspend the arbitral proceedings.
3. Unless the parties agree otherwise, no one party may use the statement of the other party or witnesses of the mediation procedure in the arbitral proceedings.
4. When the mediation procedure concludes, the Arbitral Tribunal shall reopen the arbitral proceedings upon the parties’ request.

## **CHAPTER V. AWARD**

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### **Article 40. Making of the Arbitral Award**

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1. Once the hearings are closed, the arbitral award shall be rendered in a speedy manner regarding the claims. However, where it is deemed necessary, the Arbitral Tribunal may render an interlocutory award and partial award.



2. Unless the parties otherwise agree, the Arbitral Tribunal shall render an award within 30 days from the date of close of the hearings.
3. Where the Arbitral Tribunal is composed of three or more arbitrators and a part of Arbitral Tribunal fails to take part in the arbitration decision without justifiable cause, the award shall be rendered by the remaining majority of the arbitrators.

#### **Article 41. Form of the Arbitral Award**

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1. The arbitral award shall be in writing stating the following particulars:
  - (a) the full name or corporate names of the parties and their addresses, and the names and addresses of counsel if represented by counsel;
  - (b) the place of arbitration;
  - (c) the arbitral award;
  - (d) the purport of the award;
  - (e) the reasons for the award; and
  - (f) the date of the award.
2. The arbitral award shall be signed by the arbitrators. However, where the Arbitral Tribunal is composed of three or more arbitrators and a minority of the arbitrators is unable to sign the award, the remaining arbitrators must state the reason and sign on their behalf.

3. Where there is an agreement among the parties or the arbitral award is based on a settlement in accordance with Article 42, the reasons for the award may be omitted.
4. The Secretariat may offer its opinion on the form of the arbitral award.
5. The Arbitral Tribunal shall render a decision on fees and the allocation of the costs of arbitration under Article 52 in consideration of all circumstances related to the arbitration case.
6. The Arbitral Tribunal may, to the extent reasonable, order payment of delay interests.
7. All arbitral awards are binding on the parties. The parties undertake to carry out the arbitral award without delay.

#### **Article 42. Award by Consent**

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1. If the parties reach a settlement during the course of the arbitral proceedings, the Arbitral Tribunal must close the arbitral proceedings. Upon request of the parties, the Arbitral Tribunal may record the settlement in the form of an award.
2. In the event the settlement is recorded in the form of an award pursuant to Paragraph 1, the award shall be in the form as stipulated under Article 41.

### **Article 43. Correction and Interpretation of the Award and Additional Award**

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1. Within 30 days of receipt of the award, a party may request the correction, interpretation or additional award to the Arbitral Tribunal through the Secretariat, as provided below.
  - (a) to correct a computational or typographical error, or any errors of similar nature;
  - (b) to interpret a part or specific issue in the award; or
  - (c) to make an additional award relating to claims presented in the arbitral proceedings but not dealt with in the award.
2. The Arbitral Tribunal shall make its determination within 30 days of the request for items under Paragraph 1(a) and (b), and within 60 days for the request under Paragraph 1(c).
3. The Arbitral Tribunal may, within 30 days of the award, make correction under Paragraph 1(a) at its own discretion
4. Article 41 shall apply to the form of any correction, interpretation or additional award by the Arbitral Tribunal.

### **Article 44. Delivery of Arbitral Award**

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1. The Secretariat shall deliver a duly authenticated arbitral award written and signed in accordance with Articles 41 and 42 to each party or its counsel who has paid the arbitration costs under Article 52 in full.
2. The Secretariat shall keep the original version of the award.

However, where the parties request, the Secretariat shall deliver the original arbitral award to a court of competent jurisdiction enclosed with a document certifying delivery under Paragraph 1.

## **CHAPTER VI. EXPEDITED PROCEDURE**

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### **Article 45. Scope of Application**

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This Chapter on Expedited Procedure shall apply in case of any one of the following. However, in case of a claim relating to monetary instruments or securities of particular amount, the Claimant shall not claim partial amount for the purpose of having its claim apply under this Expedited Procedure.

- (a) Where there is an agreement between the parties to be subject to the Expedited Procedure.
- (b) Where the claim amount does not exceed KRW 100,000,000.

### **Article 46. Counterclaim and Amending the Request**

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1. The Respondent may submit a counterclaim exceeding KRW 100,000,000 only until the closing of the time limits set under Article 15(1). Unless the parties have agreed otherwise, the

Expedited Procedure shall not apply in this case.

2. During the arbitral proceedings under this Chapter, neither the Claimant nor the Counter-Claimant may amend the claim amount to exceed KRW 100,000,000. However, this shall not apply where the parties agree to be subject to the Expedited Procedure and the Arbitral Tribunal approves such agreement.

#### **Article 47. Appointment of Arbitrator**

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1. The secretariat shall appoint a sole arbitrator unless otherwise agreed by the parties.
2. The Secretariat shall appoint an arbitrator from the roster of arbitrators under Article 5 without regard to Article 20.

#### **Article 48. Proceedings of Hearing**

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1. The Arbitral Tribunal shall hold the hearing only once.
2. Despite the application of Article 25, the Arbitral Tribunal may render an award without extending the proceedings.
3. Notwithstanding Paragraphs 1 and 2, the Arbitral Tribunal may reopen the hearing where necessary or request the parties to submit additional briefs after the close of hearing.

#### **Article 49. Arbitral Award**

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1. The Arbitral Tribunal shall render the award within 100 days of

receiving the notice under Article 22.

2. Unless the parties agree otherwise, the Arbitral Tribunal shall indicate the reasons for the award in summary form.

#### **Article 50. Documentary Proceedings**

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1. Where the parties have agreed to documentary proceedings or where the Arbitral Tribunal concludes documentary proceedings to be appropriate, the Arbitral Tribunal may resolve the dispute on the basis of documentary evidence only without holding an oral hearing. In this case, provisions regarding times and dates of hearing shall not apply.
2. When the parties make an agreement based on Paragraph 1, the parties may also agree on the general procedure of the documentary proceedings, including the number and timing of the submission of briefs and evidence. Where the parties have not agreed on the procedure, the Arbitral Tribunal shall decide on the procedure of the documentary proceedings.

#### **Article 51. 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.

### Article 52. Advance to Cover the Costs of Arbitration

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1. The costs of arbitration shall include the following:
  - (a) Administrative fees under Article 53;
  - (b) expenses under Article 54;
  - (c) arbitrator's fees under Article 55 (remuneration); and
  - (d) other expenses the parties have incurred under Article 56.
2. The parties shall remit payment of the costs fixed by the Secretariat (the "Advance Costs") in accordance with the Rules. The payment shall be made within the time period fixed by the Secretariat.
3. Where the parties have not complied with the request for the Advance Costs pursuant to Paragraph 2, the Arbitral Tribunal or the Secretariat may suspend or terminate the arbitral proceedings.
4. The Secretariat shall refund any remaining Advance Costs at the completion of the arbitral proceedings. However, even when the claim amount has been reduced pursuant to Article 17, the administrative fees and arbitrator's fees under Paragraph 1(a) and (c) shall not be refunded.
5. Any interest accrued on the Advance Costs shall not be refunded.

### Article 53. Administrative Fees

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1. The administrative fees shall be remitted to the Secretariat in accordance with the administrative fees table. Same shall apply in case of a counterclaim.
2. Where the arbitral proceedings are withdrawn, the administrative fees may be refunded in accordance with the standard set by the Secretariat.

### Article 54. Expenses

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The parties shall make advance payments of all expenses required in arbitral proceedings, including the expenses of the arbitrators and clerks, the expenses of any evidence produced, the expenses of witnesses or expert witnesses, the expenses of examination or inspection, the expenses of recording, stenographic recording, the expenses of interpretation or translation.

### Article 55. Arbitrator's Fees

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1. The arbitrator's fees shall be paid by the Claimant. Same shall apply for a counterclaim.
2. Where the arbitration is withdrawn, the arbitrator's fees may be refunded pursuant to the standard set by the Secretariat.

## Article 56. Other Costs Incurred by the Parties

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Legal costs and necessary expenses incurred by the parties in connection with the proceedings, including legal fees and costs for experts, interpreters and witnesses, shall be allocated by the Arbitral Tribunal in the final Award. Unless otherwise agreed by the parties, the Arbitral Tribunal shall have the power to allocate the necessary expenses incurred during the proceedings in any manner it deems appropriate taking into account the circumstances of the case.

## SUPPLEMENTARY PROVISIONS

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1. (Effective Date) The Rules shall be effective as of November 30, 2016. However, Appendix I (Costs and Fees) Article 2 Arbitrator's Fees shall become effective as of January 1, 2017.
2. (Transitional Measures for Pending Arbitrations) Where the arbitration proceedings have commenced prior to the effective date of this amendment, the former rules will apply. However, the parties may agree to apply the Rules as amended without affecting the validity of the arbitration proceedings held prior to this date.
3. (Applicability) The Rules that are in force at the time the arbitration proceedings are commenced shall be deemed to apply where there is an arbitration agreement under Article 3 of the Rules. However, if the parties explicitly agree to apply the rules that are in force on the date of the arbitration agreement, such rules shall apply.

**Article 1. Administrative Fees**

1. The Claimant shall make an advanced payment of the administrative fees to the Secretariat in accordance with the table below.

AMOUNT IN DISPUTE (KRW)	ADMINISTRATIVE FEES (KRW)
Up to 10,000,000	2% (minimum 50,000)
From 10,000,001 to 50,000,000	200,000 + (amount in dispute – 10,000,000) x 1.5%
From 50,000,001 to 100,000,000	800,000 + (amount in dispute – 50,000,000) x 1.0%
From 100,000,001 to 5,000,000,000	1,300,000 + (amount in dispute – 100,000,000) x 0.5%
From 5,000,000,001 to 10,000,000,000	25,800,000 + (amount in dispute – 5,000,000,000) x 0.25%
Over 10,000,000,000	38,300,000 + (amount in dispute – 10,000,000,000) x 0.2%
Unquantified claim	1,000,000

2. The maximum amount of the administrative fees shall be 150,000,000 KRW.

3. The Secretariat may adjust the administrative fees not exceeding the above rates.

**Article 2. Arbitrator’s Fees**

1. Unless otherwise agreed by the parties, the remuneration of arbitrator(s) shall be determined by the Secretariat and shall be between the minimum and maximum amount stipulated under the table below, taking into account factors such as the nature of the dispute, the amount in dispute, the time spent by the arbitrator(s).

2. If the Request is withdrawn or the dispute resolved before issuance of the final award, the Secretariat shall pay such fees to the arbitrator(s) as it deems appropriate in accordance with its internal regulations.

AMOUNT IN DISPUTE (KRW)	ARBITRATOR’S FEE (KRW)	
	MINIMUM	MAXIMUM
Up to 100,000,000	700,000	1,300,000
From 100,000,001 to 200,000,000	700,000 + (amount in dispute – 100,000,000) x 0.3%	1,300,000 + (amount in dispute – 100,000,000) x 0.85%
From 200,000,001 to 1,000,000,000	1,300,000 + (amount in dispute – 200,000,000) x 0.08%	3,100,000 + (amount in dispute – 200,000,000) x 0.2%
From 1,000,000,001 to 5,000,000,000	2,000,000 + (amount in dispute – 1,000,000,000) x 0.04%	4,700,000 + (amount in dispute – 1,000,000,000) x 0.09%
From 5,000,000,001 to 10,000,000,000	3,600,000 + (amount in dispute – 5,000,000,000) x 0.02%	8,300,000 + (amount in dispute – 5,000,000,000) x 0.05%
From 10,000,000,001 to 50,000,000,000	4,600,000 + (amount in dispute – 10,000,000,000) x 0.007%	10,800,000 + (amount in dispute – 10,000,000,000) x 0.016%
From 50,000,000,001 to 100,000,000,000	7,400,000 + (amount in dispute – 50,000,000,000) x 0.004%	17,200,000 + (amount in dispute – 50,000,000,000) x 0.01%
Over 100,000,000,000	9,400,000 + (amount in dispute – 100,000,000,000) x 0.003%	22,200,000 + (amount in dispute – 100,000,000,000) x 0.007%
Unquantified claim	500,000	2,500,000

## Domestic Arbitration Rules

### **Korean Commercial Arbitration Board**

43rd Floor, 511, Yeongdong-daero,  
Gangnam-gu, Seoul, 06164 Rep. of Korea  
Tel : +82-(2)-551-2000, Fax : +82-(2)-551-2020  
<http://www.kcab.or.kr>

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