

*The Rules of International
Arbitration
for
the Korean Commercial
Arbitration Board*

As Approved by the Supreme Court on Jan. 25, 2007



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Model Clause

Future disputes

Any dispute, controversy or claim arising under, out of or relating to this contract (including non-contractual claims) and any subsequent amendments of this contract, including, without limitation, its formation, validity, binding effect, interpretation, performance, breach or termination, shall be referred to and finally resolved by arbitration under KCAB International Arbitration Rules, which Rules are deemed to be incorporated by reference into this clause.

The number of arbitrators shall be [one/three]

The seat, or legal place, of arbitration shall be [City/Country]

The language to be used in the arbitral proceedings shall be [language]

Existing disputes

We, the undersigned parties, hereby agree that the following dispute shall be referred to and finally determined by arbitration in accordance with the KCAB International Arbitration Rules :

[brief description of the dispute]

The number of arbitrators shall be [one/three]

The seat, or legal place, of arbitration shall be [City/Country]

The language to be used in the arbitral proceedings shall be [language]

INTRODUCTORY RULES

Article 1 Rules and Institution

1. These rules are the Rules of International Arbitration for the Korean Commercial Arbitration Board (“KCAB”) and may be referred to as the “KCAB International Arbitration Rules”.
2. The KCAB shall appoint, among its Secretariat, a secretary to administer the matters concerning arbitral proceedings to be conducted in accordance with this Rules.
3. The KCAB shall establish the International Arbitration Committee composed of the members of its own choice, and shall consult with the Committee as appropriate in making decisions with respect to article 13 and 14 of this Rules.

Article 2 Definitions

The definitions of terms used in this Rules shall be as follows :

- a. “Tribunal” includes one or more arbitrators.
- b. “Claimant” includes one or more claimants and “Respondent” includes one or more respondents.
- c. “Award” includes, inter alia, an interim, interlocutory, partial or final Award.
- d. An arbitration is international if,
 - the parties to an arbitration have, at the time of the conclusion of that agreement their places of business in different States ; or
 - one of the following places is situated

outside the State in which the parties have their places of business :

- (a) the place of arbitration if determined in, or pursuant to, the arbitration agreement ;
- (b) any place where a substantial part of the obligations of the commercial relationship is to be performed or the place with which the subject-matter of the dispute is most closely connected.

Article 3 Scope of Application

1. Where the parties have agreed in writing to refer their disputes to an international arbitration under the KCAB International Arbitration Rules, these Rules shall be deemed to form part of the arbitration agreement, and the arbitration shall take place in accordance with these Rules, as in effect at the date of commencement of the arbitration, subject to whatever modifications the parties may adopt in writing.
2. These Rules govern the arbitration, except that, where any such rule is in conflict with any provision of the law applicable to the arbitration from which the parties cannot derogate, that provision shall prevail.

Article 4 Notification/Document Submission

1. All pleadings and other written communications submitted by any party, as well as all documents annexed thereto, shall be supplied in a number of copies sufficient to provide one

copy for each party, plus one for each arbitrator, and one for the Secretariat. A copy of any communication from the Tribunal to the parties shall be sent to the Secretariat.

2. All notifications or communications from the Secretariat and the Arbitral Tribunal shall be made to the last known address of the party or its representative for whom the same are intended. Such notification or communication may be made by delivery against receipt, registered post, courier, facsimile transmission, telex, telegram or any other means of telecommunication that provides a record of the sending thereof.
3. A notification or communication shall be deemed to have been made on the day it was received by the party itself or by its representative, or would have been received if made in accordance with the paragraph 2.
4. Until the Tribunal is constituted, all communications between parties or between each party and arbitrators shall be made through the Secretariat. Thereafter, unless and until the Tribunal directs otherwise, all communications, written or verbal, shall take place directly between parties or between each party and the Tribunal (with simultaneous copies to the Secretariat, if written).
5. Where the Secretariat sends any written communication to one party on behalf of the Tribunal, the Secretariat shall send a copy to each of the other parties. Where any party sends to the Secretariat any communication, it

shall include a number of copies sufficient to provide one copy for each of the other parties and one for each arbitrator. The Secretariat shall then send such copies to the other parties and the Tribunal.

Article 5 Period of Time

1. For the purpose of determining the date of commencement of a time limit, a notice or other communication shall be deemed to have been received on the day it is delivered in accordance with Article 4.
2. For the purpose of determining compliance with a time limit, a notice or other communication shall be deemed to have been sent or made if it is dispatched, in accordance with Article 4, prior to or on the day of the expiration of the time limit.
3. For the purpose of calculating a period of time under these Rules, such period shall begin to run on the day following the day when a notice or other communication is received. If the last day of such period is an official holiday or a non-business day at the residence or place of business of the addressee, the period is extended until the first business day which follows. Official holidays or non-business days occurring during the running of the period of time are included in calculating the period.

Article 6 General Rule/Rule of Interpretation

In all matters not expressly provided for in these

Rules, the Secretariat and the Tribunal shall act in the spirit of these Rules and shall make every effort to make sure that the Award is enforceable at law.

Article 7 Representation

A party may be represented by any person of its choice in the proceedings under these Rules, subject to such proof of authority as the Tribunal may require.

COMMENCING THE ARBITRATION

Article 8 Request for Arbitration

1. A party intending to have recourse to arbitration under these Rules shall submit its Request for Arbitration (the "Request") to the Secretariat, which shall notify the Claimant and the Respondent of the receipt of the Request and the date of such receipt.
2. The date on which the Request is received by the Secretariat shall, for all purposes, be deemed to be the date of the commencement of the arbitral proceedings.
3. The Request shall, inter alia, contain, or be accompanied by, the following :
 - a. full name, full address, facsimile number and telephone number (with country code and city code) of the Claimant ;

- b. description of the Claimant, including its corporate form with location of incorporation or establishment (if applicable), or in case of an individual, the nationality of the individual and primary place of residence or employment ;
- c. full name and full address of another party against whom the arbitration being initiated (“Respondent”) together with telephone and facsimile numbers with country and city code (if known) ;
- d. a statement describing the nature and circumstances of the dispute giving rise to the claims ;
- e. a statement of the relief sought, including, to the extent possible, an indication of any amount(s) claimed ;
- f. a statement of any matters (such as the place or languages of the arbitration, applicable laws or the number of arbitrators, or their qualifications or identities) on which the parties have already agreed in writing for the arbitration or in respect of which the Claimant wishes to make a proposal ;
- g. if the arbitration agreement calls for party nomination of arbitrators, the name, address, telephone and facsimile numbers and e-mail address (if known) of the Claimant’s nominee ;
and
- h. the relevant agreements and, in particular, the written arbitration clause or separate written arbitration agreement invoked by the Claimant.
- i. full name, full address, facsimile number and telephone number (with country code and city

code) of the representative.

4. Together with the Request, the Claimant shall submit the number of copies thereof required by Article 4 and shall pay filing fees under Appendix I (“Regulations on Filing Fees and Administrative Fees”) in force on the date the Request is submitted. In the event that the Claimant fails to comply with either of these requirements, the Secretariat may fix a time limit within which the Claimant must comply failing which the file shall be closed without prejudice to the rights of the Claimant to submit the same claims at a later date in another Request.
5. The Secretariat shall send a copy of the Request and the documents annexed thereto to the Respondent for its Answer to the Request once the Secretariat has sufficient copies of the Request and the required advance payment.
6. When a party submits a Request in connection with a legal relationship in respect of which arbitration proceedings between the same parties are already pending under these Rules, the Arbitral Tribunal may, at the request of a party, decide to include the claims contained in the Request in the pending proceedings, by taking into account the nature of such new claims, the stage of the arbitration and other relevant circumstances.

Article 9 Answer to the Request ; Counterclaims

1. Within [30] days from the receipt of the Request

from the Secretariat, the Respondent shall file an Answer (the “Answer”) which shall, inter alia, contain the following information :

- a. full name, full address, facsimile number and telephone number (with country code and city code) of the Respondent ;
- b. description of the Respondent, including its corporate form with location of incorporation or establishment (if applicable), or in case of an individual, the nationality of the individual and primary place of residence or employment ;
- c. confirmation or denial of all or part of the claims advanced by the Claimant in the Request and responses to the relief sought in the Request ;
- d. any comments concerning the number of arbitrators and its choice in light of the Claimant’s proposals and in accordance with the provisions of Article 11 and 12, and any nomination of an arbitrator required thereby ;
and
- e. any comments as to the place of arbitration, the applicable laws and the language of the arbitration ; and
- f. if the arbitration agreement calls for party nomination of arbitrators, the name, address, telephone and facsimile numbers and e-mail address (if known) of the Respondent’s nominee.
- g. full name, full address, facsimile number and telephone number (with country code and city code) of the representative.

2. The Secretariat may grant the Respondent an extension of the time for filing the Answer ; provided the application for such an extension contains the Respondent's comments concerning the number of arbitrators and their choice and, where required by Article 11 and 12, the appointment of an arbitrator. If the Respondent fails to do so, the Secretariat shall proceed in accordance with these Rules.
3. The Answer shall be supplied to the Secretariat in the number of copies specified by Article 4.
4. Any counterclaim(s) made by the Respondent shall be filed with its Answer (or may be filed at a later stage in the arbitral proceedings if the Arbitral Tribunal decides that the delay was justified under the circumstances) and shall provide the following ; provided, however, that the grounds for any counterclaim must be based on the Arbitration Agreement pending between the Claimant and the Respondent :
 - a. a description of the nature and circumstances of the dispute giving rise to the counterclaims(s) ; and
 - b. a statement of the relief sought including, to the extent possible, an indication of any amount(s) counterclaimed.
5. When the Tribunal considers that the purport and grounds of the Respondent's defense includes a counterclaim, the Tribunal may request the Respondent to clarify whether it intended to file a counterclaim as provided in Paragraph 4 above.

6. Failure to file an Answer shall not preclude the Respondent from denying any claim or from advancing a counterclaim in the arbitration proceeding. However, if the Arbitration Agreement calls for party nomination of arbitrators, failure to send an Answer or to nominate an arbitrator within time or at all shall constitute an irrevocable waiver of that party's opportunity to nominate an arbitrator.

THE ARBITRAL TRIBUNAL

Article 10 General Provisions

1. Arbitrators acting under these rules shall be, and remain at all times, impartial and independent.
2. Prior to accepting appointment, a prospective arbitrator shall disclose in writing to the Secretariat any circumstance likely to give rise to justifiable doubts as to his impartiality or independence. If, at any stage during the arbitration, new circumstances arise that may give rise to such doubts, an arbitrator shall immediately disclose in writing to the parties and to the Secretariat such circumstances.
3. The decisions of the Secretariat on any matter related to the appointment, replacement or removal of arbitrators shall be final and not subject to appeal.

Article 11 The Number of Arbitrators

The disputes shall be decided by a sole arbitrator or three arbitrators. In the absence of agreement between the parties as to the number of arbitrators, a sole arbitrator shall be appointed. However, if either party, within thirty (30) days from the receipt of the Request for Arbitration by the other party, notifies the Secretariat of the request that such number shall be three (3), the number of arbitrators shall be three (3) if the Secretariat, taking into consideration the size, complexity or other factors of the dispute, considers it appropriate and notifies the parties to that effect.

Article 12 Appointment of Arbitrators

1. Where the dispute is to be referred to a sole arbitrator, the parties shall agree upon and appoint a sole arbitrator within 30 days of the receipt of the Request for Arbitration by the Respondent or the decision of the Secretariat that the number of arbitrators shall be one (1) as provided in Article 11 above. If the parties fail to jointly appoint a sole arbitrator within that time frame or within such additional time as may be allowed by the Secretariat, the Secretariat shall appoint the sole arbitrator.
2. Where the dispute is to be referred to three (3) arbitrators, the Claimant shall appoint an arbitrator in its Request for Arbitration or within such additional time as may be allowed by the Secretariat, and the Respondent shall

appoint an arbitrator in its Answer or within such additional time as may be allowed by the Secretariat. If either party fails to appoint an arbitrator within that time limit, the Secretariat shall appoint such arbitrator. Upon appointment of the first two arbitrators, the two arbitrators shall agree upon the third arbitrator, who shall act as chairman of the Tribunal. If, within 30 days of the appointment of the second arbitrator, the two arbitrators have not appointed a third arbitrator to act as chairman of the Tribunal, the Secretariat shall appoint such arbitrator.

3. In cases where the Tribunal is to consist of three (3) arbitrators and there are multiple parties, whether as Claimant or as Respondent, the multiple Claimants, jointly, and the multiple Respondents, jointly, shall appoint an arbitrator pursuant to Article 12.2. In the absence of such a joint nomination and where all parties are unable to agree to a method for the constitution of the Arbitral Tribunal, the Secretariat shall appoint each member of the Arbitral Tribunal and shall designate one of them to act as chairman.
4. In appointing arbitrators, the Secretariat shall consider the prospective arbitrator's experience, availability, nationality and residence. When one of the parties requests, the Secretariat shall appoint, as the person to act as a sole arbitrator or the chairman of a Tribunal, a person whose nationality is different from the nationalities of each of the parties.
5. 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 13 Challenge of Arbitrators

1. Any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence. A party who participates in the appointment of an arbitrator may challenge the arbitrator so appointed only for reasons of which the party becomes aware after the appointment.
2. A challenge of an arbitrator, whether for an alleged lack of independence, impartiality or otherwise, shall be made by the submission to the Secretariat of a written statement specifying the facts and circumstances on which the challenge is based. Such statement shall be copied to all of the parties to the arbitration, and to any arbitrators in the case.
3. For a challenge to be considered, it must be sent by a party either within fifteen (15) days from receipt by that party of notice of appointment of the arbitrator, or within fifteen (15) days from the date when the party making the challenge was informed of the facts and circumstances on which the challenge is based.
4. The arbitrator concerned, the other party or parties and any other members of the Arbitral Tribunal may comment on the challenge, in writing, within fifteen (15) days of their receipt

of the challenge. Such comments shall be communicated to the Secretariat, each of the parties and the arbitrators.

5. When an arbitrator has been challenged by one party, the other party or parties may agree to the acceptance of the challenge and, if there is an agreement, the arbitrator shall withdraw. The challenged arbitrator may also withdraw from office in the absence of such agreement. In neither case does withdrawal imply acceptance of the validity of the grounds for the challenge. If the other party does not agree to the challenge, or the challenged arbitrator does not withdraw, the Secretariat shall make a decision on the challenge.

Article 14 Replacement/Removal of Arbitrators

1. An arbitrator shall be replaced upon that arbitrator's death, upon the acceptance by the Secretariat of the arbitrator's resignation, upon a decision of the Secretariat to sustain a challenge or, upon the request of all the parties to the arbitration.
2. The Secretariat may remove any arbitrator who fails to perform his or her duties or unduly delays in the performance of his or her duties, or is legally or actually unable to perform his or her duties.
3. In the event of the replacement of an arbitrator during the course of the arbitral proceedings, a substitute arbitrator shall be appointed or chosen

pursuant to the procedure provided for in Article 12 that was applicable to the appointment or choice of the arbitrator being replaced.

4. Once the arbitrator has been replaced, and after consultation with the parties, the Tribunal shall determine if and to what extent prior proceedings shall be repeated before the reconstituted Tribunal.
5. Subsequent to the closure of the proceedings, instead of replacing an arbitrator who has died, resigned or been removed, the Secretariat may decide that the remaining arbitrators shall complete the arbitration. In making such a determination, the Secretariat shall consult with the remaining arbitrators and the parties and may consider such other matters that it considers appropriate in making its decision.

ARBITRAL PROCEEDINGS

Article 15 Procedural Timetable

1. After having consulted the parties, the Arbitral Tribunal shall establish in a separate document a provisional timetable that it intends to follow for the conduct of the arbitration and shall communicate it to the Secretariat and the parties within 30 days of the constitution of the Arbitral Tribunal.
2. Notwithstanding Paragraph 1 above, the Arbitral

Tribunal may, in general following the submission of the Answer, conduct a preparatory conference with the parties for the purpose of organizing and scheduling the subsequent proceedings.

Article 16 Further Written Statements

1. The Arbitral Tribunal may, in its discretion, allow or require the parties to present any written statements in addition to the Request and the Answer (Counterclaim), and it shall fix the periods of time for submitting any such statements.
2. The periods of time fixed by the Arbitral Tribunal for the communication of such written statements should not exceed 45 days.
3. The party who presents the written statements in accordance with Paragraph 1 above shall provide the other party and the Tribunal with such written statements accompanied by copies (or, if they are especially voluminous, lists) of all essential documents on which the party concerned relies and which have not previously been submitted by any party, and (where appropriate) by any relevant samples and exhibits.

Article 17 Amendment to Claims, Defenses and Counterclaims

During the arbitral proceedings, any party may amend or supplement its claim, counterclaim or defense and notify thereof to the other party and

the Secretariat, unless the Arbitral Tribunal considers it inappropriate to allow such amendment or supplement because of the party's delay in making it, prejudice to the other parties or any other circumstances. A party may not amend or supplement a claim or counterclaim if the amendment or supplement would fall outside the scope of the agreement to arbitrate.

Article 18 Place of Arbitration

1. The place of the arbitration, in the absence of an agreement by the parties, shall be Seoul, the Republic of Korea, unless the Arbitral Tribunal determines in view of all the circumstances of the case that another place is more appropriate.
2. The Arbitral Tribunal may, after consultation with the parties, conduct hearings and meetings at any location it considers appropriate.
3. The Arbitral Tribunal may deliberate at any location it considers appropriate.

Article 19 Pleas as to the Jurisdiction of the Tribunal

1. The Tribunal shall have the power to rule on objections that it has no jurisdiction, including any objections with respect to the existence or validity of the arbitration clause or of the separate arbitration agreement.
2. The Tribunal shall have the power to determine the existence or validity of a contract of which

an arbitration clause forms a part. Such an arbitration clause shall be treated as an agreement independent of the other terms of the contract. A decision by the Tribunal that the contract is null and void shall not for that reason alone render invalid the arbitration clause.

3. A plea that the Tribunal does not have jurisdiction shall be raised no later than the filing of the Answer to the Request, as provided in Article 9, or, with respect to a counterclaim, the filing of the Answer to the counterclaim.
4. In general, the Tribunal should rule on a plea concerning its jurisdiction as a preliminary question. However, the Tribunal may proceed with the arbitration and rule on such a plea in its final award.

Article 20 Conduct of Arbitration

1. Subject to the mandatory provisions of this Rules, the parties are free to agree on the arbitral proceedings.
2. Subject to the Rules, the Tribunal may conduct the arbitration in whatever manner it considers appropriate, provided that the parties are treated with equality and that each party has the right to be heard and is given a fair opportunity to present its case.
3. The Tribunal may in its discretion bifurcate proceedings and direct the parties to focus their presentation on issues the decision of which could dispose of all or part of the case.

Article 21 Rules Governing the Proceedings

The proceedings before the Arbitral Tribunal shall be governed by these Rules and, where these Rules are silent, by any rules which the parties or, failing them, the Arbitral Tribunal may settle on, whether or not reference is thereby made to the rules of procedure of a national law to be applied to the arbitration.

Article 22 Evidence

1. Unless the parties otherwise agree in writing, the Tribunal may at any time during the proceeding order the parties :
 - a. to produce documents, exhibits or other evidence it deems necessary or appropriate, or
 - b. to make any property, site, or thing under their control and relating to the subject matter of the arbitration available for inspection by the Tribunal, any other party, or any expert to the Tribunal.
2. The Tribunal may require a party to deliver to the Tribunal and to the other parties a summary of the documents and other evidences which that party intends to present in support of its claim, counterclaim or defense.
3. Each party shall have the burden of proving the facts relied on to support its claim, counterclaim or defense.
4. The power conferred upon the arbitral tribunal shall include the power to determine the admissibility, relevance, materiality and weight of any evidence.

Article 23 Experts

1. The Tribunal may appoint one or more experts to report to it on specific issues to be determined by the Tribunal and communicated to the parties. A copy of the expert's terms of reference, established by the Tribunal, shall be communicated to the parties.
2. The Tribunal may require a party to give the expert any relevant information or to provide access to any relevant documents, goods or other property for his inspection.
3. Upon receipt of the expert's report, the Tribunal shall send a copy of the report to all parties and shall give the parties an opportunity to comment on the report. A party may examine any document on which the expert has relied in preparing such a report.

Article 24 Language of the Arbitration

In the absence of an agreement by the parties, the Arbitral Tribunal shall determine the language or languages of the arbitration, due regard being given to all relevant circumstances, including the language of the contract.

Article 25 Applicable Law

1. The parties shall be free to agree upon the substantive laws or rules of law to be applied by the Arbitral Tribunal to the merits of the dispute. In the absence of any such agreement,

the Arbitral Tribunal shall apply the substantive laws or rules of law which it determines to be appropriate.

2. In all cases the Arbitral Tribunal shall take account of the provisions of the contract and the relevant trade usages.
3. The Arbitral Tribunal shall assume the powers of an amiable compositeur or decide ex aequo et bono only if the parties have agreed to give it such powers.

Article 26 Hearings

1. When a hearing is to be held, the Arbitral Tribunal, giving reasonable notice, shall summon the parties to appear before it on the day and at the place fixed by it.
2. The Arbitral Tribunal shall be in full charge of the hearings, at which all the parties shall be entitled to be present. Save with the approval of the Arbitral Tribunal and the parties, persons not involved in the proceedings shall not be admitted.
3. The parties may appear in person or through duly authorized representatives. In addition, they may be assisted by advisors.
4. Hearings are private unless the parties agree otherwise or the law provides to the contrary. The Tribunal may require any witness or witnesses to retire during the testimony of other witnesses. The Tribunal may determine the manner in which witnesses are examined.
5. The Secretariat may, at the request of the

Tribunal or either party, make tape recordings and arrange for interpreting, making stenographic transcript and providing a hearing room and the like as necessary for conducting the arbitral proceedings, with the costs to be borne by the parties.

Article 27 Closure of the Proceedings

1. When it is satisfied that the parties have had a reasonable opportunity to present their cases, the Arbitral Tribunal shall declare the proceedings closed. Thereafter, no further submission or argument may be made, or evidence produced, unless requested or authorized by the Arbitral Tribunal.
2. The Arbitral Tribunal in its discretion, on its own motion or upon application of a party, may reopen the hearing at any time before the Award is made.

Article 28 Conservatory and Interim Measures

1. Unless the parties have otherwise agreed, as soon as the file has been transmitted to it, the Arbitral Tribunal may at the request of a party order any interim or conservatory measure it deems appropriate. The Arbitral Tribunal may make the granting of any such measure subject to appropriate security being furnished by the requesting party. Any such measure shall take the form of an order, giving reasons, or of an

Award, as the Arbitral Tribunal considers appropriate.

2. Before the file is transmitted to the Arbitral Tribunal, and in appropriate circumstances even thereafter, the parties may apply to any competent judicial authority for interim or conservatory measures. The application of a party to a judicial authority for such measures or for the implementation of any such measures ordered by an Arbitral Tribunal shall not be deemed to be an infringement or a waiver of the arbitration agreement and shall not affect the relevant powers reserved to the Arbitral Tribunal. Any such application and any measures taken by the judicial authority must be notified without delay to the Secretariat. The Secretariat shall inform the Arbitral Tribunal thereof.

Article 29 Default

1. If, within the period of time fixed by the Arbitral Tribunal, the Respondent has failed to file an Answer without showing sufficient cause for such failure, the Arbitral Tribunal shall order that the proceedings continue.
2. If any of the parties, although duly summoned, fails to appear without valid excuse, the Arbitral Tribunal shall have the power to proceed with the hearing.
3. If any of the parties, although duly invited to produce documentary evidence, fails to do so within the established period of time, without valid excuse, the Arbitral Tribunal may make the Award on the evidence before it.

THE AWARD

Article 30 Decisions

Where there is more than one arbitrator and they fail to agree on any issue, any Award or decision shall be made by a majority of the arbitrators. Failing a majority decision on any issue, the Award on that issue shall be made by the chairman of the Arbitral Tribunal alone.

Article 31 Form and Effect of the Award

1. The Award shall be in writing. Unless the parties have agreed otherwise, the Arbitral Tribunal shall state the reasons upon which the Award is based.
2. The Award shall state its date and shall be signed by all the members of the Arbitral Tribunal. If a minority arbitrator refuses or fails to sign the Award, the remaining arbitrators shall specify the reason and sign thereon. The Award shall be deemed to be made at the place of the arbitration and on the date stated therein.
3. Every Award shall be final and binding on the parties. The parties undertake to carry out the Award without delay.

Article 32 Interim, Interlocutory or Partial Awards

1. In addition to making a final Award, the Arbitral

Tribunal shall be entitled to make interim, interlocutory or partial Awards.

2. In case of partial Awards, the Arbitral Tribunal may make Awards on different issues at different times, which shall be subject to correction under the procedure specified under Article 36. Unless otherwise stated by the Arbitral Tribunal, such Awards shall be individually enforceable as soon as they are made.

Article 33 Time Limit for the Final Award

1. Unless all parties agree otherwise, the Arbitral Tribunal shall make its Award within forty-five(45) days from the date on which final submissions are made or the hearings are closed whichever comes later.
2. The Secretariat may extend this time limit pursuant to a reasoned request from the Arbitral Tribunal or on its own initiative if it decides it is necessary to do so.

Article 34 Award by Consent

If the parties reach a settlement after the request for arbitration is filed and cost advance is made under this Rule, the Tribunal may render a consent Award recording the settlement if any party so requests. If the parties do not require a consent Award, then on written confirmation by the parties to the Secretariat that a settlement has been made, the Tribunal shall be discharged and the

reference to arbitration concluded, subject to payment by the parties of any outstanding costs of the arbitration.

Article 35 Notification, Deposit and Enforceability
of the Award

1. Once an Award has been made, the Secretariat shall notify to the parties the written Award signed by the Arbitral Tribunal, provided always that the costs of the arbitration have been fully paid to the Secretariat by the parties or by one of them. By virtue of the notification made in accordance with the above, the parties waive any other form of notification or deposit on the part of the Arbitral Tribunal.
2. The Arbitral Tribunal and the Secretariat shall assist the parties in complying with whatever further formalities may be necessary.

Article 36 Correction and Interpretation of the
Award

1. On its own initiative, the Arbitral Tribunal may, within thirty (30) days of the date of the Award, correct a clerical, computational or typographical error, or any errors of similar nature contained in an Award.
2. Within thirty (30) days of receipt of the Award, unless the parties agree otherwise, a party may by notice to the Secretariat request the Arbitral Tribunal to correct any error of the kind referred to in Paragraph 1 or for the interpretation of an

Award. Any correction or interpretation shall be given in writing within thirty (30) days after the receipt of the request. Such corrections or interpretation shall form part of the Award.

Article 37 Additional Award

Unless otherwise agreed by the parties, a party may, within thirty (30) days of receipt of the Award, and with notice to the other party or parties, by notice to the Secretariat request the Arbitral Tribunal to make an additional Award as to claims presented in the arbitral proceedings but not dealt within the Award. If the Arbitral Tribunal considers the request to be justified, it shall make the additional Award within sixty (60) days of receipt of the request.

COSTS

Article 38 Obligation to Pay Arbitration Costs

1. The Arbitration Costs shall include filing fees, the administrative fees, the fees and expenses of the arbitrators and other expenses incurred during the arbitration proceedings in accordance with the "Regulations on Filing Fees and Administrative Fees (APPENDIX I)" and "Regulations on Arbitrators Fees and Expenses (APPENDIX II)".
2. The parties shall be jointly and severally liable

for payment of Arbitration Costs to the Secretariat.

3. Should the amount of Secretariat administrative fees be reduced due to the amendment of the claim according to Article 17, the administrative fees already paid shall not be refunded.

Article 39 Advance to Cover the Costs of the Arbitration

1. The parties shall pay in advance to the Secretariat, in the manner and within the period of time determined by the Secretariat, a sum of money fixed by Secretariat ("Advance for Costs") to cover the Arbitration Costs incurred during the proceedings. The amount may be subject to readjustment at any time during the arbitration.
2. The Secretariat shall fix the amount of any Advance for Costs or supplementary Advance for Costs. The Secretariat shall request each party to deposit a certain amount as an Advance for Costs. The Advance for Costs shall be payable in equal shares by the Claimant and the Respondent unless parties agree otherwise. The payment shall be in cash.
3. In case there are several parties for the Claimant or the Respondent, such several parties shall be jointly and severally liable for the payment for the party which they are associated with. Unless otherwise agreed by the relevant parties, each party shall pay equal share.
4. If a party fails to make payment as provided in

the preceding paragraphs, the Secretariat after consultation with the Arbitral Tribunal, may order the suspension or termination of the arbitral proceedings.

5. Any party shall be free to pay the whole of the Advance for Costs should the other party fail to pay its share. In such case, such party may request the Arbitral Tribunal to order the failing party to pay its share in a form of interim, interlocutory or partial Awards.
6. The Secretariat shall return the remainder amount, if any, from the Advance for Costs, at the end of arbitration proceedings, to the party who paid such Advance for Costs.
7. Any interest incurred from the Advance for Costs shall not be refunded.

Article 40 Apportionment of Arbitration Cost

1. The Arbitration Costs including administrative fees shall in principle be borne by the unsuccessful party. However, the Arbitral Tribunal, taking into account the circumstances of the case, may, at its discretion, apportion each such costs between the parties.
2. When the Arbitral Tribunal issues any Award, it shall fix the costs of arbitration provided that in case of interim, interlocutory or partial Awards, the Arbitral Tribunal may postpone such decision by the time of issue for the Final Award.

Article 41 Costs Incurred by a Party

The necessary costs and expenses including but not limited to attorney fees and costs for experts, interpreters, witnesses incurred by a party during the arbitration proceedings shall be borne by such party subject to the allocation determined by the Arbitral Tribunal set forth in the Arbitral Award. Unless otherwise agreed by the parties, the Arbitral Tribunal shall, taking into account the circumstances of the case, decide on allocation between the parties of the necessary expenses incurred during the arbitration proceedings.

MISCELLANEOUS

Article 42 Modified Time Limits

The parties may modify any period prescribed under these Rules by written agreement. The Tribunal may, if it decides reasonable, 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.

Article 43 Waiver

A party who knows that any provision of these Rules, the Arbitration Agreement, any other rules applicable to the proceedings or any direction

given by the Tribunal has not been complied with and yet proceeds with the arbitration without promptly stating its objection to such non-compliance, shall be deemed to have waived its right to object.

Article 44 Exclusion of Liability

The members of the Tribunal and the Secretariat shall not be liable to any party for any act or omission in connection with any arbitration conducted under these Rules, unless such act or omission is shown to constitute a willful misconduct or recklessness.

Article 45 Confidentiality

1. Arbitral proceedings, and records thereof, shall be closed to the public.
2. The members of the Tribunal and the Secretariat, the parties and their representatives and assistants shall not disclose facts related to arbitration cases or facts learned through arbitration cases except where disclosure is consented to by the parties, required by law or required in court proceedings.

SUPPLEMENTARY PROVISIONS

1. These Rules shall be effective on and from February 1, 2007.
2. Any arbitral proceedings initiated before these

Rules come into effect shall be governed by the Arbitration Rules of the KCAB ; provided that subsequent proceedings may, upon agreement of the parties, be conducted pursuant to these Rules. In the event of such an agreement between the parties, the proceedings that already have been conducted pursuant to the Arbitration Rules of the KCAB shall remain valid.

APPENDIX I
REGULATIONS ON FILING FEES
AND ADMINISTRATIVE FEES

Article 1 Filing Fees

1. When submitting a Request, the Claimant shall pay a filing fee of 1,000,000 KRW.
2. If the Claimant fails to pay the filing fee, the KCAB shall not proceed with the arbitration.
3. The filing fee is not refundable.
4. The above provisions shall apply to any counterclaim.

Article 2 Administrative Fees

1. The parties shall pay Secretariat an administrative fees based on the amount of the dispute as specified in following Schedule.

	AMOUNT IN DISPUTE	ADMINISTRATIVE FEES
I	up to 10,000,000 KRW	2%(minimum 50,000 KRW)
II	from 10,000,000 KRW to 50,000,000 KRW	200,000 KRW + (amt. - 10,000,000 KRW) × 1.5%
III	from 50,000,000 KRW to 100,000,000 KRW	800,000 KRW + (amt. - 50,000,000 KRW) × 1.0%
IV	from 100,000,000 KRW to 5,000,000,000 KRW	1,300,000 KRW + (amt. - 100,000,000 KRW) × 0.5%
V	from 5,000,000,000 KRW to 10,000,000,000 KRW	25,800,000 KRW + (amt. - 5,000,000,000 KRW) × 0.25%
VI	over 10,000,000,000 KRW	38,300,000 KRW + (amt. - 10,000,000,000 KRW) × 0.2%
VII	Unquantified Claim	3,000,000 KRW

2. For the purpose of determining the amount in dispute :
 - a. claims and counterclaims shall be added together ;
 - b. amount claimed for interest shall not be taken into account, unless the interest claim exceeds the principal amount claimed, in which case the interest claims alone shall be considered in calculating the amount in dispute ;
 - c. if the amount of the dispute is not clear, the Tribunal can determine the amount of the claim taking account of all relevant circumstances.
3. In case where the Request for Arbitration has been withdrawn or the case has been settled between the parties before issuance of the final award, the Secretariat may refund part of the administrative fees as determined in accordance with its internal regulation.

APPENDIX II
REGULATIONS ON ARBITRATOR'S
FEES AND EXPENSES

Article 1 Arbitrator's Fees

1. Unless otherwise agreed, the basic amount of an arbitrator's remuneration shall be based on the amount equal to the Hourly Rate multiplied by the number of the Arbitration Hours. The hourly rate shall be determined by the Secretariat within the range of USD 250 to USD 500 per hour. When the Secretariat determines the hourly rate, it shall take into account, inter alia :
 - a. the nature of the dispute and the amount in dispute, and
 - b. the standing and experience of the arbitrator
2. The term "Arbitration Hours" means the time spent for hearings and the time reasonably required for preparation for arbitral proceedings and related matters.
3. The remuneration of an arbitrator or arbitrators shall be decided between the maximum amount and the minimum amount specified in the following schedule.

4. For the purpose of determining the amount in dispute, Article 2 (2) of Appendix I shall apply.
5. In case where the Request for Arbitration has been withdrawn or the case has been settled between the parties before issuance of the final award, the Secretariat may pay the arbitrators' fees as determined in accordance with its internal regulation

Article 2 Arbitrator's Expenses

Arbitrator's Expenses mean his or her actual expenses incurred to the extent required for arbitral proceedings, including expenses for travel, hotels, meals and other expenses, and which are defined as necessary expenses incurred during the proceedings.

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