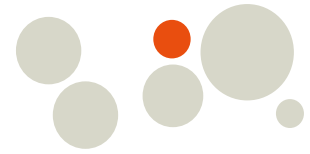


# ANNEX 2 TO THE ARBITRATION RULES

## Rules on the costs of the arbitration

## Annex 2



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This Annex was approved on 18 June 2020 by the Governing Board of the Madrid International Arbitration Association (the “Association”).

## Rules on the costs of the arbitration

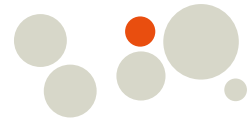
The costs of the arbitration are made up of, *inter alia*, administrative expenses (filing and administrative fees) and the fees and expenses of the arbitrators.

### Administrative expenses

1. Administrative expenses shall be calculated based on the fee scale, which will be applied having regard to the relief sought in each arbitration or its estimated monetary value in accordance with the [Quantification Guide for Arbitration proceedings](#).
2. The quantum of arbitrations with an undetermined amount will be estimated at EUR 300,000 without prejudice to any further determination or assessment.
3. The administrative fees related to claims and counterclaims will be calculated separately.
4. Filing fees amount to EUR 2,000 and they are non-refundable.

### Fees and expenses of the arbitrators

5. As is the case with administrative expenses, any arbitrator fees related to claims and counterclaims will be calculated separately.
6. It will be at the Center’s discretion whether to apply maximum or minimum values within the range allocated for arbitrators. The General Secretary shall be responsible for this duty. If deemed appropriate, when performing this duty, the General Secretary may consult with its Support Committee.



7. In case of three-arbitrator tribunals, the overall fees of the arbitrators will be equal to the fee included in the fee scale multiplied by three. The allocation of the total arbitrator fees will be as follows: 40% for the President (or presiding arbitrator) and 30% for each of the remaining arbitrators. Based on specific circumstances of the arbitration proceedings, if deemed appropriate, MIAC may increase the percentage for the President up to a maximum of 50% of the overall fees of the arbitrators.

8. If the proceedings last more than one year from the appointment of arbitrators, MIAC may make a down payment on account of arbitrator fees up to the minimum amount to which arbitrators would be entitled if the proceedings were subject to early termination at that stage.

9. Arbitrator fees shall not include any expenses incurred by the arbitrators, which shall be passed on to the parties following proof of payment by the arbitrators and upon MIAC's approval of all or part of those expenses.

10. Arbitrators may not receive any amount directly from the parties or their legal counsel.<sup>1</sup>

### **Emergency arbitrator**

11. The party applying for appointment of an emergency arbitrator shall pay EUR 15,000. This amount is broken down as follows: EUR 5,000 on account of MIAC's administrative fees, and EUR 10,000 on account of emergency arbitrator fees. The Secretariat shall only deliver or notify the application for an emergency arbitrator upon full payment of the arbitrator fees.

12. At any time during the emergency arbitrator proceedings, MIAC may increase the administrative expenses or the emergency arbitrator fees having regard to the work actually performed by the Center and/or by the emergency arbitrator or to any other relevant circumstances.<sup>2</sup> The application for an emergency arbitrator will be deemed withdrawn if the applicant fails to pay the increase in costs within the time limit set by the Center.<sup>3</sup>

<sup>1</sup> Art. 53(2) of the Arbitration Rules.

<sup>2</sup> Art. 66(1) of the Arbitration Rules.

<sup>3</sup> Art. 66(2) of the Arbitration Rules.



### **Correction, clarification and supplementation of awards**

13. Correction, clarification and supplementation of awards shall not entail additional fees or expenses unless the MIAC finds specific circumstances that may justify these additional fees. In such cases, the additional fees shall be between 0.5% and 3% of each arbitrator's fees.<sup>4</sup>

### **Challenge of awards**

14. If the award is challenged, administrative expenses and arbitrator fees and expenses shall be equal to 50% of the fees provided for the proceedings in which the challenged award was rendered.

### **Nominating Authority**

15. Where MIAC acts as Nominating Authority it shall receive EUR 2,000 for each appointed arbitrator.

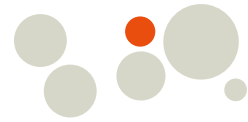
### **Special rules**

16. As for cases arising from arbitration agreements concluded prior to 1 January 2020, where the parties agree to refer their dispute to MIAC (opt-in), the applicable fees shall be those of the court designated in the arbitration agreement as the institution administering the proceedings.

17. All MIAC rules shall apply except for the rules on fees.

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<sup>4</sup> Art. 53(3) of the Arbitration Rules.



18. The amounts stated herein do not include the amount of Value Added Tax (VAT) that may apply depending on the characteristics of each arbitration.

### Costs in case of early termination

Procedural stage	Administrative fees
Pre-arbitration stage	10-30 %
Appointment of arbitrators	30-50 %
Terms of reference (or meeting to arrange the arbitration in case of expedited proceedings)	50-60 %
Advancement of the proceedings from the terms of reference (or meeting to arrange the arbitration in case of expedited proceedings) until closing submissions	60-75 %
Review of the award	100 %

Procedural stage	Administrative fees
Advancement of the proceedings from the terms of reference (or meeting to arrange the arbitration in case of expedited proceedings)	5-20%
Advancement of the proceedings from the terms of reference (or meeting to arrange the arbitration in case of expedited proceedings) until closing submissions	20-70%
Deliberation and rendering of the award	70-100%



## Scale for administrative expenses and arbitrator fees and expenses

### 1. Administrative expenses for ordinary and expedited proceedings

Filing fees: EUR 2.000 (plus VAT if applicable)

Administrative fees in euros (plus VAT if applicable):

Quantum of the dispute		Total	Percentage
Up to	50 000	3 000	
50 000	100 000	3 000	1.200%
100 000	300 000	3 600	1.600%
300 000	500 000	6 800	1.300%
500 000	1 000 000	9 400	0.950%
1 000 000	2 000 000	14 150	2.000%
2 000 000	5 000 000	34 150	0.010%
5 000 000	10 000 000	34 450	0.270%
10 000 000	30 000 000	47 950	0.001%
30 000 000	50 000 000	48 150	0.130%
50 000 000	100 000 000	74 150	0.001%
100 000 000	500 000 000	74 650	0.012%
500 000 000	and above	122 650	0.011%



## 2. Arbitrator fees and expenses

### 2.1. Arbitrator fees for ordinary proceedings, in euros (plus VAT if applicable)

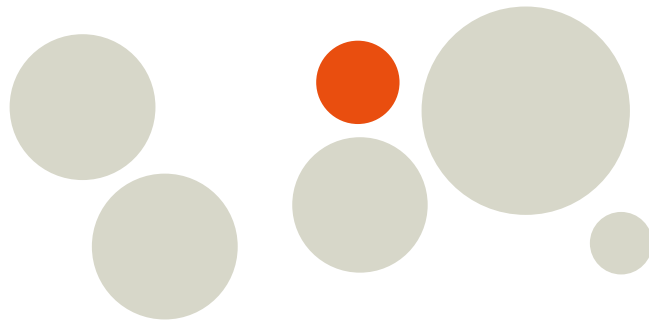
Quantum of the dispute		Minimum		Maximum	
		Total	Percentage	Total	Percentage
Up to	50 000	3 000		8 000	16.00%
50 000	100 000	3 000	5.80%	12 800	9.60%
100 000	300 000	5 900	2.60%	22 000	4.60%
300 000	500 000	11 100	2.50%	31 000	4.50%
500 000	1 000 000	16 100	1.40%	46 000	3.00%
1 000 000	2 000 000	23 100	0.50%	55 000	0.90%
2 000 000	5 000 000	28 100	0.49%	81 700	0.89%
5 000 000	10 000 000	42 800	0.23%	104 200	0.45%
10 000 000	30 000 000	54 300	0.08%	134 200	0.15%
30 000 000	50 000 000	70 300	0.07%	160 200	0.13%
50 000 000	100 000 000	84 300	0.03%	190 200	0.06%
100 000 000	500 000 000	99 300	0.015%	310 200	0.030%
500 000 000	and above	159 300	0.010%		0.020%





## 2.2. Arbitrator fees for expedited proceedings, in euros (plus VAT if applicable)

Quantum of the dispute		Minimum		Maximum	
		Total	Percentage	Total	Percentage
Up to	50 000	2 400		6 400	12.800%
50 000	100 000	2 400	4.640%	10 240	7.680%
100 000	300 000	4 720	2.080%	17 600	3.680%
300 000	500 000	8 880	2.000%	24 800	3.600%
500 000	1 000 000	12 880	1.120%	36 800	2.400%
1 000 000	2 000 000	18 480	0.400%	44 000	0.720%
2 000 000	5 000 000	22 480	0.392%	65 360	0.712%
5 000 000	10 000 000	34 240	0.184%	83 360	0.360%
10 000 000	30 000 000	43 440	0.064%	107 360	0.120%
30 000 000	50 000 000	56 240	0.056%	128 160	0.104%
50 000 000	100 000 000	67 440	0.024%	152 160	0.048%
100 000 000	500 000 000	79 440	0.012%	248 160	0.024%
500 000 000	and above	127 440	0.008%		0.016%



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