

Article 2. Designation by the parties and confirmation procedure

1. The designation of arbitrators by the parties (or by the co-arbitrators in the case of the presiding arbitrator) shall always be subject to confirmation by the Center, without having to provide reasons.
2. The arbitrators shall make the relevant disclosures within the time limit set by the Center. The parties shall make such submissions as they deem appropriate within the time limit set by the Center.
3. When it is necessary to confirm an arbitrator, the following guidelines shall be followed:
 - a) If the arbitrator designated by the parties has indicated that they have nothing to disclose and the parties have not submitted any arguments within the corresponding time limit, the Secretary General may approve the confirmation of the arbitrator without further delay, if they deem it appropriate.
 - b) In all other cases, the Secretary General shall submit a proposal for confirmation to the Commission, which may approve or deny it.

Article 3. Appointment by list system

1. The system of appointment by list shall be the default system to be applied, except when the system of direct appointment is applicable in accordance with article 4 of this Annex.

Proposal phase by the Secretary General

2. Unless the parties have agreed otherwise, in accordance with article 1.5 of this Annex, the Center shall contact the candidates in advance to verify their availability and to conduct a conflict of interest check.
3. The number of candidates included in each list to be submitted to the parties (not less than three) shall be decided by the Secretary General on the basis of the circumstances of the case and in accordance with the internal rules for the formation of lists of candidates, which are set forth below.

9. In the event that the candidate finally selected is unable to accept the position, the candidate with the same number of points, if any, or the one with the second lowest number of points shall be appointed, and so on. In the event that there are no candidates who can accept the position, the Center shall proceed to submit a new list to the parties, repeating the procedure.

10. The parties may agree to modify the list appointment process as they see fit.

Article 4. Direct appointment

1. The Center shall apply the direct appointment system in the following cases:

- a) When requested by all parties;
- b) When the case foreseen in article 18.2 of the Rules, regarding plurality of parties and intervention of third parties, occurs;
- c) When the Secretary General, taking into account the circumstances, considers it appropriate, taking into account the following circumstances (open list):
 - One of the parties has failed to designate a co-arbitrator in accordance with article 11 of the Rules.
 - The amount in dispute is less than 300,000 euros.
 - One party is in default.
 - The Center must appoint an emergency arbitrator.
 - It is not appropriate to apply the list procedure.

Proposal phase by the Secretary General

2. Unless the parties have agreed otherwise, in accordance with article 1.5 of this Annex, the Center may contact the candidates in advance to verify their availability and to conduct a conflict of interest check.

3. The Center shall inform the parties of any disclosures made by the prospective arbitrator and shall allow the parties a reasonable time limit to make allegations thereon.

Appointment by list

1. Whenever the system of appointment by list is to be followed, the Secretary General shall prepare, for the Commission, a proposal of potential arbitrators (the "list proposal") previously agreed upon with the Secretary General's Support Committee, with a minimum of twice the number of candidates to be included in the list to be submitted to the parties (the "list").³

2. If the Secretary General's Support Committee does not agree on a proposal for a list by consensus, the following procedure shall be followed to form the list:

a) Each Deputy-Secretary shall nominate a minimum number of candidates equal to the number of candidates to be on the list proposal.

b) The Secretary General may exclude up to one-third of the candidates nominated by each Deputy-Secretary. If one-third of the proposed candidates does not result in a whole number (i.e. 1, 2, 3... etc.), they may exclude up to the next lower whole number of candidates.⁴ The remaining candidates shall form the list proposal.

c) If, for any reason, the available candidates do not total twice the number of candidates required for the list, the Secretary General, after consultation with their Support Committee, shall select the candidates necessary to complete the proposal of candidates with the required number.⁵

Direct Appointment

3. Once the proposal for direct appointment has been drawn up and previously agreed upon with the General Secretary's Support Committee, with a minimum of three candidates⁶, the General Secretary shall submit it to the Commission.

4. If the Secretary General's Support Committee does not agree on a proposal for direct appointment by consensus, the following procedure shall be followed to form it:

a) Each Deputy-Secretary shall propose a minimum of two candidates.

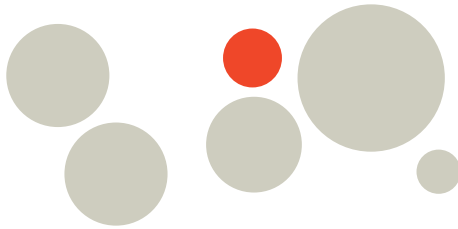
b) The Secretary General may exclude one of the two candidates proposed by each Deputy Secretary. The remaining candidates shall form the nomination for direct appointment.

³ In accordance with article 3 (3) of the Regulations, the number of candidates on the list shall not be less than three.

⁴ That is, if a Deputy-Secretary were to propose five candidates, given that one third of five is 1.66 but 1.66 candidates cannot be excluded, in that case the Secretary General could exclude only 1 candidate.

⁵ This case may occur if a Deputy-Secretary proposes fewer candidates than requested or does not propose any candidate within the period allowed by the Secretary General for submitting names.

⁶ As indicated in Annex 1, the exact number of candidates included in the list to be submitted to the Parties shall be as agreed by the Parties or, failing agreement, as decided by the Secretary General, depending on the circumstances of the case.



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