

AIAC Arbitration Rules 2023: A Summary of Key Changes

January 2024 | [Malaysia](#)



Introduction

The [Asian International Arbitration Centre](#) ("**AIAC**") regularly revises its arbitration rules ("**AIAC Rules**") to keep up-to-date with modern arbitration practice. On 24 August 2023, the [AIAC Arbitration Rules 2023](#) ("**2023 Rules**") came into effect. This easy-to-digest set of Rules promotes certainty, and by extension, provides the end user with confidence when seeking to rely on these Rules. This update highlights four key changes introduced in the 2023 Rules.

Key Changes to AIAC Rules

Commencement of arbitration

Under Rule 2 of the 2023 Rules, an arbitration is taken to have commenced when AIAC receives the complete notice of arbitration and the accompanying documents. This change places AIAC in a central position between parties and removes the potential uncertainty which may arise when the commencement of an arbitration is pegged to service on the respondent.

Summary determinations

The second is in respect of the Tribunal's power to make summary determinations (previously introduced in the AIAC Arbitration Rules 2021 ("**2021 Rules**")). The new Rule 11 maintains this power, but the earlier procedural and time

limitations have been removed altogether. This provides greater flexibility about when such an application may be made, and how the Tribunal may deal with such applications.

Disclosure of third-party funding

Third-party funding was first explicitly made permissible under the 2021 Rules. Originally, Rule 13.5(e) of the 2021 Rules empowered the tribunal to enquire on the existence of any third-party funding arrangements, and direct parties to disclose the same.

Instead, the new Rule 12 requires parties to an arbitration to disclose the existence of any third-party funding and the identity of the funder. This Rule conforms with the international standard and duty of disclosure.

Dynamic role for arbitrators

Finally, the addition of Rule 14 creates a dynamic role for the arbitrator. As the arbitrator is in the best position to weigh the evidence led by both parties to the arbitration, this Rule empowers the arbitrator to "take steps to facilitate the settlement of the dispute" if the parties so agree. Such agreement will constitute a waiver of the right to challenge an arbitrator's impartiality based on the arbitrator's participation and knowledge acquired in taking the agreed steps.

The Rule is drafted widely so as to provide the arbitrator with the freedom and discretion to facilitate the settlement as befits the specific facts of each arbitration.

Concluding Remarks

The AIAC Rules were last revamped a mere two years ago, which we covered in our February 2022 article titled "[What You Need to Know about the AIAC Arbitration Rules 2021](#)". The ongoing updating of the AIAC Rules demonstrates AIAC's commitment to maintaining relevance with commercial practicalities and expectations.

All in all, the 2023 Rules remove the bells and whistles which previously adorned the 2021 Rules, and leave a clear and core set of arbitration rules designed to encourage rather than clutter the arbitration process.

For further queries, please feel free to contact our team below.

Visit [Arbitration Asia](#) for insights from our thought leaders across Asia concerning arbitration and other alternative dispute resolution mechanisms, ranging from legal and case law developments to market updates and many more.

Contacts



Avinash Pradhan

Partner, Malaysia
Partner, Singapore

T +65 6232 0234
avinash.pradhan@rajahtann.com



Rubini Murugesan

Partner, Malaysia

T +603 2273 8310
rubini.murugesan@christopherleeong.com



Nereen Kaur Veriah

Partner, Malaysia

T +603 2273 1919
nereen.kaur@christopherleeong.com



John Rolan

Partner, Malaysia

T +603 2273 1919
john.rolan@christopherleeong.com

Please feel free to contact the editorial team of *Arbitration Asia* at arbitrationasia@rajahtannasia.com, and follow us on LinkedIn [here](#).

Rajah & Tann Asia is a network of member firms with local legal practices in Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. Our Asian network also includes our regional office in China as well as regional desks focused on Brunei, Japan, and South Asia. Member firms are independently constituted and regulated in accordance with relevant local requirements.

The contents of this article are owned by Rajah & Tann Asia together with each of its member firms and are subject to all relevant protection (including but not limited to copyright protection) under the laws of each of the countries where the member firm operates and, through international treaties, other countries. No part of this article may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Rajah & Tann Asia or its respective member firms.

Please note also that whilst the information on this article is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as legal advice or a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. You should seek legal advice for your specific situation. In addition, the information on this article does not create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on the information on this article.