

An Introduction to the LCIA and Key Features of LCIA Arbitration

An Insider's Perspective

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Roadmap

Part I – An Introduction to the LCIA

1. Arbitration and other services
2. The LCIA's three tier structure
3. Flexible case management

Part II – Key Features of LCIA Arbitration

1. Competitive costs structure
2. Cost and duration analysis
3. Streamlined and efficient arbitration process

Part I – An Introduction to the LCIA

Arbitration and other services



- ◆ One of the world's premier arbitral institutions
- ◆ Arbitrations under the LCIA Arbitration Rules
- ◆ Administering 'ad hoc'/UNCITRAL arbitrations
- ◆ Appointing authority
- ◆ Fundholding
- ◆ Mediation
- ◆ Other ADR services including
 - ◆ Expert determinations
 - ◆ Nomination of adjudicators

Part I – An Introduction to the LCIA

The Board

- ◆ The LCIA Board
 - ◆ Ultimate decision-making body for all matters with strategic, financial or reputational implications
 - ◆ Concerned with the operation and development of the LCIA's business
 - ◆ Chairman: Christopher Style KC

Part I – An Introduction to the LCIA

The LCIA Court

- ◆ Function of the LCIA Court
 - ◆ Final authority for proper application of the LCIA Rules (P & VPs)
 - ◆ Appointment of Tribunals (P & VPs)
 - ◆ Deciding Challenges to Arbitrators
 - ◆ Determining Costs of the Arbitration (P & VPs)
- ◆ Generally acts by President or a Vice President

Part I – An Introduction to the LCIA

The LCIA Court

◆ Presidents and Vice Presidents of the LCIA Court

◆ President

◆ Prof. Maxi Scherer

◆ Vice Presidents

◆ Kate Brown de Vejar

◆ Raëd Fathallah

◆ Matthew Gearing KC

◆ David Joseph KC

◆ Gabrielle Nater-Bass

◆ John Fellas

◆ Utku Cosar

Part I – An Introduction to the LCIA

The LCIA Secretariat

- ◆ The LCIA Secretariat
 - ◆ Responsible for the day-to-day administration of all disputes referred to the LCIA
 - ◆ Headed by the Registrar – Eliana Tornese and Deputy Registrar – Wing Shek
 - ◆ Team of experienced Counsel, Case Administrators and Assistants

Part I – An Introduction to the LCIA

Flexible case management

- ◆ Overall, flexible approach - responsive to circumstances of each case
- ◆ Monitoring of deadlines and costs
- ◆ Intervention as and when necessary
- ◆ Interface between users and the LCIA Court
- ◆ Transparent administration

Part II – Key Features of LCIA Arbitration *Streamlined and Efficient Arbitration Process*

1. Competitive Costs Structure
2. Costs and Duration Analysis
3. Tribunal Appointment
4. Expedited Proceedings
5. Early Determination
6. Composite Requests/Responses
7. Consolidation and Concurrent
8. Technology

Part II – Key Features of LCIA Arbitration

Competitive costs structure



- ◆ 2023 LCIA Schedule of Costs
 - ◆ Arbitrator rates: hourly in the range of £250 to £650 – not *ad valorem*
 - ◆ Tribunal Secretary hourly rates: £100 to £250
 - ◆ Emergency Arbitrator Application Fee: £10,000 and Emergency Arbitrator Fee: £25,000
 - ◆ Registration Fee: £1,950
 - ◆ LCIA Secretariat hourly rates: £190 to £300
- ◆ Staged deposits (Registrar discretion)
- ◆ Detailed fee notes from arbitrators
- ◆ Costs determined / controlled by LCIA Court

Part II – Key Features of LCIA Arbitration *Costs and Duration Analysis (3 editions, most recent December 2024)*

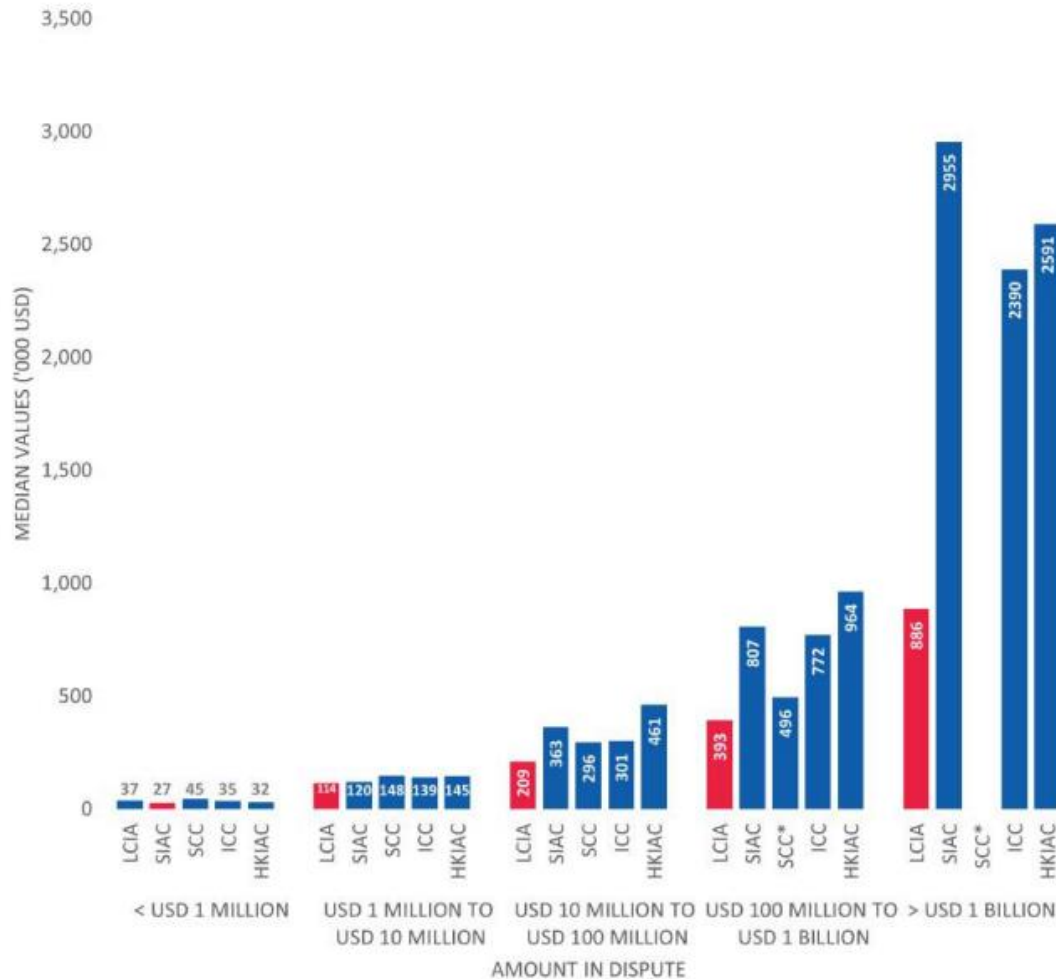


- ◆ The analysis covers all cases which reached a final award between 1 January 2017 and 12 May 2024
- ◆ The median LCIA arbitration costs USD 117,653
- ◆ The median LCIA arbitration lasts a total of 20 months
- ◆ of this, tribunals take four months to produce awards.
- ◆ Cases with claims under USD 1 million are decided very expeditiously, namely in 12 month

Part II – Key Features of LCIA Arbitration

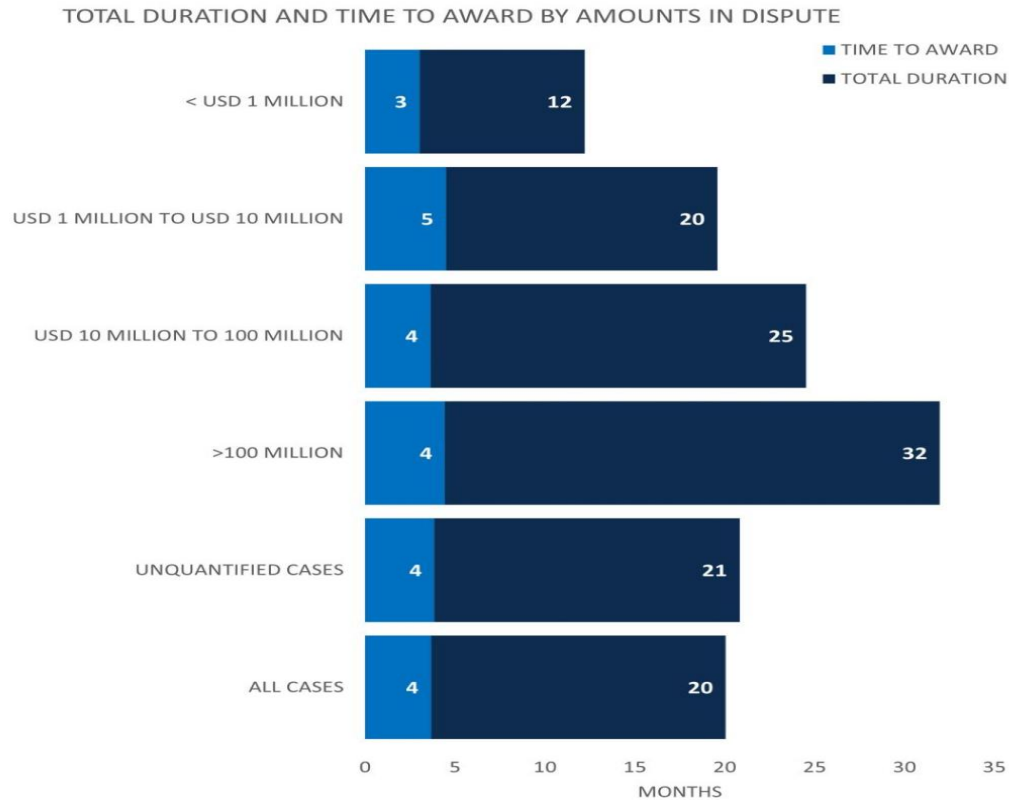
Costs and Duration Analysis (3 editions, most recent December 2024)

COSTS BY INSTITUTION AND AMOUNT IN DISPUTE



Part II – Key Features of LCIA Arbitration

Costs and Duration Analysis (3 editions, most recent December 2024)



Part II – Key Features of LCIA Arbitration *Tribunals’ Procedural Powers (Articles 14.1 and 14.2)*

- ◆ Structural changes in 2020 Rules to emphasise:
 - ◆ Tribunals’ general duties
 - ◆ To act fairly and impartially giving each party a reasonable opportunity of putting its case
 - ◆ To adopt appropriate procedures to avoid unnecessary delay and expense and provide fair, efficient and expeditious resolution of disputes
 - ◆ Tribunals shall have the “widest discretion” possible to discharge these general duties

Part II – Key Features of LCIA Arbitration *Tribunal Appointment (1)*

- ◆ Parties can select arbitrator candidates; default LCIA selects
- ◆ Subject to:
 - ◆ Impartiality and Independence (Art. 5.3)
 - ◆ Nationality requirement for sole arbitrator and presiding arbitrator (Art. 6)
 - ◆ Availability (Art. 5.4)
 - ◆ LCIA Court may determine arbitrator unfit to act / revoke appointment (Arts. 10.1, 10.2)
- ◆ No formal/closed list of candidates
 - ◆ Extensive internal database of neutral candidates

Part II – Key Features of LCIA Arbitration *Tribunal Appointment (2)*

- ◆ Art. 9A Applications
 - ◆ Expedited formation of the Arbitral Tribunal
 - ◆ Exceptional urgency
 - ◆ Decided by the LCIA Court
- ◆ Art. 9B Applications
 - ◆ Emergency Arbitrator
 - ◆ Immediate appointment of a temporary sole arbitrator to conduct emergency proceedings pending formation (or expedited formation) of the Arbitral Tribunal
 - ◆ Decided by the LCIA Court

Part II – Key Features of LCIA Arbitration *Tribunal Appointment (3)*

◆ Article 9B – Emergency Arbitrator

Annual Casework Report 2023: there were **6 applications** with **1 granted** and 5 rejected.

◆ Article 9A – Expedited Formation of the Tribunal

Annual Casework Report 2023: there were **15 applications** with **3 granted** and 12 rejected.

Part II – Key Features of LCIA Arbitration

Expedited proceedings (Articles 14.6 and 15.7)

- ◆ Article 14.6 contains new non-exhaustive list of procedural directions
- ◆ Gives Tribunals a solid basis to improve the expedition and efficiency of proceedings, including by:
 - ◆ Shortening timescales
 - ◆ Limiting evidence
 - ◆ Restricting pleadings
 - ◆ Adopting technology
 - ◆ Holding hearings virtually
 - ◆ Dispensing with hearings altogether
- ◆ Article 15.7 gives Tribunals similar flexibility in relation to written submissions and evidence

Part II – Key Features of LCIA Arbitration

Early Determination (Article 22.1(viii))

- ◆ Early determination if any claim or defence is
 - ◆ Manifestly outside of the Tribunal’s jurisdiction
 - ◆ Manifestly without merit
- ◆ Analogous provisions in other leading institutional rules to reinforce consistency across jurisdictions and the arbitration community

Part II – Key Features of LCIA Arbitration

Early Determination (Article 22.1(viii))

◆ Article 22.1(viii) – Early Determination

Annual Casework Report 2023: there were **24 applications** for early determination, of which **2 were granted**, **15 were rejected**, 3 were partially granted/partially rejected, 1 was withdrawn, and the 3 remaining applications are pending as at the date of the report.

Part II – Key Features of LCIA Arbitration

Consolidation and Concurrent cases (Article 22A (22.7 and 22.8))

- ◆ Broadened the range of circumstances in which consolidation may be ordered by the Tribunal and the LCIA Court
 - ◆ Same or compatible arbitration agreement
 - ◆ Same disputing parties or arising “out of the same transaction or series of related transactions”
- ◆ Both the tribunal and the LCIA Court can order consolidation where the parties all agree to it in writing
- ◆ Power to conduct arbitrations concurrently, where the same tribunal is constituted in respect of each arbitration

Part II – Key Features of LCIA Arbitration

Consolidation and Concurrent cases

(Article 22A (22.7 and 22.8))

◆ Article 22A (22.7 and 22.8) – Consolidation

Annual Casework Report 2023: 48 applications for consolidation were made by parties in LCIA arbitrations with **88% granted**:

	LCIA Court	Tribunal (with approval of the LCIA Court)
Agreement in writing	27 (pursuant to Article 22.8(i), 2020 Rules)	3 (pursuant to Article 22.1(ix), 2014 Rules or Article 22.7(i), 2020 Rules)
No agreement in writing	9 (includes one partially granted) (pursuant to Article 22.8(ii), 2020 Rules)	4 (pursuant to Article 22.7(ii), 2020 Rules)

Of the remaining 5 applications, 1 was rejected, and 4 were superseded.

Part II – Key Features of LCIA Arbitration *Technology (in particular, Articles 4, 14.6, 19 and 26.2)*

- ◆ Email is the default method of communication
- ◆ Tribunals encouraged to employ technology to enhance the efficiency and expeditious conduct of the arbitration
- ◆ Virtual hearings
- ◆ Awards can be signed electronically and/or in counterpart - efficiency in issuing awards



Thank you & any questions?

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