

SLM Insights

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New BIMCO Law and Arbitration Clause 2020

On September 21, 2020 BIMCO has adopted a new arbitration clause. The Law and Arbitration Clause 2020 replaces the previous Dispute Resolution Clause 2017 and is available in four versions each for four arbitration venues: London, New York, Singapore and Hong Kong.

The structure of the clause is divided into seven subclauses.

Subclause (a) determines the governing law of the contract and provides for disputes to be referred to arbitration in London (which shall remain the seat of arbitration even when hearings take place in some other place).

Subclause (b) requires the parties to appoint three arbitrators *“unless the parties agree otherwise”*.

Subclause (c) applies the terms of the chosen arbitration association to the conduct of the arbitration (London Maritime Arbitrators Association- LMAA for London Arbitration Venue).

Furthermore, for claims not exceeding the sum of USD 100,000 subclause (d) provide for the arbitration to be conducted in accordance with the LMAA Small Claims

Procedure. Otherwise, if the claim exceeds the sum agreed for Small Claims Procedure and the claim is less than USD 400,000, subclause (e) provide for the application of LMAA Intermediate Claims Procedure.

According to subclause (f), all the terms, rules and procedures of the chosen arbitration association *“shall be those current at the time when the arbitration proceedings are commenced”*.

One of last but not least key change reflected in the new BIMCO clause relates to arbitration notices. Subclause (g) is intended to address concerns about the correct service of arbitration notices and communications. If parties decide to serve notice by email, they must provide the email address of someone authorised to receive arbitration notices. Notices are considered effectively served immediately on sending by email.



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