

Table of Contents

Preface to Second Edition	xxvii
Acknowledgments	xxix
Chapter 1	
Introduction to International Arbitration	1
§1.01 Definition of International Arbitration	1
[A] What Is "Arbitration?"	2
[1] Consensual Means to Resolve Disputes	3
[2] Non-Governmental Decision-Maker Selected by or for the Parties	3
[3] Final and Binding Decision	3
[4] Use of Adjudicatory Procedures	4
[B] Forum Selection Clauses and National Courts	4
[C] Other Forms of Alternative Dispute Resolution	5
[1] Mediation and Conciliation	5
[2] Expert Determination	5
[3] Mini-Trials and Neutral Evaluation	6
[4] "Baseball" or "Final-Offer" Arbitration	6
[D] "International" Arbitration	6
§1.02 Reasons for International Arbitration	7
[A] Neutrality	8
[B] Centralized Dispute Resolution	8
[C] Enforceability of Agreements and Awards	9
[D] Commercial Competence and Expertise	10
[E] Finality of Decisions	11
[F] Party Autonomy and Procedural Flexibility	11
[G] Cost and Speed	12
[H] Confidentiality and Privacy of Dispute Resolution	13
[I] Arbitration Involving States and State-Entities	13
§1.03 Popularity of International Arbitration	14
§1.04 Contemporary International Arbitration Conventions	16
[A] New York Convention	17
[B] Inter-American Convention	20
[C] European Convention	21
§1.05 Contemporary National Arbitration Legislation	21

	[A] Supportive National Legislation	22
	[B] 1985 UNCITRAL Model Law and 2006 Revisions	23
	[C] Less Supportive National Legislation	24
§1.06	<i>Ad Hoc</i> and Institutional Arbitration	26
	[A] Institutional Arbitration	26
	[B] <i>Ad Hoc</i> Arbitration	26
	[C] Relative Advantages and Disadvantages of Institutional and <i>Ad Hoc</i> Arbitration	27
	[D] UNCITRAL Arbitration Rules	27
	[E] Leading International Arbitral Institutions	28
	[1] International Chamber of Commerce	28
	[2] Singapore International Arbitral Centre	29
	[3] London Court of International Arbitration	31
	[4] American Arbitration Association and International Centre for Dispute Resolution	31
	[5] International Centre for Settlement of Investment Disputes	32
	[6] Permanent Court of Arbitration	32
	[7] Other International Arbitral Institutions	33
§1.07	Elements of International Arbitration Agreements	33
	[A] Submission Agreement Versus Arbitration Clause	34
	[B] Critical Elements of International Arbitration Agreements	34
	[1] Agreement to Arbitrate	35
	[2] Scope of Arbitration Agreement	35
	[3] Institutional Arbitration Rules	36
	[4] Seat or Place of Arbitration	37
	[5] Number, Method of Selection and Qualifications of Arbitrators	37
	[6] Language of Arbitration	38
	[7] Choice-of-Law Clauses	38
	[C] Other Provisions of International Arbitration Agreements	39
§1.08	Overview of Choice of Law in International Commercial Arbitration	39
	[A] Law Applicable to Substance of Parties' Dispute	39
	[B] Law Applicable to Arbitration Agreement	40
	[C] Procedural Law Applicable to Arbitral Proceedings	40
	[D] Choice-of-Law Rules Applicable in International Arbitration	41
	[E] International Guidelines and Best Practices	41
	[1] IBA Rules on the Taking of Evidence in International Arbitration	41
	[2] ABA/AAA Code of Ethics, IBA Rules of Ethics and IBA Guidelines on Conflicts of Interest in International Arbitration	42
	[3] IBA Guidelines on Party Representation in International Arbitration	42
	[4] UNCITRAL Notes on Organizing Arbitral Proceedings	43
§1.09	Investor-State Arbitration	43
	[A] ICSID Convention	43
	[B] Bilateral Investment Treaties	43
§1.10	State-to-State Arbitration	44

	Part I	
	International Arbitration Agreements	45
	Chapter 2	
	International Arbitration Agreements: Legal Framework	47
§2.01	International Arbitration Agreements: Challenges to Existence, Validity and Scope	47
	[A] Challenges to Existence, Validity and Scope of International Commercial Arbitration Agreements	47
	[B] Procedural Settings for Jurisdictional Objections	48
	[1] Consideration of Jurisdictional Objections by Arbitrators	48
	[2] Consideration of Jurisdictional Objections by National Courts	48
§2.02	Jurisdictional Requirements of International and National Commercial Arbitration Regimes	49
	[A] "Arbitration" Agreement Requirement	49
	[B] "Disputes" or "Differences" Requirement	50
	[C] "Commercial" Relationship Requirement	50
	[D] "Existing or Future" Disputes Requirement	50
	[E] "Defined Legal Relationship" Requirement	50
	[F] "International" Arbitration Agreement Requirement	51
	[G] Reciprocity Requirements	51
§2.03	Presumptive Validity of International Arbitration Agreements	52
	[A] Historic Rules of Unenforceability	52
	[B] New York Convention	53
	[C] National Arbitration Legislation	53
§2.04	Separability of International Arbitration Agreements	54
	[A] Separability Presumption	54
	[B] Rationale for Separability Presumption	54
	[C] Consequences of Separability Presumption	55
§2.05	Allocation of Competence to Decide Disputes Over Existence, Validity and Interpretation of International Arbitration Agreements	56
	[A] Competence-Competence Doctrine	56
	[B] Allocation of Competence to Decide Jurisdictional Disputes	56
	[1] France: Prima Facie Jurisdiction	57
	[2] United States: Interlocutory Judicial Decisions	57
	[3] UNCITRAL Model Law: Diversity of Approaches	58
§2.06	Law Applicable to Formation, Validity and Interpretation of International Arbitration Agreements	59
	[A] Law of Judicial Enforcement Forum	59
	[B] Law Chosen by Parties	59
	[C] Law of Arbitral Seat	60
	[D] "Validation" Principle	60
	[E] International Law	60
	[F] Other Choice-of-Law Issues	61

[1]	Formal Validity	61
[2]	Capacity	61
[3]	Non-Arbitrability	61
[4]	Non-Signatory Issues	62
§2.07	Effects of International Arbitration Agreements	62
[A]	Positive Effects of Arbitration Agreement: Obligation to Arbitrate in Good Faith	63
[1]	Source of Positive Obligation to Arbitrate	63
[2]	Content of Positive Obligation to Arbitrate	63
[3]	Remedies for Breach of Positive Obligation to Arbitrate	65
[B]	Negative Effects of Arbitration Agreement: Obligation Not to Litigate	66
[1]	Negative Obligation Under Agreement to Arbitrate	66
[2]	Remedies for Breach of Negative Obligation Not to Litigate Arbitrable Disputes: Stay or Dismissal of Litigation	67
[3]	Remedies for Breach of Negative Obligation Not to Litigate Arbitrable Disputes: Antisuit Injunction	68
[4]	Remedies for Breach of Negative Obligation Not to Litigate Arbitrable Disputes: Damages for Breach of Obligation Not to Litigate	68
[5]	Remedies for Breach of Negative Obligation Not to Litigate Arbitrable Disputes: Non-Recognition of Judgments	70
[C]	Anti-Arbitration Injunctions and Antisuit Orders	71
Chapter 3		
Formation and Validity of International Arbitration Agreements		
§3.01	Formation of International Arbitration Agreements	73
[A]	Consent to International Arbitration Agreements	74
[B]	Standard of Proof for International Arbitration Agreements	74
[C]	Essential Terms of International Arbitration Agreements	75
[1]	Agreement to Arbitrate	75
[2]	Incidental Terms	75
[3]	Blank Clauses	75
[D]	"Pathological" Arbitration Clauses	76
[1]	Indefinite Arbitration Agreements	76
[2]	Arbitration Agreements Referring to Non-Existent Arbitral Institutions, Arbitration Rules, or Arbitrators	76
[3]	Internally Contradictory Arbitration Agreements	77
[4]	"Optional" or Non-Mandatory Arbitration Agreements	77
[E]	Formal Validity of International Arbitration Agreements	78
[1]	Written Form Requirement: New York Convention	78
[2]	Written Form Requirement: National Arbitration Legislation	78
[3]	UNCITRAL Model Law, Article 7 (and 2006 Revisions)	79
[4]	Relationship Between New York Convention and National Law	79
[5]	2006 UNCITRAL Recommendations	80
[6]	Incorporation of Arbitration Agreement	80

[F]	Substantive Validity of International Arbitration Agreements	81
[1]	"Null and Void," "Inoperative" or "Incapable of Being Performed"	81
[2]	Unconscionability and Duress	82
[3]	Fraudulent Inducement or Fraud	83
[4]	Impossibility and Frustration	83
[5]	Illegality	84
[6]	Lack of Capacity	84
[7]	Termination and Repudiation	84
[8]	Waiver of Right to Arbitrate	85
[9]	Inconvenient Arbitral Seat	86
[10]	Non-Compliance With Pre-Arbitration Procedural Requirements	86
§3.02	Non-Arbitrability Doctrine	87
[A]	Basis for Non-Arbitrability Doctrine	87
[B]	Applications of Non-Arbitrability Doctrine	87
[1]	Competition and Antitrust Claims	87
[2]	Securities Claims	88
[3]	Bankruptcy	88
[4]	Labor and Employment Contracts	89
[5]	Consumer Disputes	89
[6]	Other Non-Arbitrable Disputes	89
[C]	Choice of Law Governing Non-Arbitrability	90
[D]	Non-Arbitrability Issues in Annulment or Enforcement of Awards	90
Chapter 4		
Interpretation of International Arbitration Agreements		
§4.01	Scope of International Arbitration Agreements	91
[A]	Rules of Construction	92
[1]	Pro-Arbitration Rules of Construction	92
[2]	Anti-Arbitration Rules of Construction	93
[B]	Recurrent Issues	93
[1]	Commonly-Used Formulae in International Arbitration Agreements	93
[2]	"Broad" Versus "Narrow" Arbitration Clauses	94
[3]	Tort Claims	95
[4]	Statutory Claims	95
[5]	Multiple Contracts	96
§4.02	Incorporation of Institutional Arbitration Rules	97
§4.03	Allocation of Competence to Interpret International Arbitration Agreements	97
Chapter 5		
International Arbitration Agreements: Non-Signatory Issues		
§5.01	Non-Signatories to Arbitration Agreements	99
[A]	Agency	100

[B] Alter Ego and Veil-Piercing	100
[C] "Group of Companies" Doctrine	101
[D] Succession	101
[E] Assignment or Transfer	102
[F] Estoppel	102
[G] Corporate Officers and Directors	103
[H] Implied Consent	103
\$5.02 Formal Validity and Non-Signatories	104
\$5.03 Choice of Law Governing Non-Signatory Issues	104
\$5.04 Allocation of Competence to Decide Non-Signatory Issues	105
\$5.05 Non-Signatory Issues and Institutional Arbitration Rules	105
Part II	
International Arbitral Proceedings	107
Chapter 6	
International Arbitral Proceedings: Legal Framework	111
\$6.01 Meaning and Importance of Arbitral Seat	111
[A] Location of Arbitral Seat	112
[B] Arbitral Seat Distinguished From Location of Hearings	112
[C] Territorial Structure of National Arbitration Legislation	113
[D] Issues Governed by Law of Arbitral Seat	114
[1] "Internal" Procedures of Arbitration: Due Process Requirements of Arbitral Seat	114
[2] "External" Relationship with National Courts: Supervisory Authority of Courts of Arbitral Seat	115
[i] Annulment of Awards	115
[ii] Qualifications, Selection and Removal of Arbitrators	116
[iii] Interlocutory Jurisdictional Disputes	116
[iv] Provisional Measures and Evidence-Taking	116
[v] Procedural and Other Mandatory Requirements	117
[E] Inapplicability of Civil Procedure Rules of Arbitral Seat	117
\$6.02 Applicable Procedural Law in International Arbitration	118
[A] Definition of Procedural Law	118
[B] Procedural Law of Arbitration Is Not Local Civil Procedure Rules	118
[C] Choice of Procedural Law Other Than That of Arbitral Seat	119
[D] Consequences of Choice of Foreign Procedural Law	119
\$6.03 Selection of Arbitral Seat	120
[A] Selection of Arbitral Seat by Parties' Agreement	120
[B] Selection of Arbitral Seat by Arbitrators or Arbitral Institution	121
[C] Selection of Arbitral Seat by National Courts	122
\$6.04 Choice of Arbitral Seat	123
[A] Considerations Relevant to Choice of Arbitral Seat	123

[1] Contracting Party of New York Convention	123
[2] Standards for Annulment of Arbitral Awards	123
[3] Supportive National Arbitration Regime	124
[4] Effect on Selection of Arbitrators	124
[5] Effect on Applicable Procedural and Substantive Law	124
[6] Convenience and Cost	125
[B] Arbitral Seats Commonly Chosen in Practice	125
Chapter 7	
Selection and Removal of Arbitrators in International Arbitration	129
\$7.01 Selection of Arbitrators in International Arbitration	129
[A] Parties' Autonomy to Select Arbitrators	130
[1] Parties' Autonomy to Select Arbitrators Under New York Convention	130
[2] Parties' Autonomy to Select Arbitrators Under National Arbitration Legislation	130
[3] Parties' Autonomy to Select Arbitrators Under Institutional Arbitration Rules	131
[4] Consequences of Failure to Comply With Contractual Appointment Mechanism for Arbitrators	131
[B] Exercise of Parties' Autonomy to Select Arbitrators	132
[1] Number of Arbitrators	132
[i] Sole Arbitrator	132
[ii] Three Arbitrators	133
[iii] Default Rules on Number of Arbitrators	133
[2] Method of Selection of Arbitrators	133
[i] Selection of Co-Arbitrator	134
[ii] Interview of Prospective Arbitrators	134
[iii] Party's Failure to Select Co-Arbitrator	135
[iv] Selection of Sole or Presiding Arbitrator by Parties	136
[v] Selection of Sole or Presiding Arbitrator by Arbitral Institution	136
[vi] Selection of Sole or Presiding Arbitrator by National Court	137
[C] Restrictions Concerning Arbitrators' Impartiality, Nationality, Qualifications and Experience Under National Law	137
[1] Requirements for Arbitrators' Independence and Impartiality	138
[i] Requirements for Arbitrators' Independence and Impartiality Under National Arbitration Legislation	138
[ii] Requirements for Arbitrators' Independence and Impartiality Under Institutional Arbitration Rules	138
[iii] Standards of Impartiality and Independence for Co-Arbitrators and Presiding Arbitrator	139
[iv] IBA Guidelines on Conflicts of Interest	140
[v] Disclosure Obligations of Arbitrators	141
[vi] Grounds for Finding Lack of Impartiality	142
[2] Nationality of Sole and Presiding Arbitrators	143

[3] Natural Persons and Legal Capacity	144
[4] Legal Qualifications and Civil Rights	144
[5] Arbitrator May Not Be National Court Judge	145
[D] Contractual Limitations on Arbitrators' Qualifications	145
[1] Contractual Nationality Requirements	145
[2] Contractual Language Requirements	145
[3] Expertise and Accreditation Requirements	145
[4] Legal Qualifications	146
[5] Prohibitions Against Legal Qualifications	146
§7.02 Procedures for Challenging Arbitrators	146
[A] Institutional Challenges	146
[B] Interlocutory Challenges in National Courts	147
[C] Waiver of Right to Object to Arbitrator	148
§7.03 Replacement of Arbitrators	149
§7.04 Truncated Tribunals	150
§7.05 Arbitrators' Rights and Duties	151
§7.06 Arbitrators' Immunity	152
Chapter 8	
Procedural Issues in International Arbitration	155
§8.01 Applicable Procedural Law in International Arbitration	155
§8.02 Parties' Procedural Autonomy in International Arbitration	156
[A] Parties' Procedural Autonomy Under New York Convention	156
[B] Parties' Procedural Autonomy Under National Arbitration Legislation	157
[C] Parties' Procedural Autonomy Under Institutional Rules	157
§8.03 Arbitrators' Procedural Discretion in International Arbitration	158
[A] Arbitrators' Procedural Discretion Under New York Convention	158
[B] Arbitrators' Procedural Discretion Under National Arbitration Legislation	158
[C] Arbitrators' Procedural Discretion Under Institutional Rules	159
§8.04 Mandatory Procedural Requirements in Arbitral Proceedings	160
[A] Mandatory Procedural Requirements Under New York Convention	160
[B] Mandatory Procedural Requirements Under National Arbitration Legislation	161
§8.05 Limited Grounds for Interlocutory Judicial Review of Arbitrators' Procedural Decisions	162
[A] Principle of Judicial Non-Interference in Arbitral Proceedings	162
[B] Limited Grounds for Judicial Intervention or Assistance	163
§8.06 Arbitrators' Exercise of Procedural Authority in International Arbitration	164
[A] No General Procedural Code for International Arbitrations	164
[B] Arbitral Tribunals' Exercise of Discretion Over Arbitral Procedures	164
§8.07 Major Procedural Steps in International Arbitral Practice	166
[A] Notice of Arbitration or Request for Arbitration	166
[B] Reply and Counterclaims	168
[C] Constitution of Arbitral Tribunal and Challenges	168

[D] Presiding Arbitrator's Procedural Authority	168
[E] Written Communications With Arbitral Tribunal During Proceedings	168
[F] Jurisdictional Objections	169
[G] Language of Arbitration	169
[H] Initial Procedural Conference	169
[I] Procedural Timetable and Time Limits	169
[J] Bifurcation or Other Segmentation of Proceedings	170
[K] ICC Terms of Reference	171
[L] Advance on Costs or Deposits	171
[M] Introduction of New Claims and Defenses	171
[N] Disclosure or Discovery	172
[O] Written Submissions	172
[P] Documentary Evidence	173
[Q] Written Witness Statements	173
[R] Evidentiary Hearings and Time Limits	174
[S] Transcripts and Minutes	175
[T] Fact Witnesses	176
[U] Expert Witnesses	177
[V] Witness-Conferencing	178
[W] Post-Hearing Written Submissions	178
[X] Closing of Arbitral Proceedings	178
[Y] <i>Ex Parte</i> Proceedings and Default Awards	179
[Z] Deliberations of Arbitrators	180
[AA] Making and Notification of Award	180
§8.08 Evidentiary Rules and Burden of Proof	181
§8.09 Costs of Arbitration	182
Chapter 9	
Disclosure and Evidence-Taking in International Arbitration	185
§9.01 Authority of Arbitral Tribunals Over Disclosure and Evidence-Taking	185
[A] Arbitral Tribunals' Disclosure Authority Under National Arbitration Legislation	186
[1] UNCITRAL Model Law	186
[2] Other National Legislation	186
[3] Arbitral Tribunals' Implied Disclosure Authority	187
[4] Arbitral Tribunals Not Limited to Disclosure and Evidence-Taking Authority of Local Courts	188
[B] Arbitral Tribunals' Disclosure Authority Under Institutional Arbitration Rules	188
[1] LCIA Rules	189
[2] UNCITRAL Rules	189
[3] ICC Rules	189
[C] Arbitral Tribunals' Disclosure Powers Are Generally Limited to Parties	190

[D]	Arbitral Tribunals' Exercise of Discretion to Order Disclosure and Structure Evidence-Taking	190
[1]	Availability and Scope of Disclosure: Civil Law Versus Common Law	191
[2]	No Automatic Right of Parties to Request Disclosure	192
[3]	Commonly-Used Procedural Frameworks for Document Disclosure	192
[4]	Scope of Disclosure	193
[5]	Privilege	194
[6]	Electronic Disclosure	195
[E]	Sanctions for Failure to Comply with Disclosure and Other Orders	195
§9.02	Role of National Courts in Obtaining Evidence for Use in International Arbitrations	196
[A]	National Arbitration Legislation	196
[1]	UNCITRAL Model Law	196
[2]	Other National Arbitration Legislation	197
[3]	United States	197
[B]	Judicial Assistance in Evidence-Taking in "Foreign" Arbitrations	199
[1]	Section 1782	199
[2]	Other National Arbitration Legislation	200
[C]	Inapplicability of Hague Evidence Convention to Evidence-Taking in International Arbitration	200

Chapter 10

Confidentiality and Transparency in International Arbitration

§10.01	"Confidentiality" Versus "Privacy"	201
§10.02	Confidentiality Under National Arbitration Legislation	202
[A]	National Arbitration Legislation Generally Silent on Confidentiality	202
[B]	Choice of Law Governing Confidentiality	202
[C]	Parties' Autonomy with Regard to Confidentiality	203
[D]	Implied Obligations of Confidentiality	203
[1]	Recognition of Implied Confidentiality Obligations	204
[2]	Non-Recognition of Implied Confidentiality Obligations	204
§10.03	Confidentiality Under Institutional Arbitration Rules	205
§10.04	Confidentiality of Arbitrators' Deliberations	206
§10.05	Confidentiality in Investor-State Arbitration	206

Chapter 11

Provisional Measures in International Arbitration

§11.01	Arbitrators' Authority to Order Provisional Relief	209
[A]	Effect of National Arbitration Legislation on Arbitrators' Authority to Order Provisional Measures	210
[B]	Law Applicable to Arbitrators' Authority to Order Provisional Measures	211

[C]	Effect of Institutional Arbitration Rules on Authority of Arbitrators to Order Provisional Relief	211
[D]	Limitations on Arbitrators' Authority to Order Provisional Relief	212
[1]	Arbitrators' Authority Limited to Parties	212
[2]	Arbitrators' Lack of Enforcement Authority	212
[3]	Limitations on Arbitrators' Authority	213
[4]	No Interim Relief Until Tribunal Is Constituted	213
[E]	Arbitrators' Exercise of Authority to Order Provisional Relief	213
[1]	"Irreparable" or "Serious" Injury	214
[2]	Urgency	214
[3]	No Prejudgment of Merits	215
[4]	Prima Facie Case or Probability of Success on Merits	215
[5]	Jurisdiction	215
[6]	Tribunal's "Discretion" Regarding Type of Provisional Measures	216
[7]	Categories of Provisional Measures in International Arbitration	216
[8]	Burden of Proof	216
[9]	Ex Parte Provisional Measures	216
[F]	Specialized Institutional Arbitration Rules for Expedited Action	217
§11.02	Judicial Enforcement of Provisional Measures Ordered by Arbitrators	217
[A]	Status of Provisional Measures as "Final" Awards	218
[B]	Specialized National Arbitration Legislation Permitting Enforcement of Provisional Measures	218
§11.03	Provisional Measures Ordered by National Courts in Aid of Arbitration	219
[A]	Effect of New York Convention on Authority of National Courts to Grant Provisional Relief in Aid of International Arbitration	220
[1]	Judicial Decisions Holding That Article II(3) Forbids Court-Ordered Provisional Measures	220
[2]	Judicial Decisions Holding That Article II(3) Permits Court-Ordered Provisional Measures	220
[B]	Effect of National Arbitration Legislation on Authority of National Courts to Grant Provisional Relief in Aid of International Arbitration	221
[C]	Effect of Institutional Rules on Authority of National Courts to Grant Provisional Relief in Aid of International Arbitration	223
[D]	Application for Court-Ordered Provisional Measures Does Not Ordinarily Waive Right to Arbitrate	223
[E]	Choice of Law Applicable to Court-Ordered Provisional Measures	224
§11.04	Appropriate National Court to Grant Pre-Award Provisional Measures in Aid of International Arbitration	224

Chapter 12

Multiparty and Multi-Contract Issues in International Arbitration	227	
§12.01	Consolidation, Joinder and Intervention: General Considerations	227
§12.02	Consolidation, Joinder and Intervention Under National Arbitration Legislation	228

[A]	Consolidation and Joinder/Intervention Pursuant to Parties' Arbitration Agreement	225
[B]	Nature of Agreement Required for Consolidation and Joinder/Intervention	231
[C]	Consolidation and Joinder/Intervention Under National Law in Absence of Parties' Agreement	232
§12.03	Consolidation, Joinder and Intervention Under Institutional Arbitration Rules	233
[A]	Joinder and Consolidation Under ICC Rules	233
[B]	Joinder and Consolidation Under ICDR Rules	234
[C]	Joinder and Consolidation Under LCIA Rules	234
[D]	Joinder and Consolidation Under Swiss Rules of International Arbitration	234
[E]	Joinder and Consolidation Under HKIAC Rules	233
[F]	Joinder Under SIAC Rules	235
§12.04	Consolidation and Joinder/Intervention: Selection of Arbitral Tribunal(s)	235
§12.05	Multi-Contract Issues in International Arbitral Proceedings	237
Chapter 13		
Choice of Substantive Law in International Arbitration		
§13.01	Arbitral Tribunals' Authority to Select Applicable Substantive Law	240
[A]	Arbitrators' Authority to Select Substantive Law Under National Arbitration Legislation	240
[B]	Arbitrators' Authority to Select Substantive Law Under Institutional Arbitration Rules	241
§13.02	Choice of Substantive Law in Absence of Agreement on Applicable Law	241
[A]	Choice of Substantive Law Under National Arbitration Legislation in Absence of Choice-of-Law Agreement	242
[B]	Choice of Substantive Law Under Institutional Arbitration Rules in Absence of Choice-of-Law Agreement	243
[C]	Relationship Between Institutional Arbitration Rules and National Law	244
[D]	Choice-of-Law Rules Applied by Arbitral Tribunals in Absence of Choice-of-Law Agreement	244
[1]	Choice-of-Law Rules of Arbitral Seat	245
[2]	Choice-of-Law Rules That Arbitral Tribunal Considers "Appropriate"	245
[3]	"Cumulative" Application of Choice-of-Law Rules	246
[4]	Application of Substantive Law of State With Closest Connection to Dispute	246
[5]	Choice-of-Law Rules of State With Closest Connection to Underlying Dispute	247
[6]	"International" Choice-of-Law Rules	247
[7]	Application of Non-National Legal System in Absence of Parties' Choice-of-Law Agreement	248
[E]	"Direct" Application of Substantive Law	249
[F]	Distinction Between Matters of Substance and Procedure	249
[1]	Burden of Proof	249
[2]	Statute of Limitations	249

[3]	Damages and Remedies	250
[G]	Trade Usages	250
§13.03	Choice of Substantive Law Pursuant to Choice-of-Law Agreements	251
[A]	Presumptive Validity of Choice-of-Law Agreements	251
[1]	Presumptive Validity of Parties' Choice-of-Law Agreement Selecting Substantive Law Under International Conventions	251
[2]	Presumptive Validity of Parties' Choice-of-Law Agreement Selecting Substantive Law Under National Arbitration Legislation	252
[3]	Presumptive Validity of Parties' Choice-of-Law Agreement Selecting Substantive Law Under Institutional Arbitration Rules	253
[B]	Public Policy Limitations on Parties' Choice of Substantive Law in International Arbitration	253
[1]	Mandatory Laws and Public Policy	254
[2]	Content of "Public Policy" and "Mandatory Law"	254
[3]	"Foreign" Mandatory Laws and Public Policies	255
[4]	Authority of Arbitrator to Consider Mandatory Law or Public Policy	256
[C]	Implied Choice-of-Law Agreements	256
[1]	Implied Choice of Law Permitted	256
[2]	Implied Choice of Law of Arbitral Seat	257
[D]	Defects in Formation of Choice-of-Law Agreements	257
[E]	Other Grounds for Challenging Choice-of-Law Agreements	258
§13.04	Choices of Substantive Law in Choice-of-Law Agreements	258
[A]	Considerations Affecting Choice of Substantive Law	259
[B]	Choice of Multiple or Overlapping National Laws	259
[C]	"Split" Choice-of-Law Clauses	260
[D]	Choice of "Floating" National Law	260
[E]	Non-National Choice-of-Law Agreements	261
[1]	General Principles of Law	261
[2]	Lex Mercatoria	261
[3]	UNIDROIT Principles of International Commercial Contracts	262
[F]	Stabilization Clauses	262
[G]	<i>Amiable Composition</i> and <i>Ex Aequo et Bono</i>	263
§13.05	Interpretation of Choice-of-Law Agreements	263
[A]	"Stand-Alone" Character of Choice-of-Law Clauses	263
[B]	Legal Rules Selected by Choice-of-Law Agreements	263
[1]	Renvoi Versus "Whole Law": Does the Choice-of-Law Agreement Select Substantive Rules or Conflict of Laws Rules?	263
[2]	Procedural Law of Arbitration	264
[3]	"Procedural" Issues	264
[4]	Non-Contractual Issues	264
§13.06	Minimal Judicial Review of Arbitrators' Choice of Law Decisions	265
Chapter 14		
Legal Representatives and Professional Responsibility in International Arbitration		
		267

§14.01	Right to Counsel in International Arbitration	267
[A]	Right to Legal Representation of Parties' Choice	267
[B]	National Law Restrictions on Legal Representation	269
§14.02	Exercise of Right to Representation	270
§14.03	Standards and Supervision of Professional Conduct	271
[A]	Recurrent Professional Conduct Issues	271
[1]	Witness Interviews and Preparation	272
[2]	Conflicts of Interest	273
[3]	Contingent Fees and Other Fee Arrangements	273
[4]	Lawyer-Client Privilege and Communications With Opposing Counsel	274
[5]	Settlement Communications	274
[6]	Candor and Honesty	274
[B]	Choice of Law Governing Professional Conduct Issues	275
[C]	Guidelines Governing Professional Conduct in International Arbitration	275
[1]	IBA Guidelines on Party Representation	275
[2]	2014 LCIA Rules	276
[D]	Choice of Forum Governing Professional Conduct Issues	276
 Part III		
International Arbitral Awards		279
 Chapter 15		
International Arbitral Awards: Legal Framework		283
§15.01	Legal Framework for International Arbitral Awards	283
[A]	New York Convention	283
[1]	Elimination of "Double Exequatur" Requirement	284
[2]	Presumptive Obligation to Recognize and Enforce Awards	284
[3]	Limited, Exclusive Grounds for Non-Recognition With Burden of Proof on Award-Debtor	284
[4]	Limits on Forums for Annulment	284
[5]	Optional and Permissive Non-Recognition	284
[B]	National Arbitration Legislation	285
§15.02	Definition of International Arbitral "Award"	286
[A]	Decision Resulting From Agreement to Arbitrate	286
[B]	"Award" by Arbitral Tribunal	286
[C]	"Award" Distinguished From "Procedural Order"	287
[D]	Jurisdictional Awards	288
[E]	Decisions Concerning Preliminary Substantive Issues	288
§15.03	Formal Requirements for International Arbitral Awards	289
[A]	Writing, Place, Date and Signature Requirements	290
[B]	Reasons for Award	291
[C]	Consequences of Non-Compliance with Statutory Form Requirements	293

[D]	Form Requirements Under Institutional Arbitration Rules	293
[E]	Language of Award	293
§15.04	Types of Awards	293
[A]	"Final" Awards	294
[B]	"Partial" Awards	294
[C]	Interim Awards	295
[D]	Consent Awards	295
[E]	Default Awards	296
[F]	Additional Awards	296
[G]	Correction and Interpretation of Awards	296
[H]	Termination of Arbitral Proceedings Without An Award	297
[I]	Majority Awards and Awards by Presiding Arbitrator	297
[J]	Dissenting, Concurring and Separate Opinions	298
§15.05	Time Limits, Service and Publication of International Arbitral Awards	299
[A]	Time Limits for Making Awards	300
[B]	Delivery, Service or Notification of Awards	300
[C]	Registration of Awards	302
§15.06	Relief Granted in Arbitral Awards	302
[A]	Arbitrators' Remedial Authority	302
[B]	Monetary Awards	303
[C]	Other Relief	303
[D]	Interest	305
[E]	Costs	305
[1]	Awards of Costs of Arbitration Under National Arbitration Legislation	305
[2]	Awards of Costs of Arbitration Under Institutional Arbitration Rules	306
§15.07	<i>Functus Officio</i> Doctrine	309
 Chapter 16		
Annulment of International Arbitral Awards		311
§16.01	Presumptive Finality of International Arbitral Awards	311
[A]	Presumptive Validity of Awards Under UNCITRAL Model Law	312
[1]	Article 34 Provides Exclusive Grounds of Annulment	312
[2]	Article 34 Grounds for Annulment Are Discretionary	313
[3]	Party Seeking Annulment Under Article 34 Generally Bears Burden of Proof	313
[B]	Presumptive Validity of Awards Under FAA	314
[C]	Presumptive Validity of Awards Under Other National Arbitration Legislation	314
§16.02	Limits on Forums for Annulling International Arbitral Awards	315
[A]	New York Convention Limits on Forums for Annulling Awards	315
[1]	Articles V(1)(e) and VI Limits on Forums for Annulling Awards	315
[2]	Forums Where Annulment Is Permitted	316
[i]	Country Where Award Is "Made"	316
[ii]	Place "Under the Law of Which" An Award Is Made	317

[B]	National Law Limits on Forums for Seeking to Annul Awards	318
§16.03	Annulment of International Arbitral Awards	319
[A]	Annulment Governed by Domestic Law of Arbitral Seat	319
[B]	Grounds for Annulment Under National Law	320
[1]	No Valid Arbitration Agreement	321
[i]	Standards for Recognition of Arbitration Agreements Are Generally Applicable	321
[ii]	Choice of Law Governing International Arbitration Agreements	321
[iii]	Preclusive Effect of Arbitrators' Jurisdictional Award: Positive Jurisdictional Awards	322
[iv]	Preclusive Effect of Arbitrators' Jurisdictional Award: Negative Jurisdictional Awards	322
[2]	Excess of Authority	323
[3]	Denial of Opportunity to Present Party's Case	325
[i]	Distinguished From Violation of Parties' Agreed Arbitral Procedures	325
[ii]	Applicable Standards of Procedural Fairness	326
[iii]	Deference to Parties' Agreed Arbitral Procedures	326
[iv]	Deference to Arbitrators' Procedural Discretion	327
[v]	Waiver	327
[4]	Failure to Comply With Parties' Agreed Procedures	328
[5]	Failure to Comply With Procedures Prescribed by Law of Arbitral Seat	330
[6]	Lack of Impartiality, Bias and Misconduct of Arbitrator	331
[7]	Award Contrary to Public Policy	333
[8]	Disputes Not "Capable of Settlement" by Arbitration	334
[9]	Fraud	335
[C]	National Arbitration Legislation Providing Grounds for Annulment More Expansive Than Under UNCITRAL Model Law	336
[1]	Substantive Review of Merits of Arbitrators' Decision	336
[2]	Internally-Contradictory Awards	339
[3]	Formal Defects	340
[4]	Other Grounds for Annulment	340
[D]	National Arbitration Legislation Providing Grounds for Annulment Less Expansive Than Under UNCITRAL Model Law	341
§16.04	Agreements Waiving Right to Seek Annulment of International Arbitral Awards	342
[A]	Agreements Excluding or Limiting Applications to Annul Awards	342
[1]	National Arbitration Legislation Permitting Agreements to Exclude or Limit Annulment	342
[2]	National Arbitration Legislation Invalidating Agreements to Exclude or Limit Annulment	343
[3]	Interpretation of Agreements to Exclude or Limit Annulment	344
[B]	Agreements for Heightened Judicial Review of Awards	344
§16.05	Consequences of Annulling International Arbitral Awards	345
[A]	Authorities Permitting Recognition of Annulled Awards	346
[B]	Recognition of Annulled Awards in Europe	346
[C]	Recognition of Annulled Awards in United States	347

[D]	Judicial Decisions Refusing to Recognize Annulled Awards	349
§16.06	Correction, Interpretation and Supplementation of International Arbitral Awards	349
[A]	Correction of Awards	349
[1]	Correction of Awards Under National Arbitration Legislation	349
[i]	UNCITRAL Model Law	350
[ii]	Other National Arbitration Legislation	350
[iii]	Federal Arbitration Act	350
[2]	Correction of Awards Under Institutional Arbitration Rules	351
[3]	Status of Arbitral Tribunals' Corrections	352
[B]	Interpretation of Awards	352
[1]	Interpretation of Awards Under National Arbitration Legislation	352
[2]	Interpretation of Awards Under Institutional Arbitration Rules	353
[C]	Supplementation of Awards	353
[1]	Supplementation of Awards Under National Arbitration Legislation	354
[2]	Supplementation of Awards Under Institutional Arbitration Rules	354
[D]	Remission of Award to Arbitral Tribunal	355
[E]	Revocation of Fraudulently-Obtained Awards	355
[F]	Internal Review and Appeal Proceedings	356
§16.07	Preclusive Effects of International Arbitral Awards	357
[A]	Principles of Preclusion in International Arbitration	357
[1]	Preclusion in Common Law Jurisdictions	358
[2]	Preclusion in Civil Law Jurisdictions	359
[B]	Preclusive Effects of International Arbitral Awards	360
[1]	Preclusive Effects of Awards Under New York Convention	360
[2]	Preclusive Effects of Awards Under UNCITRAL Model Law	362
[3]	Preclusive Effects of Awards in the United States	362
[4]	Preclusive Effects of Awards in Other Common Law Jurisdictions	364
[5]	Preclusive Effects of Awards in Civil Law Jurisdictions	364
[6]	Choice of Law Governing Preclusive Effect of Awards	366
[C]	Preclusive Effects of National Court Judgments	367
[D]	Jurisdictional Decisions	368
[1]	Allocation of Competence Between Arbitral Tribunals and National Courts to Decide Jurisdictional Issues	369
[2]	Arguable Preclusive Effect of Jurisdictional Decision by National Courts	369
[3]	Lack of Preclusive Effect of Jurisdictional Determination by National Courts	370
[E]	Role of Precedent in International Arbitration	372
Chapter 17		
Recognition and Enforcement of International Arbitral Awards		375
§17.01	Jurisdictional Requirements of International and National Arbitration Regimes	375
[A]	"Award" Requirement	376
[B]	"Commercial" Relationship	376

[C]	"Defined Legal" Relationship	376
[D]	"Foreign," "Non-Domestic" and "International" Awards	377
[1]	New York Convention	377
[i]	"Foreign" Awards	377
[ii]	"Non-Domestic" Awards	378
[2]	National Arbitration Legislation	379
[E]	Reciprocity Requirements Under International Conventions	380
§17.02	Proof of Foreign Arbitral Awards	381
[A]	Proof of Award Under New York Convention	381
[B]	Proof of Award Under National Arbitration Legislation	383
§17.03	Presumptive Obligation to Recognize International Arbitral Awards	383
[A]	Presumptive Obligation to Recognize Awards Under New York Convention	383
[B]	Obligation to Recognize Awards Under National Arbitration Legislation	385
§17.04	New York Convention Provides Exclusive Grounds for Non-Recognition of Foreign Arbitral Awards	385
[A]	Article V's Exclusive Grounds for Non-Recognition	386
[B]	Burden of Proof of Grounds for Non-Recognition	386
[C]	No Double <i>Exequatur</i> Requirement Under New York Convention	387
[D]	No Obligation Under New York Convention to Deny Recognition of Awards	387
[E]	No Judicial Review of Merits of Arbitrators' Decision	388
§17.05	Grounds for Refusing Recognition and Enforcement of International Arbitral Awards	389
[A]	No Valid Arbitration Agreement	389
[1]	General Principles	390
[2]	Burden of Proof	391
[3]	Preclusive Effect of Jurisdictional Award	391
[4]	Waiver	392
[B]	Excess of Authority	392
[C]	Denial of Opportunity to Present Party's Case	395
[1]	General Principles	395
[2]	Party Autonomy and Arbitral Tribunals' Procedural Discretion	396
[3]	Choice of Law	396
[4]	Waiver and Preclusion	398
[D]	Irregular Procedural Conduct of Arbitration	399
[1]	Parties' Agreed Arbitral Procedures	399
[2]	Parties' Agreed Arbitral Procedures and Mandatory Law in Arbitral Seat	400
[3]	Procedural Law of Arbitral Seat	401
[4]	Waiver and Preclusion	402
[E]	Lack of Independence, Bias and Misconduct of Arbitrators, and Fraud	402
[1]	General Principles	403
[2]	Effect of Prior Institutional Challenge of Arbitrators	404
[3]	Waiver	405
[F]	Award Annulled in Arbitral Seat	405
[G]	Award Not "Binding"	406

[H]	Award Contrary to Public Policy	407	
[1]	General Principles	407	
[2]	Choice of Law	408	
[3]	Restrictive Approach to Public Policy	409	
[I]	Disputes Not "Capable of Settlement" by Arbitration	410	
§17.06	Limits on Forums for Seeking Recognition or Enforcement of International Arbitral Awards	411	
[A]	No Limits in New York Convention on Forums for Seeking Recognition or Enforcement of Awards	412	
[B]	National Law Limits on Forums for Seeking Recognition or Enforcement of Awards	412	
§17.07	Suspension of Recognition Proceedings Pending Resolution of Application to Annul Award in Arbitral Seat	413	
Chapter 18			
Investor-State and State-to-State Arbitration			417
§18.01	Investor-State Arbitration	417	
[A]	Introduction	417	
[1]	Contemporary Foreign Investment Treaties	418	
[i]	ICSID Convention	419	
[ii]	North American Free Trade Agreement	419	
[iii]	ASEAN Comprehensive Investment Agreement	420	
[iv]	Energy Charter Treaty	421	
[v]	Bilateral Investment Treaties	421	
[vi]	Investment Protection Legislation	422	
[2]	Distinguishing Characteristics of Investor-State Arbitration	423	
[3]	Popularity of Investor-State Arbitration	425	
[4]	Criticism of Investor-State Arbitration	425	
[B]	Jurisdictional Issues in Investment Arbitration	426	
[1]	ICSID Jurisdictional Requirements	426	
[i]	Legal Dispute "Arising out of An Investment"	427	
[ii]	Nationality Requirement	427	
[iii]	Written Consent to ICSID Arbitration	429	
[iv]	ICSID Additional Facility Rules	430	
[2]	BIT Jurisdictional Requirements	430	
[i]	No Separate Consent by Host State	431	
[ii]	Nationality Requirement	431	
[iii]	Investment	431	
[iv]	Compliance With Host State Law	431	
[v]	Exclusions	432	
[3]	Notice and Other Requirements	432	
[i]	Notice and "Cooling Off" Periods	432	
[ii]	"Fork in the Road" Provisions	432	
[iii]	Exhaustion Requirements	433	

[C] “Umbrella Clauses”	433
[D] Substantive Issues in Investor-State Disputes	434
[1] Substantive Claims in Investor-State Arbitrations	434
Fair and Equitable Treatment	435
No Expropriation Without Compensation	435
Full Protection and Security	436
National Treatment	437
Most Favored Nation Treatment	437
Free Transfer of Funds Related to Investments	438
Residual Protections of Customary International Law	438
Umbrella Clauses	439
[2] Defenses in Investor-State Arbitration	439
Permitted Regulation	439
Exceptions	440
Investor’s Unlawful Conduct	440
Necessity	440
Exhaustion of Local Remedies	441
International Obligation	441
Time Bar	441
[E] Arbitral Procedures in Investor-State Arbitration	442
[F] Applicable Law in Investment Arbitration	443
[G] Finality of Awards	443
[1] ICSID Awards	443
[2] Non-ICSID Awards	444
[H] Enforcement of Awards	444
§18.02 State-to-State Arbitration	444
[A] Historical Background	445
[B] Reasons for State-to-State Arbitration	446
[C] Jurisdiction in State-to-State Arbitration	446
[D] Procedures in State-to-State Arbitration	447
[E] Applicable Law in State-to-State Arbitration	448
[F] Finality of Awards and Enforcement	449
Annex I	
UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards	451
Annex II	
UNCITRAL Model Law on International Commercial Arbitration	457
Annex III	
UNCITRAL Model Law on International Commercial Arbitration – 2006 Revisions	469
Index	475

Preface to Second Edition

This book aims to provide an introduction to international arbitration – including international commercial arbitration, international investment arbitration and state-to-state arbitration. The book focuses on the basic legal framework for international arbitration and the contemporary practice of international arbitration. Throughout, the emphasis is on introducing the key legal principles and customary practices in an accessible and straightforward manner, tailored to the needs of general practitioners, law students and others seeking an introduction to the international arbitral process.

Chapter 1 of the book provides an overview of the legal framework for international commercial arbitration, including the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (or “New York Convention”) and the United Nations Commission on International Trade Law’s Model Law on International Commercial Arbitration (“UNCITRAL Model Law”). Throughout the book, the New York Convention and the UNCITRAL Model Law are used as the basis for discussion, reflecting their central and increasing importance in the international commercial arbitration process. The book focuses in particular on international and comparative authorities and practices, rather than approaches from any single jurisdiction, aiming to introduce the emerging constitutional structure and practice of international arbitration rather than the domestic approach to arbitration in particular jurisdictions.

The body of the book is divided into three main parts, structured on the chronology of an international arbitration. Part I addresses international arbitration agreements, including their formation, enforcement and interpretation; Part II address international arbitral proceedings, examining how arbitrations are conducted in practice; and Part III addresses international arbitral awards, including their recognition and enforcement. All three Parts focus principally on international commercial arbitration, with comparisons where useful to international investment or state-to-state arbitration.