



ARBITRATION INSTITUTE

OF THE STOCKHOLM CHAMBER OF COMMERCE

ARBITRATOR'S GUIDELINES

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INTRODUCTION

The purpose of the SCC Guidelines (the “Guidelines”) is to serve as a practical tool and source of information for arbitrators when conducting arbitrations under the arbitration rules adopted by the Arbitration Institute of the Stockholm Chamber of Commerce (SCC).

The Guidelines contain essential information on e.g. calculating arbitrators’ fees, compensation for expenses and VAT issues. The SCC Model Award is also attached as Appendix I.

The Guidelines are not intended and should not be treated as additional arbitration rules.

TABLE OF CONTENTS

<i>INTRODUCTION</i>	2
<i>TABLE OF CONTENTS</i>	3
<i>THE SCC</i>	5
<i>ADMINISTRATIVE GUIDELINES</i>	6
<i>Case management conference</i>	6
<i>Documents to be filed with the SCC</i>	6
<i>Archive</i>	6
<i>Administrative Secretary</i>	6
<i>COSTS OF THE ARBITRATION</i>	8
<i>General Principles</i>	8
<i>Arbitrator's fee</i>	8
<i>Reduced fee in certain cases</i>	9
<i>Expenses</i>	9
<i>Daily allowance</i>	10
<i>Administrative fee</i>	11
<i>Amount in dispute</i>	11
<i>Advance on costs</i>	12
<i>Additional advances</i>	12
<i>GETTING PAID</i>	13
<i>EU ARBITRATORS LIABLE FOR VAT</i>	14
<i>Responsibility for invoicing</i>	14
<i>Which party should be invoiced?</i>	14
<i>Which parties should pay VAT?</i>	14
<i>Invoicing</i>	15
<i>SWEDISH TAXES FOR EMPLOYED ARBITRATORS</i>	17
<i>Income tax for Swedish Arbitrators</i>	17
<i>Social security contributions</i>	18
<i>FINAL AWARD</i>	19
<i>The case ends with rendering a final award</i>	19
<i>Time limit for rendering the final award</i>	19
<i>SCC Model Award</i>	19
<i>Instructions on how to appeal</i>	20
<i>Distribution of the award</i>	20
<i>SETTLEMENT OF ACCOUNT</i>	21

<i>Surplus</i>	21
<i>Deficit</i>	21
<i>APPENDIX 1 SCC MODEL AWARD</i>	22
<i>APPENDIX 2 SAMPLE INVOICE FOR EU ARBITRATORS</i>	24
<i>APPENDIX 3 SAMPLE INVOICE FOR EU ARBITRATORS</i>	25
<i>APPENDIX 4 SAMPLE INVOICE FOR EU ARBITRATORS</i>	26

THE SCC

The SCC was established in 1917 and is a department of the Stockholm Chamber of Commerce. The SCC is not a separate legal entity but has an independent board with authority to decide on appointments of arbitrators, challenges to arbitrators, jurisdiction, advance on costs, seat of the arbitration, and other decisions within its mandate as provided under the arbitration rules. Decisions by the SCC Board are, with a few exceptions, final. SCC Board Members are appointed for three years by the Board of Directors of the Stockholm Chamber of Commerce.

Day-to-day operations are managed by a Secretariat headed by the Secretary General and a Deputy Secretary General. All cases administered by the SCC are allotted to one of three divisions, each headed by legal counsel and supported by a case administrator.

The SCC has adopted the following rules:

SCC Rules

- Arbitration Rules
- Rules for Expedited Arbitrations

Other rules

- SCC Procedures for the Administration of Cases under the 2010 UNCITRAL Arbitration Rules
- SCC Procedures for the Administration of Cases under the 1976 UNCITRAL Arbitration Rules
- SCC Procedures as Appointing Authority under the 2010 UNCITRAL Arbitration Rules
- SCC Procedures as Appointing Authority under the 1976 UNCITRAL Arbitration Rules
- Mediation Rules

More information on the rules, model arbitration clauses and so on are found on the web page of the SCC at www.sccinstitute.com .

ADMINISTRATIVE GUIDELINES

Case management conference

After the referral of the case, the arbitral tribunal shall promptly hold a case management conference with the parties to organise, schedule and establish procedures for the conduct of the arbitration. The procedures should aim at enhancing the efficiency and expeditiousness of the arbitration.

During or immediately following the case management conference, the arbitral tribunal shall establish a timetable for the conduct of the arbitration, including the date for making the award (see section "Time limit for rendering the final award" below). Under the Rules for Expedited Arbitration, the arbitrator shall seek to establish a timetable within 7 days of the referral.

After consultation with the parties, further case management conferences may be held by the arbitral tribunal and revised timetables may be issued as the arbitral tribunal deems appropriate.

When determining the fees of the arbitrator(s), the SCC will have regard to, *inter alia*, the extent to which the tribunal has acted in an efficient and expeditious manner.

Documents to be filed with the SCC

- timetable
- statement of claim
- statement of defence
- decisions and procedural orders
- awards (final and any separate)
- proof of dispatch of award to the parties

The parties may send the statement of claim and the statement of defence directly to the SCC. Other correspondence between the arbitral tribunal and the parties need not be filed with the SCC.

Archive

The arbitral tribunal should save all documents relating to the case for at least one year after rendering the final award.

Administrative Secretary

Appointment. The arbitral tribunal may submit a proposal for the appointment of an administrative secretary at any time during the arbitration. The proposal should be submitted to the Secretariat and contain *inter alia* the name, address, e-mail and telephone number of the specific candidate, along with the person's *curriculum vitae* and a signed statement of availability, impartiality and independence (available at the SCC website).

The Secretariat will forward the proposal and submitted documents to the parties and request that the parties comment on the proposal within a set time period. If any party disagrees, the arbitral tribunal may not appoint the specific candidate as administrative secretary.

The administrative secretary must be impartial and independent. The responsibility for ensuring that the administrative secretary remains impartial and independent lies with the arbitral tribunal. The administrative secretary may be removed upon based on the procedure set out in the SCC Rules on challenge to an arbitrator which applies *mutatis mutandis* to a challenge to an administrative secretary.

Tasks. The tribunal shall consult the parties regarding the duties of the administrative secretary. Subject to any agreement of the parties to the contrary, the administrative secretary's duties shall be limited to organizational, clerical and administrative functions. The arbitral tribunal may not delegate any decision-making functions to the administrative secretary.

Fee. The arbitral tribunal shall bear the fee of the administrative secretary, if any, and shall indicate in the proposal how the administrative secretary's fee is to be allocated among the arbitrators. The parties shall bear any expenses incurred by the administrative secretary and any social security contribution, which will be drawn from the Advance on Costs (see sections on "Expenses" and "Social security contributions" below). The fee and expenses of the secretary should be stated in the final award. For further information on tax liability, see the relevant sections below.

COSTS OF THE ARBITRATION

General Principles

The Costs of the Arbitration¹ include:

- the fees of the arbitral tribunal
- the administrative fee
- the expenses of the arbitral tribunal and the SCC

Before making the final award, the arbitral tribunal should request the SCC to finally determine the Costs of the Arbitration. This request should be made two weeks before rendering the final award. Reimbursement for any expenses incurred, including an estimate of any expected additional expenses, should be requested at this time at the very latest. The decision on Costs of the Arbitration should be included in the decision of the final award.

The fees of the arbitral tribunal and the administrative fee are calculated on the basis of the amount in dispute² in line with the schedule of costs found in Appendix III of the SCC Rules. A calculator can be found on the web page of the SCC.

Arbitrator's fee

In finally determining the Costs of the Arbitration, the Board shall have regard to the extent to which the arbitral tribunal has acted in an efficient and expeditious manner, the complexity of the dispute and any other relevant circumstances.

As a general rule, the fee of a chairperson or a sole arbitrator is determined at the median value, in line with the schedule of costs applicable to the amount in dispute.

The following circumstances may justify a fee above the median value:

- the subject matter is complex
- the parties are more than two in number
- procedural difficulties

The following circumstances may justify a fee below the median value:

- *ex parte* proceedings
- the amount in dispute is high but the dispute is of a simple nature

In exceptional circumstances, the SCC may deviate from the schedule of costs.

The fees of the co-arbitrators are, as a general rule, determined at 60 % of the chairperson's fee. The arbitral tribunal should inform the SCC if it considers that another percentage should apply.

As to VAT, see below under "Responsibility for invoicing".

¹ Article 49 Arbitration Rules; Article 49 Rules for Expedited Arbitration.

² Read more about the amount in dispute below.

Reduced fee in certain cases

In certain cases, set fees may deviate from the fee calculated in line with the schedule of costs. This applies, e.g. to fees when a final award is rendered without ruling on the merits, or when an arbitrator is released during the proceedings.

a) Final award rendered without ruling on the merits

If the arbitral tribunal renders an award without ruling on the merits of the dispute, set fees may deviate from the fees calculated in line with the schedule of costs. This applies, e.g. if the dispute is settled, if the claimant withdraws its claim or if the case is dismissed due to lack of jurisdiction. Circumstances such as when the case ended and the amount of work put in by the arbitral tribunal are taken into consideration. The SCC follows its well-developed practice in this regard.

The arbitral tribunal should inform the SCC of the work completed, e.g. the number of days during which hearings were held, the extent of communications and decisions made.

b) The arbitrator is released

The question whether a fee should be paid to an arbitrator who is released from their mandate is decided on a case-by-case basis. As a main rule, no fee will be paid.

Expenses

When requesting that the Costs of the Arbitration be finally set, the arbitral tribunal should also inform the SCC of any expenses incurred. Expenses which the arbitrator has reported for VAT should be stated exclusive of VAT.

Expenses must be *reasonable*. All expenses should be supported by a receipt or an invoice.

The following costs are reimbursed as expenses:

- travel (air or train fare, airport taxi);
- hearing costs (e.g. rental of hearing rooms, equipment, telephone and video conferences);
- interpreter and translation services;
- courier; and
- expert (fee and expenses) appointed by the arbitral tribunal.

Expenses for room and board in connection with a hearing, deliberations or other meeting are reimbursed by daily allowance (see below).

As to flight expenses, please note:

- Flights of less than four hours are reimbursed by a sum equivalent to the price of a ticket in Economy/Economy Extra.
- Flights lasting four hours or more are reimbursed up to a sum equivalent to Business.
- Additional cost of air travel in First Class will not be reimbursed.

If the hearing is held at the offices of the arbitrator, or at premises where the arbitrator otherwise

carries out their ordinary business activities, compensation is only granted if the arbitrator has informed the parties before the hearing that the arbitrator intends to claim costs and the parties agree to this.³ Compensation may only cover direct costs. Invoices and/or expense receipts must be filed.

Other costs are at the arbitral tribunal's own expense.

Regular office expenses (fax, postage, telephone and clerical assistance) are not compensated for separately.

The arbitral tribunal's expenses for meals in connection with a hearing, deliberations or other meeting are not reimbursed (unless reimbursed through a daily allowance, see below).

As to VAT, see below under "Responsibility for invoicing".

As to costs of hearings

The arbitrators should pay their own expenses during the proceedings and are reimbursed when the final award has been rendered. When *special reasons* apply, the Stockholm Chamber of Commerce may be invoiced instead of an arbitrator.

Invoicing the Stockholm Chamber of Commerce is only possible after obtaining prior approval of (i) the parties, and (ii) the SCC. The arbitral tribunal's request should be justified and the SCC must be informed of the total cost involved. Please note that, where applicable, the party finally liable for the Costs of the Arbitration will not be able to deduct the VAT on the specific invoice but will need to apply for a VAT refund of its own accord. For this purpose, please visit www.skatteverket.se.

The service provider should be instructed to make out the invoice to

Stockholms Handelskammars Service AB VAT No. SE 556095795201

and should indicate "Arbitration [and the relevant case number]" on the invoice.

Daily allowance

A daily allowance of EUR 500⁴ may be claimed for each day of hearings held at a place other than where the arbitrator usually conducts business or is domiciled, requiring an overnight stay.

This allowance is intended to cover costs for:

- hotel;
- meals; and
- intracity taxi fares.

Costs exceeding the allowance are not reimbursed.

³ Stockholm District Court, decision on 11 July 2003 in case T 4894-02.

⁴ The amount applies to cases referred to the SCC on or after 1 November 2008. In cases referred to the SCC before this date, a daily allowance of EUR 150 applies.

Daily allowance will be given at the request of the arbitrator. The arbitrator should state the purpose of the stay (e.g. preparatory hearing, main hearing) and the number of days spent for the hearing.

Arbitrators not registered for VAT will not receive a daily allowance but should submit receipts for expenses in relation to hearings held at a place other than where the arbitrator usually conducts business or is domiciled. These expenses for hotel, meals, and intracity taxi fares are reimbursed with a maximum of EUR 500 daily.

The same principles apply as regards any administrative secretary appointed.

Administrative fee

The administrative fee is set in line with the schedule of costs applicable to the amount in dispute.⁵

VAT of 25 % should be added to the administrative fee and any expenses of the SCC if the party finally liable for the Costs of the Arbitration is obliged to pay VAT in Sweden.

Those liable to pay VAT on the administrative fee are:

- a) Swedish parties, both legal and natural persons, and
- b) parties incorporated in other EU countries which are not registered for VAT, e.g. natural persons, organizations and states,
- c) natural persons, organizations and states outside the EU.

Those not liable to pay VAT on the administrative fee are:

- a) legal persons incorporated within the EU which are registered for VAT, including universities, holdings and others VAT registered (the principle of reverse charge applies),
- b) legal persons incorporated outside the EU.

A party registered for VAT within the EU, excluding Sweden, should prove its status by citing its VAT number.

Amount in dispute

The amount in dispute includes claims, counterclaims and set-offs.

Where the amount in dispute cannot be ascertained, fees will be set by taking all relevant circumstances into account, e.g. the size and complexity of the dispute.

If the amount in dispute changes during the proceedings, the SCC should be notified without delay.

⁵ See footnote 1.

Advance on costs

Before the case is referred to the arbitral tribunal, the SCC sets the advance on costs⁶ (“Advance on Costs”). The Advance on Costs should correspond to the estimated Costs of the Arbitration and includes an estimated amount for expenses and any VAT. Social security contributions are normally not included.

When the parties have paid the Advance on Costs, the case is referred to the arbitral tribunal. The arbitral tribunal and the parties are informed of the estimated amounts of the Costs of the Arbitration and, if applicable, the division of costs among the arbitrators.

The principle is that the Advance on Costs should cover the Costs of the Arbitration as finally set in the final award. Under the SCC Rules, each party pledges to the SCC and to the arbitrators any rights over any amount paid to the SCC as continuing security for any liabilities for the Costs of the Arbitration by paying the Advance on Costs.

As to settlement of the account, surplus and deficit, see below under “Settlement of account”.

Additional advances

If the arbitral tribunal so requests or if otherwise considered necessary, the SCC may order the parties to pay additional advances. This request must be justified in writing and the parties will be informed.

Reasons to increase the Advance on Costs might be:

1. An increase in the amount in dispute, either as a result of:
 - a) a party filing a new claim; or
 - b) other circumstances that affect the amount in dispute.
2. Increasing expenses, due to:
 - a) the arbitral tribunal having appointed an expert; or
 - b) the amount allocated for expenses is otherwise insufficient.
3. New circumstances in the case:
 - a) the case has required, or can be expected to require, more work than could initially have been expected; or
 - b) exceptional circumstances.

⁶ Article 51 Arbitration Rules; Article 51 Rules for Expedited Arbitration.

GETTING PAID

- a) General rule – payment is made when the final award has been rendered

When the final award has been rendered, accounts are settled and the fees, any compensation for expenses and any daily allowance are paid from the Advance on Costs. An arbitrator registered for VAT should issue a referenced invoice and send it to the party or parties liable for the Costs of the Arbitration (see the section “Responsibility for Invoicing” below).

- b) The exception – payment during the proceedings

In cases where expenses are significant, the arbitrators may receive compensation for expenses from the Stockholm Chamber of Commerce during the proceedings, i.e. before rendering the final award. As a rule, payments of fees are not granted during the proceedings.

An arbitrator's request for payment during the proceedings is determined by the SCC. Approved expenses should be invoiced to the Stockholm Chamber of Commerce (see below). Payment is made only upon receipt of an invoice. Arbitrators not registered for VAT should also submit receipts for expenses. Please note that, where applicable, the party finally liable for the Costs of the Arbitration will not be able to deduct the VAT on the specific invoice but will need to apply for a VAT refund of its own accord. For this purpose, please visit www.skatteverket.se . See below under “Invoicing” for further information.

The invoice should be issued to:

Stockholms Handelskammars Service AB VAT No. SE 556095795201

and should indicate “Arbitration [and the relevant case number]” on the invoice.

EU ARBITRATORS LIABLE FOR VAT

The guidelines below are based on EU Directive 2008/8/EG (“the EU VAT Directive”) but primarily reflect Swedish law. Please note that application of the EU VAT Directive may vary between EU countries. Arbitrators are therefore advised to consult the national tax agency in their home country for guidance.

Responsibility for invoicing

Under Swedish VAT legislation, which is based on the EU VAT Directive, liability to pay VAT arises when a service has been provided. An arbitrator is usually considered to provide services on the day of payment of the arbitrator’s fee and reimbursement of expenses, provided that the arbitrator’s mandate ceased within that accounting period (month, quarter or year). If payment is made before the invoice is issued, the day of payment must be indicated in the invoice. Hence, each arbitrator who is registered for VAT should issue an invoice every time they are paid regardless of whether VAT applies or not, i.e. not only when payments are made after the final award is rendered but also when compensation for expenses is paid during the proceedings.

When accepting the appointment, arbitrators who are registered for VAT in a country other than Sweden should inform the SCC whether they are registered for VAT, whether any of the parties involved should pay VAT on the arbitrator’s fee and, if so, what percentage should apply.

Which party should be invoiced?

For tax purposes, the buyer of the arbitration service is the party (or parties) finally liable to pay the Costs of the Arbitration according to the final award. Which party (or parties) actually paid the Advance on Costs is not relevant.

Thus, the arbitrator should issue an invoice and address it to the party finally liable to pay for the Costs of the Arbitration. Should two or more parties be finally liable, an invoice should be made out to each of the parties reflecting their individual payment obligation. Should there be more than one party on one side and the documentation of the case shows that the dispute is financed solely by one of those parties, the arbitrator may instead choose to invoice the amount allocated to that side to the financing party only.

The amount in the invoice should correspond to the amount that the party should pay according to the final award.

Which parties should pay VAT?

These are the basic principles of the EU VAT Directive:

Parties based in the same EU country as the arbitrator

Parties based in the same country as the arbitrator should always pay VAT on the arbitrator’s fee.

Parties based outside the EU

Parties based outside the EU need not pay VAT on the fee of an EU arbitrator, with the exception of natural persons, organizations and states.

Parties based in a EU country other than that of the arbitrator

If a party is based in a EU country other than that of the arbitrator, that party does not need to pay VAT on the arbitrator's fee in the country of the arbitrator, if that party is registered for VAT (including universities, holdings and other VAT registered entities). This is the case as the principle of reverse charge applies and, consequently, the party should pay VAT in the country where it is based.

A party registered for VAT within the EU should prove its status by sending details of its VAT Number. The validity of the VAT Number can be verified on the website of the European Commission (http://ec.europa.eu/taxation_customs/vies/vatRequest.html?locale=en). In addition, legal entities which carry out VAT-exempt activities in their own country (e.g. private physicians, dentists) should not be charged VAT.

Parties not registered for VAT (e.g. natural persons, organizations and states) should always pay VAT on the arbitrator's fee in the country of the arbitrator.

References to be included in the invoice

Invoices to parties within the EU not liable to pay VAT should include the following reference:

- Parties in other EU countries with a VAT number.
"Reverse charge procedure under Article 44 and 196 of the VAT Directive"
- Parties outside the EU:
"Export sale of services – outside the scope of the [...] VAT Act"

Sample invoices are attached in Appendices 2-4.

Invoicing

a) General rule: invoice after the final award is rendered

An arbitrator should issue an invoice, or invoices, covering the fee and compensation for expenses, when payment has been received. The invoice(s) should be made out to the party (or parties) finally liable for the Costs of Arbitration according to the final award. If more than one party is finally liable according to the final award, an invoice should be made out to each of them in accordance with distribution of costs. Invoice(s) issued by the arbitrator must correspond to settlement of accounts and the final award.

The invoice should be issued as a non-payable invoice, for reference purposes only and the fact that payment has been made must be clear from the invoice(s). Should the VAT need to be converted, the exchange rate should be that of the day the final award was rendered. Invoice(s) should be issued in the same period, in other words the same month that the fee was paid. Settlement of accounts and the invoice are accounting documents.

b) Exception: invoice for payments during the arbitral proceedings

Compensation for expenses during the proceedings is for tax purposes regarded as advance payment of fees. This payment entails tax liability under Swedish VAT legislation and, accordingly, an obligation to invoice. EU arbitrators should consult the national tax agency in their home country for guidance in this regard.

Considering that the question of final liability for the Costs of the Arbitration is not decided when payment is made during the proceedings, the invoice should be made out to the Stockholm Chamber of Commerce. The invoice will be paid by the Stockholm Chamber of Commerce. The payment constitutes an expense during the course of the proceedings which will be invoiced to the party finally liable for the Costs of the Arbitration when the arbitration case ends. Please note that, where applicable, the party finally liable for the Costs of the Arbitration will not be able to deduct the VAT on the specific invoice but will need to apply for a VAT refund of its own accord. For this purpose, please visit www.skatteverket.se.

Invoices concerning payments during the proceedings should be made out to:

Stockholms Handelskammares Service AB VAT No. SE 556095795201
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Please indicate “Arbitration [and the relevant case number]” on the invoice.

SWEDISH TAXES FOR EMPLOYED ARBITRATORS

Arbitrators not registered for VAT who reside in Sweden must pay income taxes on their fees. In relation to those arbitrators, the parties are regarded as employers and must file an income statement and pay social security contributions if one or more of the parties is based in Sweden.

Income tax for Swedish Arbitrators

a) Swedish party finally liable for the Costs of the Arbitration

Where the party finally liable for the Costs of the Arbitration is Swedish, the Stockholm Chamber of Commerce will, as preliminary income tax, withhold 30 %⁷ of any fee payable to an arbitrator who is regarded as an employee for tax purposes. The amount withheld is paid to the Swedish Tax Agency.

The arbitrator should file an income tax return with the Swedish Tax Agency. The party finally liable for the Costs of the Arbitration, in other words the employer, should complete a Swedish Income Statement (*Sw. kontrolluppgift*) stating wages and preliminary tax paid.

Should the Swedish Tax Agency not credit the transferred amount to the arbitrator, the SCC should file a Statement of Tax and Social Security Contributions (*Sw. skatte- och avgiftsunderlag*) with the Swedish Tax Agency. The tax payment will then be credited to the arbitrator under an agreement between the SCC and the Swedish Tax Agency. This applies regardless of whether or not the employer has filed a Swedish Income Statement with the Swedish Tax Agency.

b) Non-Swedish party finally liable for the Costs of the Arbitration

Where the party finally liable for the Costs of the Arbitration is not incorporated (or domiciled) in Sweden, the arbitrator should pay preliminary income tax. The Stockholm Chamber of Commerce does not withhold any preliminary income tax.

The arbitrator should file an income tax return with the Swedish Tax Agency. The party finally liable, e.g. the employer, should complete a Swedish Income Statement stating wages and preliminary tax paid.

⁷ Unless the arbitrator informs the SCC that they wish the Stockholm Chamber of Commerce to withhold a different percentage.

Social security contributions

a) All parties are Swedish

Swedish parties should (with some exceptions) pay social security contributions on fees to Swedish arbitrators who are regarded as employees for tax purposes. Social security contributions should be paid by the party finally liable for the Costs of the Arbitration. The SCC will provide the party with the relevant documentation for payment of social security contributions.

The arbitral tribunal should inform the parties of their liability to pay social security contributions when rendering the final award.

b) All parties are incorporated (or domiciled) outside Sweden

If all parties to the proceedings are incorporated (or domiciled) outside Sweden, no social security contributions need be paid (Chapter 2, Section 20 of the Swedish Act on Social Security Contributions (*Sw. socialavgiftslagen* (SFS 2000:980))).

c) Mixed cases

Please note that the exception from liability to pay social security contributions does not apply to cases which include both Swedish and non-Swedish parties (so called “mixed cases”).⁸ When the final award is rendered, the arbitral tribunal should inform the paying party of its liability in this regard.

In mixed cases, any social security contributions are included in the Advance on Costs. The SCC will transfer the money to the Swedish Tax Agency on behalf of a non-Swedish party finally liable for the Costs of the Arbitration. The Swedish party should pay social security contributions of its own accord.

Social security contributions need not be paid by non-Swedish parties if the arbitrator has been working in a country other than Sweden.

⁸ Hence, social security contributions should be paid by the party finally liable for the Costs of the Arbitration, regardless of whether or not that party is Swedish or non-Swedish.

FINAL AWARD

The case ends with rendering a final award

A case referred to an arbitral tribunal ends when a final award is rendered. This also applies when the arbitral tribunal concludes the case without ruling on the merits, e.g. when the case is dismissed due to lack of jurisdiction, in whole or in part, or when a claim in the case is withdrawn. If only part of the case ends, a separate award should be rendered.

Time limit for rendering the final award

The time limit for rendering the final award is set by the SCC in accordance with the applicable rules.

The SCC may extend the time limit upon a reasoned request from the arbitral tribunal, or if otherwise considered necessary.

Unless all parties agree otherwise, or if special circumstances exist, extensions longer than two months should not be expected. Similarly, if the Rules for Expedited Arbitration apply, extensions longer than one month should not be expected. The arbitral tribunal is advised to take this into account when organizing the arbitration and establishing the timetable. When determining the fees of the arbitrator(s), the SCC will have regard to, *inter alia*, the extent to which the tribunal has acted in an efficient and expeditious manner.

The time limit for the final award cannot be extended if time has expired. Failure to render a final award within the time limit may constitute grounds for challenging the award.

SCC Model Award

When drafting the award, the arbitral tribunal is encouraged to use the SCC Model Award (Appendix 1).

For purposes of enforcement, the decision of the final award should include the SCC decision on the Costs of the Arbitration. Fees, expenses, daily allowance and VAT should be specified for each arbitrator, administrative secretary and for the SCC. It is not sufficient that the decision of the final award refers to a detailed breakdown of the Costs of the Arbitration set forth in the reasons for the award.

The parties' registration number (legal persons), identification number (natural persons) should be stated in the final award.

Instructions on how to appeal

If the Swedish Arbitration Act (*Sw. lag* (SFS 1999:116) om skiljeförfarande) is applicable, the following applies:

Under Section 36 of the Arbitration Act, a final award whereby the arbitrators conclude the proceedings without ruling on the issues submitted to them for resolution may be amended, in whole or in part, upon the application of a party. The final award should contain clear instructions as to what action a party must take if they wish to challenge the award.

Under Section 41 of the Arbitration Act, a party or an arbitrator may bring an action against a final award regarding payment of compensation to the arbitrators. The Swedish Supreme Court has decided that Section 41 also applies to decisions on compensation to an arbitrator made by an arbitration institute.⁹ Accordingly, the final award should contain clear instructions as to what a party must do if they wish to challenge the award in part.

If applicable, a party liable to pay the Costs of the Arbitration should be informed in the final award of its liability to pay social security contributions (see above).

Distribution of the award

The arbitral tribunal should promptly send an original of the award to the parties. The SCC does not notify the parties of the award, final or separate, or of any other decision made by the arbitral tribunal. A copy of proof of dispatch of the award to the parties should be sent to the SCC. In addition, the arbitral tribunal is recommended to request that the parties confirm receipt of the award and that the original of the award is distributed by courier or registered mail.

An original of the award should be filed with the SCC as well as an electronic copy.

⁹ Decision by the Supreme Court dated 3 December 2008 (Case No Ö 4227-06), NJA 2008 p. 1118.

SETTLEMENT OF ACCOUNT

The SCC holds the funds advanced by the parties under the Swedish Funds Accounting Act (*Sw. lag (1944:181) om redovisningsmedel*) and the SCC Rules¹⁰. Without explicit support in the SCC Rules or in the Act, the SCC is not in a position to assist the parties to set off any claims against each other under the award (unless instructed by the parties to do so).

Surplus

An amount exceeding the Costs of the Arbitration is repaid to the parties in the same proportion as the advance was received by the SCC.

Deficit

Under the SCC Rules¹¹ the parties are jointly and severally liable to the arbitrator(s) and the SCC for the Costs of the Arbitration. If the Costs of the Arbitration exceed the funds advanced by the parties, the SCC will request payment from the parties (i) in line with the parties' liability for the Costs of the Arbitration as set out in the award, or (ii) as the SCC considers appropriate under the circumstances.

¹⁰ Article 51 Arbitration Rules; Article 51 Rules for Expedited Arbitrations.

¹¹ Article 49 (7) Arbitration Rules; Article 49 (7) Rules for Expedited Arbitrations.

APPENDIX 1

SCC MODEL AWARD



ARBITRATION INSTITUTE

OF THE STOCKHOLM CHAMBER OF COMMERCE

Box 16050, 103 21 Stockholm, Sweden

Phone: +46 8 555 100 00, E-mail: arbitration@chamber.se

www.sccinstitute.com

[FINAL] AWARD

Made on [Date]

The seat of arbitration is [Country/City]

Arbitration No.: [Number/Year]

Claimant: [Name, address and registration/identification No.]

Claimant's counsel: [Name, firm and address]

Respondent: [Name, address and registration/identification No.]

Respondent's counsel: [Name, firm and address]

Arbitral Tribunal: [Name of Chairperson/Sole arbitrator, firm and address]

[Name of Co-arbitrator, firm and address]

[Name of Co-arbitrator, firm and address]

DECISION

[...]

The parties are jointly and severally liable to pay the Costs of the Arbitration. The Costs of the Arbitration have been set as follows.

The Fee of [Chairperson/Sole arbitrator] amounts to EUR [...] and compensation for expenses EUR [...], in total EUR [...], plus VAT of EUR [...].

The Fee of [Co-arbitrator 1] amounts to EUR [...] and compensation for expenses EUR [...], in total EUR [...], plus VAT of EUR [...].

The Fee of [Co-arbitrator 2] amounts to EUR [...] and compensation for expenses EUR [...], in total EUR [...], plus VAT of EUR [...].

The Administrative Fee of the SCC amounts to EUR [...] and compensation for expenses EUR [...], in total EUR [...], plus VAT of EUR [...].

As between the parties [Party ...] is liable to pay the entire Costs of the Arbitration.*

[[Party ...] is reminded that it should pay social security contributions and file an income tax return to the Swedish Tax Agency.]

[Instructions for challenging the award]

[Section 36 of the Swedish Arbitration Act – award without ruling on substantive issues]

A party may bring an action to amend the award within three months from the date when the party received the award. This action should be brought before the Svea Court of Appeal in Stockholm.

[Section 41 of the Swedish Arbitration Act – regarding the fee(s) of the arbitrator(s)]

A party may bring an action against the award regarding the decision on the fee(s) of the arbitrator(s) within three months from the date when the party received the award. This action should be brought before the Stockholm District Court.

Signature Chairperson/Sole arbitrator

Signature arbitrator

Signature arbitrator

* Or any other apportionment between the parties due to the outcome of the case and other relevant circumstances, see Article 49 (6) of the Arbitration Rules.

APPENDIX 2 **SAMPLE INVOICE FOR EU ARBITRATORS**
For reference by arbitrators within the EU for invoices to EU business customers registered for VAT in a country other than the arbitrator's

<h2 style="margin: 0;">INVOICE</h2> <p style="margin: 5px 0;">NUMBER [REDACTED]</p> <p style="margin: 5px 0;">DATE [REDACTED]</p> <p style="margin: 5px 0;">OUR REFERENCE [REDACTED]</p> <p style="margin: 5px 0;">YOUR REFERENCE [REDACTED]</p>	
[Name, address and reg. no of party]	
DESCRIPTION	AMOUNT EUR
<p>Non-payable invoice, for reference purposes only</p> <p><i>Reverse charge of services under Articles 44 and 196 of the VAT Directive</i></p>	
[Arbitrator's] fee in arbitration [case no]	[REDACTED]
[Arbitrator's] expenses	[REDACTED]
NUMBER [REDACTED]	AMOUNT, VAT EXCL. [REDACTED] 0 VAT [] % [REDACTED] 0 0 0
Rate [REDACTED] [Date of award]	0

APPENDIX 3

SAMPLE INVOICE FOR EU ARBITRATORS

For reference by arbitrators within the EU for invoices to EU customers in the country of the arbitrator and to EU customers not registered for VAT in a country other than the arbitrator's

DESCRIPTION	AMOUNT EUR
INVOICE	
	NUMBER [REDACTED]
[Name, address and reg. no of party]	DATE [REDACTED]
	OUR REFERENCE [REDACTED]
	YOUR REFERENCE [REDACTED]
Non-payable invoice, for reference purposes only	
[Arbitrator's] fee in arbitration [case no]	[REDACTED]
[Arbitrator's] expenses	[REDACTED]
NUMBER [REDACTED]	AMOUNT, VAT EXCL. [REDACTED] 0
	VAT [] % [REDACTED] 0
	VAT [own currency] [REDACTED] 0
Rate [REDACTED] [Date of award]	AMOUNT, INCL VAT [REDACTED] 0

APPENDIX 4 **SAMPLE INVOICE FOR EU ARBITRATORS**
For reference by arbitrators within the EU for invoices to customers seated outside the EU

<h2 style="margin: 0;">INVOICE</h2> <p style="margin: 5px 0;">NUMBER </p> <p style="margin: 5px 0;">DATE </p> <p style="margin: 5px 0;">OUR REFERENCE </p> <p style="margin: 5px 0;">YOUR REFERENCE </p>		<p>[Name, address and reg. no of party] </p>
DESCRIPTION	AMOUNT EUR	
<p>Non-payable invoice, for reference purposes only</p> <p><i>Export sale of services – outside the scope of the EU VAT Directive</i></p> <p>[Arbitrator's] fee in arbitration [case no] </p> <p>[Arbitrator's] expenses </p>		
NUMBER 	AMOUNT, VAT EXCL. VAT [] % 	
Rate [Date of award]	 0 0 0 0	