

The Chartered Institute of Arbitrators Nigeria is the Nigerian Branch of an International Organization committed to the promotion of Arbitration and Alternative Dispute Resolution (ADR) as the preferred means for resolving disputes. The Chartered Institute is a learned society that works in the public interest to promote and facilitate the use of Alternative Dispute Resolution (ADR) mechanisms. The Institute has over 15,000 members located in more than 120 countries and supports the global promotion, facilitation and development of all forms of private dispute resolution.

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THE CHARTERED INSTITUTE OF ARBITRATORS (NIGERIA BRANCH) MSME ARBITRATION SCHEME

Chartered Institute of Arbitrators (Nigeria Branch)

The Chartered Institute of Arbitrators is a learned society founded in the United Kingdom in 1915, granted Royal Charter in 1979 and has gained international presence in at least 133 countries. The Nigeria Branch attained branch status in 1999. It has about 1,137 members.

Chartered Institute of Arbitrators (Nigeria Branch) promotes and facilitates dispute resolution mechanisms that present alternatives to litigation in court.

Micro, Small and Medium Enterprises (MSME) Arbitration Scheme

In the commercial environment of Nigeria where:

1. Businesses endure high costs in time and money trying to resolve disputes through litigation,
2. Business people continuously seek alternatives to resolving disputes by litigation,
3. Courts are inundated with cases, and
4. Courts seek to de-congest case overloads by encouraging resolution of commercial disputes through Alternative Dispute Resolution (ADR) mechanisms,

MSME Arbitration Scheme is developed by the Chartered Institute of Arbitrators (Nigeria Branch) to promote and facilitate access by Micro, Small and Medium Enterprises (MSME) to arbitration, for resolution of commercial disputes.

The scheme is intended to provide simple, cost effective and timely resolution of disputes by the final, legally binding and enforceable decisions of Sole Arbitrators, in less than 90 days from the appointment of the arbitrators or as soon as practicable.

Parties interested in use of this scheme shall apply to the Chairman of the Chartered Institute of Arbitrators (Nigeria Branch) for the service.

Parties are advised to insert recommended 'Arbitration Clause' in their commercial contracts or in invoices or receipts issued as proof of obligation performance, provided recipients of invoices or receipts sign on them in acceptance of the arbitration agreement.

Benefits of the MSME Arbitration Scheme

1. **Minimized Fees and Pre-determined Costs:-** The scheme offers convenience of pre-determined, low budget arbitration costs. Arbitrators' fees are fixed. Also, maximum arbitration and parties expenses recoverable by one from another are known from the onset.
2. **Speed:-** Arbitration is concluded and award issued within shortest possible time.
3. **Minimized Formalities:-** Formal procedural steps are kept to a minimum.
4. **Simplicity:-** The scheme is so simple, legal representation may be unnecessary.
5. **Privacy and Confidentiality:-** The process is private and confidential.
6. **Enforceability:-** An award from the Scheme is final, binding and can be enforced like any court judgment.

How MSME Arbitration Scheme Works

1. The scheme is aimed at extending arbitration services to micro, small and medium scale businesses.
2. An arbitration agreement is a pre-requisite for an arbitration to take place. It is strongly advised therefore, that recommended **arbitration clause** is inserted in contract documents or at least on invoices or receipts issued in the course of business transactions, provided recipients of invoices or receipts sign on them in acceptance of the arbitration agreement. In the absence of arbitration clause as stated, a submission agreement or a jointly signed application for appointment of an Arbitrator, will be taken as consent of both parties to submit to arbitration.
3. The arbitration clause and submission agreement shall state that the Chairman of the Chartered Institute of Arbitrators (Nigeria Branch) shall appoint the sole arbitrator to determine disputes referred. The jointly signed application for appointment of an arbitrator by both parties in dispute shall be addressed to the Chairman of the Chartered Institute of Arbitrators (Nigeria Branch).

Recommended Arbitration Clause

Any dispute, controversy, or claim arising out of or in connection with this contract, or the breach, termination or validity thereof, shall be settled by final and binding arbitration, in accordance with MSME Arbitration Scheme Rules, by a single arbitrator appointed by the Chairman of the Nigeria Branch of the CHARTERED INSTITUTE OF ARBITRATORS.

MSME Arbitration Scheme Rules

1. The MSME Arbitration Scheme is applicable for resolution of commercial disputes with monetary value from ~~₦~~250,000.00K (two hundred and fifty thousand naira) to ~~₦~~5,000,000.00K (five million naira).
2. This service can only be rendered to parties with arbitration agreement. An arbitration clause must be inserted in contract documents or at least on invoices or receipts issued in the course of business transactions, provided recipients of invoices or receipts sign on them in acceptance of the arbitration agreement. In the absence of arbitration clause as stated, a submission agreement or a jointly signed application for appointment of an Arbitrator, will be taken as consent of both parties to submit to arbitration.
3. A party relying on an arbitration agreement to initiate arbitration must start by notifying the other in writing. Following notification, the party will then apply to the Chairman of the Nigeria Branch of the Chartered Institute of Arbitrator to appoint a Sole Arbitrator to determine the disputes referred.
4. The request for appointment of the Arbitrator must be accompanied by a non refundable administrative fee of ~~₦~~10,000.00K (ten thousand naira).
5. An applicant for use of the scheme will be required to fill an application/appointment form to provide information such as:
 - A reference to the contract.
 - Reference to an arbitration agreement, either in the contract, or in a receipt issued in performance of the contract or an application jointly signed by Claimant and Respondent,
- for appointment of an Arbitrator to resolve dispute under the Scheme.
- Name, home and office addresses, telephone numbers and electronic mail addresses of Claimant (applicant)
- Name, home and office addresses, telephone numbers and electronic mail addresses of Respondent
- General nature of dispute.
- Monetary value involved.
- Remedies sought by Claimant
6. The appointment of a Sole Arbitrator by the Chairman of the Nigeria Branch of the Chartered Institute of Arbitrators will be done within 7 days of receipt of application to do so.
7. The Arbitrator will issue a timetable for the arbitration within 7 days of being appointed.
8. Subject to mandatory laws and rules of the place of arbitration, all procedural matters will be strictly at the discretion of the arbitrator to ensure compliance with publication of an award within 90 days or as soon as practicable.
9. Documents only and Online Dispute Resolution may be adopted for proceedings to further minimize cost.
10. Statements of Case and Witness Statements shall be encouraged to avoid exceeding 5,000 (five thousand) words.
11. All written documents and testimonies must first be exchanged between parties, then copy sent to the arbitrator. Neither party can communicate with the arbitrator in the absence of the other, nor write the Arbitrator without first copying the other.
12. Award of costs to a successful party may include party expenses the Arbitrator deems fair to recover with the cost of arbitration.

13. Arbitration cost, inclusive of arbitrator's fees and expenses will be paid to the Chartered Institute of Arbitrators (Nigeria Branch). Failure to pay as agreed by claimant or counterclaimant shall be taken as a withdrawal of case. Non payment by a respondent to a claim or counterclaim will be taken as a debt of the respondent.
14. Within 90 days or as soon as practicable, the Arbitrator will issue to the parties, a written, reasoned award. The award will be signed and dated by the Arbitrator, and will be final and legally binding. The Arbitrator will simultaneously send to the Chartered Institute of Arbitrators (Nigeria Branch), a copy of his award, together with an invoice of his charges. Upon receipt of that invoice, the Chartered Institute of Arbitrators (Nigeria Branch) will release to the Arbitrator, his or her fee.
15. If the parties settle their dispute after commencing the arbitration, they must inform the Chartered Institute of Arbitrators (Nigeria Branch) and the Arbitrator, if appointed, immediately. In the event of settlement after the Arbitrator has been appointed, the Chartered Institute of Arbitrator (Nigeria Branch) will release to the Arbitrator, his or her fee, upon receipt of the Arbitrator's invoice.
16. Neither the Chartered Institute of Arbitrators (Nigeria Branch), nor any of its officers, agents, or employees will be liable for anything done or omitted to be done in the appointment or nomination of an Arbitrator under the MSME Arbitration Scheme, unless the act or omission was shown to be in bad faith.
17. Neither the Chartered Institute of Arbitrators (Nigeria Branch), nor its

officers, agents, or employees shall be liable for anything done or omitted to be done by an Arbitrator nominated or appointed by the Chartered Institute of Arbitrators (Nigeria Branch) under the MSME Arbitration Scheme (or its employees or agents) in the discharge or purported discharge of his or her functions as an Arbitrator.

MSME Arbitration Scheme Costs

1. For commercial disputes with monetary value from ~~₦~~250,000.00K (two hundred and fifty thousand naira) to ~~₦~~1,000,000.00K (one million naira), Arbitrator's Fee is fixed at ~~₦~~50,000.00K (fifty thousand naira) and all other recoverable arbitration and party expenses will be capped at a maximum of ~~₦~~25,000.00K (twenty five thousand naira).
2. For commercial disputes with monetary value from ~~₦~~1,000,000.01K (one million naira and one kobo) to ~~₦~~2,000,000.00K (two million naira), Arbitrator's Fee shall be fixed at ~~₦~~100,000.00K (one hundred thousand naira) and all other recoverable arbitration and party expenses will be capped at a maximum of ~~₦~~50,000.00K (fifty thousand naira).
3. For commercial disputes with monetary value from ~~₦~~2,000,000.01K (two million naira and one kobo) to ~~₦~~5,000,000.00K (five million naira), Arbitrator's Fee shall be fixed at ~~₦~~250,000.00K (two hundred and fifty thousand naira) and all other recoverable arbitration and party expenses will be capped at a maximum of ~~₦~~100,000.00K (one hundred thousand naira).

APPLICATION FOR APPOINTMENT OF A SOLE ARBITRATOR UNDER THE (Micro, Small and Medium Enterprises) MSME ARBITRATION SCHEME.

Name and Signature of Applicant/s. Please Date.		1.
		2.
1.	Claimant's Name.	
	Claimant's Office Address.	
	Claimant's Home Address.	
	Claimant's Telephone numbers.	
	Claimant's email addresses.	
2.	Respondent's Name.	
	Respondent's Office Address.	
	Respondent's Home Address.	
	Respondent's Telephone numbers.	
	Respondent's email addresses.	
3.	Reference to the Contract from which dispute arose.	Document to be attached.
4.	Reference to Arbitration, Clause or Agreement related to the contract.	Document to be attached.
5.	Nature of Dispute.	
6.	Monetary Value of Dispute.	
7.	Notification of Arbitration to Respondent in writing.	Document to be attached.
8.	Itemized Issues.	
	<i>(itemized list may be attached if space is inadequate).</i>	
	<i>(for joint application both itemized issues and counter issues may be submitted).</i>	
9.	Itemized Claims.	
	<i>(itemized list may be attached if space is inadequate).</i>	
	<i>(for joint application both itemized claims and counter claims may be submitted).</i>	
10.	Remedies Sought.	
	<i>(itemized list may be attached if space is inadequate).</i>	
	<i>(for joint application both itemized remedies and counter remedies sought may be submitted).</i>	

