



DRAFT REPORT

**ARBITRATION COMMITTEE
MEETING**

ECO CHAMBER of COMMERCE and INDUSTRY

**March 3, 2018
Tehran, Islamic Republic of Iran**



**Draft Report of the
Tenth Arbitration Committee Meeting of
ECO Chamber of Commerce and Industry (ECO CCI)
March 3, 2018; Tehran, Islamic Republic of Iran**

The tenth meeting of the Arbitration Committee of ECO Chamber of Commerce and Industry, hosted by the Iran Chamber of Commerce, Industry, Mines and Agriculture (ICCIMA) held on March 3, 2018 in Tehran, Islamic Republic of Iran. The representatives of member Chambers as well as representative(s) from the ECO Secretariat and ETDB participated in the meeting.

Agenda Item No - 1: Inauguration of the Meeting

The Chairman of the Arbitration Committee of ECO Chamber of Commerce and Industry welcomed the participants of the meeting.

Agenda Item No - 2: Adoption of the Agenda

The agenda of the meeting was adopted by the representatives/participants of Members Countries as follows.

1. Inauguration of the Meeting
2. Adoption of the Agenda
3. Appointment of the Drafting Committee
4. Statement by the Chairman of the Arbitration Committee
5. Activity Report by ECO CCI
6. Remarks by heads of delegations
7. Establishment of ECO Arbitration Centre
8. To discuss the updates for formulating Rules and Regulation of ECO Arbitration Center
9. Any other Business
10. Date and venue of the next Meeting;
11. Adoption of the Report
12. Vote of Thanks

Agenda Item No - 3: Appointment of the Drafting Committee

A Drafting Committee consisting of the following members was appointed to prepare the draft Report of the Meeting:

1. Mr. Mahdi Razzaghshoar (Iran)
2. Ms. Shahla Ali Hasan (Turkey)
3. Mr .Aneeq Ali Malik (Pakistan)
4. Ms Amber Fatima (ECO-CCI)

Agenda Item No - 4: Statement by the Chairman of Arbitration Committee

The chairman of the Arbitration committee in his statement said that there has been no progress since the last meeting in terms of the establishment of the ECO CCI Arbitration Center. Nor any development has been made in introduction of legal and IT experts of member chambers for uploading information on the ECO CCI Arbitration website. He suggested that the founding chambers namely Iran, Pakistan and Turkey collaborate to design and finance the ECO CCI Arbitration Center website.

He explained that the draft rules of arbitration is inconsistent and outdated and need to be updated in the lights of recent development. He also called on the member chambers to revisit the ECO CCI Rules of Arbitration as well as the Internal Rules of the ECO CCI Arbitration Center and provide their comments three months from this meeting as after this period the documents will be deemed as finalized and can be acted on duly on which the house agreed. Dr Mohebbi at the same time named Dr Hamid Reza Aslani an outstanding Iranian lawyer and practitioner as the second Iranian nominee for ECO CCI Arbitration center team of experts besides himself.

Agenda Item No – 5: Activity Report by ECO CCI

The Secretary General ECO CCI presented activity report of the Specialized Committee of Arbitration of ECO CCI. (Activity Report enclosed at Annex 2)

Agenda item No-6: Remarks by Heads of Delegations

The Turkish delegate stressed upon the importance in the increase of the usage of arbitration and its alternate methods. She also highlighted that TOBB has submitted their views on the arbitration rules of the ECO CCI and insisted on performing a study on the general restoration or to compromise. As per the meeting resolution of the previous Arbitration Committee she submitted the names of agile framework studies comprised of Tugcenaz Ugurlu Cihangir, Dr. Ibrahim Nihat Bayar, Yasin Ekmen and Mert Dayanir. The Turkish delegate also informed the house that had worked with the IT department in the TOBB regarding the establishment of the website and the database and stated that they were ready to establish the aforementioned until the next meeting. She concluded by stating that a short summary of local regulation about the arbitration would be presented to the committee.

Afghanistan delegate stated that the Afghanistan Centre for Dispute Resolution is organized as body within Afghanistan Chamber of Commerce and Industry to provide dispute resolution services. This center envision an Afghanistan where businesses, organizations, and people have easy access to fair, cost effective and reliable alternatives, such as mediation and arbitration, for dispute resolution outside of the court system. Investors, local and foreign, will not have to fear that an unfair or unjust solution is being imposed upon them in ADR. The Afghanistan Centre for Dispute Resolution's mission is to support the investment climate in Afghanistan by offering alternative dispute resolution services that are cost-effective, fair, and accountable and ensuring public confidence in the integrity of these services. Furthermore the delegate indicated that they have received around 150 commercial cases for mediation, calculation and experts review. The 80% of the mentioned cases has resolved through

mediation, calculation and experts review, but still they haven't launched arbitration and will launch in near future.

The delegate from Uzbekistan appreciated the idea of establishment of ECO Arbitration Center and offered his service for the finalization of rules and regulation of ECO Arbitration center. He believed that ECO Arbitration Center is need of ECO and we should obligate to continue to establishment of rules and regulation. At present, our businessmen are taking Arbitration services from other countries and indicated that we should materialize the decisions of establishment of Arbitration center. He stated that the rules and regulations should be devised on the basis of international laws.

The delegation of Pakistan stated that since the last meeting, there is no progress and zero communication between the legal teams of the member states. Solely, Pakistan has completed the tasks designated to member states. As per the meeting resolution of the previous Arbitration Committee Mr Aneeq submitted the names of legal representatives including Mr. Malik Eice Muhammad and Miss Quratulain Naseer. Mr. Johar Raza's name is also submitted as a IT expert from Pakistan. Moreover, most of the people seems to be struggling to understand the concept of Agile framework which is why Pakistan proposes the creation of a whatsapp group instantly to progress and exchange of notes and thoughts.

The rules and regulations of ECO-CCI are outdated. They are in sheer need of up gradation. Any one of the member states should take the responsibility to update the rules and regulations and bring it to the next conference. A budget should be allotted to that country by the founding member states to complete this assignment. The academic training courses should also be designed and should be ready to be offered to the lawyers in all member states.

The Iranian delegate stated that the member countries should submit the comments and suggestion on rules and regulation or not but we need to re-visit the rules and regulation. Iran chamber is operating their Arbitration center since 50 years and for ECO Arbitration center we should make some source of financing and even with small amount we should initiated the devising of rules and regulation.

The representative from ECO Secretariat appreciated the progress of ECO-CCI on establishment of Arbitration Centre and encouraged to highlight it in the report card of ECO-CCI. He informed the House that the Draft of Arbitration Rules, as requested by the ECO-CCI, have been circulated to the Member States or comments to proceed further in this respect.

Agenda Item No- 7: The progress on the work regarding the Establishment of ECO Arbitration Centre

The Pakistan delegation stated that the centre of the ECO Arbitration Center shall be decided beforehand. However, the house decided that this was a matter to be decided upon the ratification of the new rules and regulations of the ECO Arbitration Center.

The Secretary General ECO-CCI stated that the decision of establishment of ECO Arbitration center should be deferred till the establishment of permanent secretariat of ECO-CCI.

Agenda Item No-8: To discuss the updates for formulating Rules and Regulation of ECO Arbitration Center

It was stated that some of the ECO CCI members had submitted their views on ECO CCI rules of arbitration and requested the members who did not submit their views to do so in one month.

The Turkmenistan and some others countries stated that the circulation of rules and regulation should be through diplomatic channel.

In response to query raised by Secretary General ECO-CCI, the Kyrgyz Republic stated that they have received rules and regulations of arbitration center but comments not sent yet.

Agenda Item No - 9 : Any other Business

There was no other matter to discuss.

Agenda Item No - 10 : Date and Venue of the next Meeting

The house proposed to leave the date of holding of next Meeting of Arbitration Committee of ECO CCI on the approval of the 24th Executive Committee and 16th General Assembly Meetings.

Agenda Item No - 11: Adoption of the Report

The Meeting adopted the Draft Report of Tenth Arbitration Committee Meeting of ECO Chamber of Commerce and Industry (ECO CCI) and decided to present the Report to the 24th Executive Committee and 16th General Assembly Meeting of ECO CCI.

Agenda Item No - 12: Vote of Thanks

The participating Heads of delegations/members offered their thanks to the Iran Chamber of Commerce, Industry, Mines and Agriculture (ICCIMA) for the excellent arrangements made to hold this important meeting and for the warm hospitality extended to the participants during their stay in Tehran, Islamic Republic of Iran. The participants also appreciated the contribution of the ECO-CCI Secretariat for providing the necessary assistance and support.

**Statement of Secretary General, ECO-CCI on
Arbitration Committee of ECO-CCI Meeting on
March 3, 2018 at Tehran, Iran**

We believe that Arbitration is a key component in any trade and investment treaty. The intra-regional trade and investment of ECO cannot be promoted and strengthened without the support of an effective regional legal framework. The regional blocks like ECO created with the objective of economic cooperation and similar multilateral platforms to boost economic exchange depends, sooner or later, on the creation and maintenance of effective mechanisms of dispute resolution and effective regional framework.

The development of international trade and investment depends largely upon the success of inter-cultural communication between the nations of different countries, with diverse legal and cultural backgrounds. As economic relationship continue to expand and become more intense, these legal relationships also become correspondingly more complex. If the settlement of disputes and the enforcement of claims arising from economic transactions and foreign investment are uncertain and time-consuming, it can only hamper international economic co-operation and the smooth development of markets. The creation and development of appropriate dispute settlement mechanisms must necessarily accompany the creation and development of trade and investment.

The ECO-CCI, despite of its utmost efforts for the last several year could not establish ECO Arbitration Centre. However, it is a lengthy discussion that what has happend in yester years but you will appreciate that during the year 2017 the matter of establishment of ECO Arbitration Centre has moved towards the formation of its rules and regulations.

In the last meeting of Arbitration Committee held in November 2018 at Ankara, Turkey it was decided that a website and data base on an agile framework will be established and in this context the member countries were requested to submit their local regulations regarding their internal regulations on the agile framework(website) about arbitration which was already submitted by Pakistan in the meeting.

once the information regarding the internal regulations of each country is submitted on the Agile framework, a thoroughly study will be conducted and for this purpose the founding member were requested to submit the

name of their IT and legal experts, so that Agile framework can be created. As the none of the country have submitted the name of their IT and legal expert and it is difficult for the ECO-CCI to take further step in developing arbitration framework.

In the meantime, the ECO-CCI has submitted draft rules and regulation and concept paper of Arbitration to Secretary General ECO for necessary rectification from the respective member countries. The response from the ECO Secretariat is awaited.