

## **Online Arbitration**

### **Article 33<sup>1</sup>. General Provisions**

33<sup>1</sup>.1. Regulations of this Article apply to the Arbitration proceedings if parties agree to online arbitration of the dispute.

33<sup>1</sup>.2. DRC shall administer online arbitration pursuant to norms described in this chapter for online arbitration rules, in effect for the moment of commencement date of arbitration.

33<sup>1</sup>.3. In case of conflict between norms and regulations of this chapter with other norms, rules provided in this chapter take precedence for administering online arbitration process.

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### **Article 33<sup>2</sup>. Electronic System**

33<sup>2</sup>.1. Electronic System, pursuant to this chapter, means a protected information system used to electronically file, process, store and transfer documents for the purposes of dispute resolution.

33<sup>2</sup>.2. To obtain access Electronic System, each party, arbitrators or other parties to the dispute, shall use global internet connection, pursuant to requirements of this chapter.

33<sup>2</sup>.3. General Secretary, or the authorized person appointed by the General Secretary represents DRC within Electronic System.

33<sup>2</sup>.4. Parties shall obtain access to the Electronic System by independently registering through the DRC web-page, at which point a simple digital signature key shall be created (login and password). A party may have several representatives, each of whom will have own username and password. After completion of registration, party initiating arbitration may file a claim through the Electronic System, requesting commencement of arbitration. In this case, parties to arbitration shall be assigned unique 10-digit code, enabling filing, studying, receiving documents.

33<sup>2</sup>.5. Each person performing actions in the Electronic System on behalf of a party to the arbitration, using a login and password, shall be identified as a person with primary registration, while each person receiving username and password of the relevant user shall be identified as a party to arbitration. Any actions performed by such a person in the Electronic System shall be deemed to be actions of the respective party.

33<sup>2</sup>.6. Access to the Electronic System is provided to the arbitrator through the forwarding of due notice and 10-digit case code to his or her email address.

33<sup>2</sup>.7. Filing of the documents into the Electronic System shall take place after electronic identification of the party to arbitration or its representative. DRC Secretariat verifies compliance of documents submitted, opens and uploads the latter into Electronic System, assigns unique 10-digit number, and notifies parties accordingly.

33<sup>2</sup>.8. Parties to online arbitration as well as their representatives shall ensure confidentiality of the e-mail, username and password required for Electronic System, and shall be authorized to change username and password at any time. Should system username and password and e-mail registered within the system become known to unauthorized persons, party concerned shall immediately notify DRC Secretariat. In such case, concerned online arbitration party shall

bear negative consequences that may arise from use of system e-mail, username and password by unauthorized persons.

33<sup>2</sup>.9. Should the authority of a registered representative of a party to online arbitration terminate, registered person shall immediately notify DRC Secretariat and appoint a new representative, whose details, including e-mail address, shall be submitted to DRC. DRC Secretariat e-mails 10-digit case code to the new representative for the latter to have access to documents and information stored within the Electronic System.

33<sup>2</sup>.10. Parties to online arbitration undertake to keep specified e-mail addresses up-to-date and check them regularly, as well as to maintain confidentiality of the username and password information and 10-digit case codes.

33<sup>2</sup>.11. Should there be changes to the e-mail addresses, a party to the arbitration shall immediately notify the other party and provide new e-mail; while after commencement of the online arbitration, shall also notify DRC Secretariat. Otherwise the party shall bear all negative consequences of the notices being sent to the wrong address.

33<sup>2</sup>.12. Pursuant to section 33<sup>2</sup>.11., until submission of notification on new e-mail address, notices sent to the e-mail addresses registered under Electronic System shall be deemed proper notices for all purposes under the online arbitration. If respondent is a physical entity, DRC Secretariat shall try to notify respondent on the commencement of arbitration using a phone number indicated in the Agreement.

### **Article 33<sup>3</sup>. Time Period**

33<sup>3</sup>.1. Date of commencement of online arbitration shall be the date of assigning registration code to the online claim by DRC Secretariat.

33<sup>3</sup>.2. Notices and other documents sent to e-mail addresses specified within the arbitration agreement shall be deemed to be properly delivered and received by the recipient on the date that they are sent.

33<sup>3</sup>.3. Calculation of time periods shall begin to run on the day following the date the notice or other documents are sent through e-mail.

33<sup>3</sup>.4. Provided there are sufficient grounds, DRC may extend any time periods provided in this chapter.

### **Article 33<sup>4</sup>. Appointment**

33<sup>4</sup>.1. Online arbitration proceedings are conducted by a tribunal comprised of sole arbitrator. Within three business days after registering claim within the Electronic System, Chair of DRC Court shall appoint arbitrator out of candidates presented by Secretary General.

33<sup>4</sup>.2. Arbitrator, as a rule, is appointed from DRC Arbitrator List. However, other person may also be appointed, agreeing to conduct proceeding independently, without bias, pursuant to DCR arbitration rules, Arbitrator Code of Ethics, and rules stipulated in this chapter.

33<sup>4</sup>.3. When appointing an arbitrator, the following shall be taken into consideration:

- a) Requirements for an arbitrator, as set forth in the arbitration agreement;
- b) Language of the arbitration proceedings;

- c) Governing law;
- d) Nature of the dispute;
- e) Other factors relevant to the resolution of the case
- f) Qualification of the candidate for arbitrator.

33<sup>4</sup>.4. The arbitrator shall follow rules stipulated in this chapter and principles upheld in Arbitrator Code of Ethics, as approved by the Association of Arbitrators.

33<sup>4</sup>.5. In case of challenge or resignation of an arbitrator, a new arbitrator shall be arbitrator pursuant to the regulations of articles 33<sup>4</sup>.1 and 33<sup>4</sup>.2.

### **Article 33<sup>5</sup>. Commencement of Arbitration**

33<sup>5</sup>.1. Party initiating online arbitration shall file claim and relevant supplementary documents into Electronic System, in a PDF format.

33<sup>5</sup>.2. Arbitration claim shall indicate the following:

- a) Full name and contact details (including address, phone numbers, e-mails) of the claimant, third parties, and their representatives (if applicable);
- b) A description of the nature and circumstances of the dispute giving rise to the claims and of the basis upon which the claims are made;
- c) Evidence, supporting factual circumstances indicated by the claimant.
- d) A statement of the relief(s) sought by the claimant. Where such requests cannot be quantified as amount, the claimant shall indicate approximate monetary value of any claim;
- e) Where claims are made under more than one arbitration agreement, an indication of the arbitration agreement under which each claim is made;
- f) List of documents attached to the arbitration claim.

The claimant may submit other documents or information with the claim as it considers appropriate or may contribute to the efficient resolution of the dispute.

33<sup>5</sup>.3. Together with arbitration claim, the following shall be submitted:

- a) Arbitration agreement, determining online dispute resolution option;
- b) Document certifying payment of arbitration fee;
- c) Document certifying authority of representative (in case of representative);
- d) Documents and other evidence serving as basis for requirements towards respondent.

33<sup>5</sup>.4. DRC Secretariat shall verify compliance with requirements for filing claim and payment of arbitration fee, after which activates online registration of arbitration dispute resolution within the Electronic System, where Electronic System assigns unique 10-digit code to the case along the registration. DRC, within three days of registering claim, shall make a decision on acceptance of the case, indicating online resolution of the dispute, details of appointed arbitrator, 10-digit case code, and shall notify the parties about this at the email addresses specified in the arbitration agreement as well as those additionally reported by the Claimant,

which is considered as a proper and sufficient notification of the parties to the online arbitration.

33<sup>5</sup>.5. If the claim is at variance with the requirements of this Statute, DRC shall identify deficiencies and shall not assign registration code until such deficiency is corrected. If the deficiency related to filing the claim is not made to comply within 30 days period, DRC may refuse acceptance of the claim and its registration, and 90% of arbitration fee shall be refunded to the party. This shall not preclude the party from filing same claims again.

#### **Article 33<sup>6</sup>. Statement of Defense**

33<sup>6</sup>.1. The respondent must file a response to the claim within 10 days after receiving appropriate e-mail notification from DRC on commencement of arbitration, pursuant of article 33<sup>5</sup>.3. Arbitrator may, based on respondent's justified application, extend the deadline.

33<sup>6</sup>.2. Statement of Defense shall indicate:

- a) Full name, last name and contact information (including address, phone number, e-mail) of the respondent and its representative;
- b) Comments on the requirement(s) of the claimant and circumstances, giving rise to claims;
- c) List of documents attached to the answer.

The Respondent shall submit other documents or information with the answer as it considers appropriate on specific facts and circumstances giving rise to the answer.

33<sup>6</sup>.3. Statement of defense shall be filed into Electronic System. Should the respondent fail to file statement of defense and related evidence into the Electronic System, he/she must, within the time period indicated in this article, submit statement of defense and related evidence to DRC Secretariat through e-mail [online@drc.ge](mailto:online@drc.ge). DRC Secretariat shall upload statement of defense and related evidence into Electronic System (under relevant case).

33<sup>6</sup>.4. The failure of a respondent to file a statement of defense shall not prevent continuation of arbitration proceedings.

33<sup>6</sup>.5. The respondent may, within the time period allocated for filing a statement of defense, file a counterclaim which is subject to the provisions of article 33<sup>5</sup> hereof. The claimant may file a statement of defense to the respondent's counterclaim within 10 days after its uploading to the Electronic System, pursuant to requirements of this article and filing statement of defense into Electronic System. Time period for final award on the case shall be extended as appropriate.

#### **Article 33<sup>7</sup>. Arbitration Proceedings**

33<sup>7</sup>.1. Online Arbitration shall be conducted solely on the basis of electronic copies of documents uploaded to the Electronic System, which are presumed to correspond to the originals.

33<sup>7</sup>.2. A party to the online arbitration may object that a document submitted by the other party corresponds to the original, only after payment of an additional arbitration fee equal to 0.5% of the total amount of the claim, but no less than 100 GEL. Should such objection be accepted,

the arbitrator may take measures to verify objection, including, requesting submission of originals of the documents or duly notified copies of such documents.

33<sup>7</sup>.3. Where the objection of a party with respect to non-correspondence of a copy of the document with the original is not confirmed, this party shall be liable for all the costs related to authenticity of the document, regardless of the outcome of arbitration.

33<sup>7</sup>.3. Where the objection of a party with respect to non-correspondence of a copy of the document with the original is confirmed, opposing party shall be liable for all costs related to authenticity of the document, regardless of the outcome of arbitration.

33<sup>7</sup>.4. The arbitrator may require parties to provide additional documents, explanations, or statement of positions on separate issues.

33<sup>7</sup>.5. Failure of the party to provide statement of position shall not hold arbitration proceedings and the arbitrator may render an arbitral award based on the documents before him/her.

33<sup>7</sup>.6. If a party duly required by the Arbitrator to produce documents, physical evidence or other evidence, fails to do so within the established time period without showing sufficient cause for such failure, the Arbitrator may render an arbitral award based on the evidence before him/her.

33<sup>7</sup>.7. Online arbitration shall be conducted on the 15<sup>th</sup> day after receipt of statement of defense or expiration of the time period for submission of such statement, or after expiration of the time period extended by the arbitrator, after which no submission of additional positions, explanations or evidence shall be accepted.

33<sup>7</sup>.8. Online arbitration shall be conducted without hearings based on the documents submitted by the parties.

33<sup>7</sup>.9. If necessary, the arbitrator may, based on materials of the case, decide to hold oral hearing. No additional arbitration costs shall apply in this case.

33<sup>7</sup>.10. Parties may raise motion on appointment of oral hearing, within 5 days after submission of statement of defense. Should party require oral hearing, it becomes responsible for paying arbitration fee, 1% of arbitration claim, but no less than 100 GEL. Decision on oral hearing shall be made by the arbitrator.

33<sup>7</sup>.11. If necessary, the arbitrator may hold a hearing via video or telephone conferencing. In exceptional circumstances the arbitrator may also invite parties to DRC office or other location and hear them.

33<sup>7</sup>.12. The Arbitrator shall give parties an advance notice at least three business days prior to the hearing.

33<sup>7</sup>.13. The secretariat shall make an audio or video recording of the oral hearing.

33<sup>7</sup>.14. In case of failure to submit evidence on justified grounds, the arbitrator shall have the power to reopen arbitration proceedings if he/she considers it appropriate in order to clarify circumstances of the case.

### **Article 33<sup>8</sup>. Arbitration Award**

33<sup>8</sup>.1. As a result of online arbitration, the arbitrator shall render written arbitrator award which is final and binding for parties of arbitration.

33<sup>8</sup>.2. Arbitrator shall render award and send draft to DRC secretariat for formal review within 10 days after completion of arbitration. DRC, based on justified motion of the arbitrator, may extend such time period, and notify parties accordingly.

33<sup>8</sup>.3. After completion of formal review of arbitration award, the arbitrator shall sign award and submit it to DRC Secretariat, which, on its turn, shall upload arbitration award to Electronic System and forwards it to party e-mail. Arbitration award or duly certified copies of documents signed by General Secretary, may only be handed to parties of arbitration and their representatives.

### **Article 33<sup>9</sup>. Arbitration Fees**

33<sup>9</sup>.1. Arbitration fees for online arbitration are listed in Table #2 of Annex 2 of the Statute.

33<sup>9</sup>.2. Arbitration fees shall be fully paid by claimant, before assigning special code to the case within the Electronic System.

33<sup>9</sup>.3. The Respondent, before submitting counterclaim, shall pay arbitration fee. Arbitrator shall not consider the case until full payment of arbitration fees.

33<sup>9</sup>.4. Decision of the arbitrator on division of online arbitration fees between parties shall be reflected in the final award.

### **Article 33<sup>10</sup>. Recommended Arbitration Agreement**

33<sup>10</sup>.1. Any dispute, arising from this agreement, or in relation to it, including any issues on existence, validity, and termination of agreement and/or arbitration agreement, shall be considered and decided upon by sole arbitrator pursuant to DRC Arbitration Rules (Statute).

Place of arbitration is Tbilisi, office of DRC (TIN: 204547348), located at 71, Vazha-Pshavela Street (block 4, floor 2, office 11), Tbilisi. Web-page: [WWW.DRC.GE](http://WWW.DRC.GE)

Parties agree to online arbitration of the dispute.

Parties agree that information on the commencement of arbitration as well as any information, notices, documents arising during the process of arbitration shall be forwarded to the following e-mails:

1. [Party], [E-mail]

2. [Party], [E-mail].

Parties undertake to keep specified e-mail addresses up-to-date and check them regularly, and ensure protection from unauthorized use.

Should there be changes to the e-mail addresses, or failure of the party to use such e-mail, a party concerned shall immediately notify the other party and provide new e-mail; while after commencement of the online arbitration, shall also notify DRC Secretariat. Otherwise the party shall bear all negative consequences of the notices being sent to the wrong address.

Until submission of notification on new e-mail address, while after commencement of the online arbitration, notification to DRC Secretariat, notices sent to the e-mail addresses registered under Electronic System shall be deemed proper notices for all purposes under the online arbitration. If respondent is a physical entity, DRC Secretariat shall try to notify

respondent on the commencement of arbitration using a phone number indicated in the Agreement.

Parties agree that oral hearing is only conducted shall it is deemed necessary by arbitrator.