



The
LMAA
THE LONDON MARITIME
ARBITRATORS ASSOCIATION

THE 3 WHY'S

by
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The
LMAA

THE LONDON MARITIME
ARBITRATORS ASSOCIATION

- **Why arbitrate?**
- **Why London?**
- **Why LMAA?**

WHY ARBITRATE?

- From the coffee houses in London



WHY ARBITRATE?

- ▶ **Quick and cheap (no need for lawyers)**
- ▶ **Dispute decided by someone with industry experience who understood the problem**
- ▶ **Not overly legalistic – commercial approach to the problem**
- ▶ **Confidential**

WHY ARBITRATE?

- **Still confidential?**
- **Still commercial?**
- **Decided by industry based tribunal (may depend on who you appoint but there is a choice)**

WHY ARBITRATE?

➤ Quick and cheap?

- Don't need lawyers (unlike Court)
- May choose Small or Intermediate Claims Procedure with fixed costs/costs exposure
- More flexible procedures than Court

WHY ARBITRATE?

➤ Enforceability

Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958) – ratified by 159 states including China

NB – LOIs/ Guarantees

WHY LONDON?

- **Historically the world's leading maritime cluster**
 - **Brokers, lawyers, insurers, P&I, experts, arbitrators**
 - **English law**
close connection with international trade/innovative
 - **Courts supportive of arbitration**
 - **Arbitration Act 1996: security for costs/right of appeal**

WHY LMAA?

- **Association of practising maritime arbitrators**
- **30 full time arbitrators with different experience within the industry – legal/P&I/insurance/brokers/management/finance/operations**
- **1500-2200 arbitrations per year over the last 10 years**
- compare maritime cases – HKIAC(99), SIAC (90), SCMA (37) and SMA (-70)

WHY LMAA?

- **“Maritime” – misnomer**
- **Charterparty, COAs, bill of lading claims**
- **MOA (sale and purchase of ships)**
- **Shipbuilding (construction)**
- **Agency, FFAs, leasing agreements, commodities (oil, metals, agri-products: often back to back with carriage contract where traders are charterers)**

LMAA: for M read Commercial/International Trade

WHY LMAA?

➤ Ad hoc arbitration

- Most flexible form of arbitration
- Each case is run by its own tribunal
- No external administrative involvement / cost
- Swift and easy constitution of tribunal

WHY LMAA?

- **LMAA Terms 2017**
- **LMAA Intermediate Claims Procedure
(US\$100- 400,000)**
- **LMAA Small Claims Procedure
(Upto US\$100,000)**

WHY LMAA?

Most innovative and regularly updated set of terms to govern the procedure of the arbitration – revisions are the result of consultation with the market

- **Encourage informality and costs consciousness**
 - **timetabling**
 - **sensible approach to disclosure**
 - **LMAA Questionnaire – sensible approach to costs encourages predictability**

WHY LMAA?

- **75% cases settle before an Award (and before any deposit of fees required)**
- **No requirement of an oral hearing - (80% + of awards on documents alone)**
- **Written statements**
- **Evidence (even submissions) by videolink**
- **Arbitrators will hold hearings overseas**
- **Two person tribunals**

Thank you!