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CHAPTER ONE
Establishment of The Centre Its Powers And Headquarters

Article 1
A commercial arbitration centre shall be established under the name of the “Commercial Arbitration Centre for the States of the Co-operation Council for the Arab States of the Gulf” (The Centre) which shall be independent and shall be a separate juristic entity.

Article 2
Powers:
The Centre shall have the power to examine commercial disputes between GCC nationals, or between them and others, Whether they are natural or juristic persons, and commercial disputes arising from implementing the provisions of the GCC Unified Economic Agreement and the Resolutions issued for implementation thereof, if the two parties agree in a written contract or in a subsequent agreement on arbitration within the framework of this Centre.

Article 3
Centre’s Headquarters:
The Centre’s headquarters shall be situated in the Kingdom of Bahrain.

CHAPTER TWO
Centre’s Bodies

Article 4
The Centre shall consist of the following:

(a) Board of Directors.
(b) Secretary General.
(c) Arbitral Tribunal.
(D) Arbitral Tribunal Secretariat.

Board of Directors

Article 5
The Centre shall have a Board of Directors which shall consist of six members. The Chamber of Commerce and Industry in each of the GCC States shall nominate one member. The Board shall convene a meeting at least once every six months or whenever such meeting is deemed necessary. Chairmanship of the Board of Directors shall be in rotation in keeping with the practice followed in the GCC meetings. The Board of Directors shall appoint from its members a deputy Chairman.

Article 6
Membership of the Board Director shall be for a three-year term of office which is renewable once only. Meetings of the Board of Directors shall be held in the host country or in any of the GCC member states, if necessary, upon the summons of the Chairman or Deputy Chairman in the case of
the foregoing absence. A Board meeting shall not be validly convened except in the presence of at least four of its Members including the Chairman or his Deputy. Resolutions of the Board of Directors shall be adopted by a majority vote of the Members present. In case of an equality of votes, the Chairman shall have the deciding vote.

**Article 7**

Powers of the Centre’s Board of Directors:
The Board of Directors shall seek to realize the Centre’s objectives and carry out its duties. In particular, the Board shall do the following:

(a) Approve the Centre’s financial and administrative regulations.
(b) Appoint the Centre’s Secretary General.
(c) Approve the Centre’s annual budget.
(d) Approve the annual report on the Centre’s activities.

**Centre’s Secretary General**

**Article 8**

The Centre shall have a Secretary General who shall be a GCC national and shall be appointed by the Board of Directors. The Board of Directors shall determine his service conditions, duties and entitlements provided that he shall enjoy the required expertise and have specialized knowledge in this field. The Secretary General shall be the Centre’s legal representative in all relations before the law courts, public agencies and private entities.

**Article 9**

The Secretary General shall be assisted by a sufficient number of employees who shall be appointed in accordance with employment provisions stipulated in the organizational rules to be issued by the Board of Directors.

**Arbitral Tribunal**

**Article 10**

An Arbitral Tribunal shall be formed by appointing a single arbitrator or three arbitrators as may be mutually agreed upon by the parties under an Arbitration Agreement or Contract. In case there is no agreement, the Rules of Procedure issued by the Board of Directors shall be applicable.

**Article 11**

The Centre shall maintain a panel of arbitrators to be prepared by Chambers of Commerce and Industry in the GCC member States and the concerned parties may have access to such Panel to select arbitrators therefrom or from elsewhere. An arbitrator shall be a legal practitioner, judge or a person enjoying wide experience and knowledge in commerce, industry or finance. He must be reputed for his good conduct, high integrity and dependent views.
Applicable Law

Article 12

The parties shall have the liberty of deciding the law, which the arbitrators shall apply to the issue in dispute. In case the parties do not stipulate the applicable law in the Contract or Arbitration Agreement, the arbitrators shall apply the law determined by the rules of the conflict of laws which they deem appropriate whether it is the law of the place where the contract was made, the law of the place where it is to be performed, the law of the place where it must be implemented or any other law subject always to complying with the terms of the contract and rules and practices of international law.

Article 13

Centre’s Arbitration Rules:

(a) Arbitration shall take place in accordance with the rules of Procedure (the Rules) of the Arbitration Centre unless there is a contrary provision in the contract.

(b) The Rules applicable to arbitration shall be the prevailing rules at the time of the commencement of Arbitration unless the parties agree the contrary.

(c) Except for the arbitrators panel, the centre’s papers and documents shall be confidential and no one other than the parties to the arbitration case and the arbitrators may have access thereto or obtain copies thereof except by the express approval of the parties to the dispute or if the Arbitral Tribunal feels such action necessary for passing a ruling in respect of the dispute.

Article 14

The two parties’ agreement to refer the dispute to the Centre’s Arbitral Tribunal and the ruling of this tribunal in respect of its competence shall preclude the reference of the dispute or any action pursued upon hearing it before any other judicial authority in any state. It shall also preclude any challenge against the arbitration award or any of the actions required for hearing it before any other judicial authority in any state.

Article 15

The award passed by the Arbitral Tribunal pursuant to these proceedings shall be binding and final upon the two parties after the issuance of an order for enforcement by the competent judicial authority in the states that are parties to this Charter.

Article 16

The Arbitral Tribunal shall refer to the centre’s Secretary General a copy of the award passed and he shall provide the possible assistance in depositing or registering the award whenever necessary in accordance with law of the country where the award is to be enforced.
Arbitral Tribunal Secretariat

Article 17

The Arbitral Tribunal Secretariat shall be part of the centre’s General Secretariat and work under the supervision of the Secretary General and shall be administratively affiliated thereto.

Article 18

The Secretariat shall have the duty of receiving all the arbitration applications referred thereto by the Secretary General and receiving all papers, correspondence and documents submitted by the parties to the dispute in accordance with the Arbitral Rules of Procedure and as provided for in this Charter. It shall be responsible for recording minutes of the Arbitration Tribunal hearings and implementing its resolutions adopted in the course of hearing the case prior the final judgment thereon.

CHAPTER THREE

Centre’s Budget

Article 19

The Centre shall have a temporary budget to be drawn up from the date of its establishment until the beginning of the following first financial year. The Bahrain Chamber of Commerce and Industry shall finance the Centre’s budget until the end of the third financial year. The Chambers of Commerce and Industry in the GCC member States shall equally finance the Centre’s budgets in the following years.

Article 20

The Centre shall have an annual budget, the revenues of which shall consist of the following:

(a) Fees received by the Centre in consideration of its services and the expenses incurred for this purpose.

(b) Grants and donations received by the centre and accepted by its Board of Directors.

(c) Proceeds from the sale of the Centre’s publications and periodicals.

(d) Payments equally made by the Chambers of Commerce and Industry of States, which are members of this Centre.

CHAPTER FOUR

Additional Assistance Provided By The Centre

Article 21

(a) In case of authorizing the Centre to select arbitrators in accordance with Rules of Procedure, the centre’s Secretary General shall undertake such ask in accordance with the provisions of the said rules.
(b) The Centre shall charge fees to be determined by the Rules of Procedure, in determining the amounts of such fees, the Centre’s administrative expenses, volume of work and actual costs incurred shall be taken into account.

**Article 22**

If the two parties mutually agree on settling their dispute by arbitration but not through the Centre, the Centre’s Secretary General may, upon a written application from the parties, provide or arrange the necessary facilities and assistance for the arbitration proceeding requested by the two parties. The necessary facilities and assistance may include providing an appropriate place for holding the Arbitral Tribunal sittings and assisting with secretarial duties, translations and filing documents and papers.

**CHAPTER FIVE**

**Arbitration Costs**

**Article 23**

(a) The Centre’s Secretary General shall prepare a list containing a provisional estimate of arbitration costs and shall instruct each of the parties to the dispute to equally deposit a certain sum as an advance on account for such costs. He may instruct the parties to make supplementary deposits during the course of the arbitration proceedings.

(b) If the required deposits are not made within thirty days from the date of receiving the instruction, the Secretary General shall notify the remaining parties of this failure pursuant to the provisions of the Rules of Procedure.

(c) Following the issuance of an award by the Arbitral Tribunal in respect of the dispute, the Secretary General shall deliver to the parties to the dispute a statement of the deposits made and expenses incurred with a view to making a final settlement by refunding the surplus amount of the deposited sums or collecting the balance remaining for the costs pursuant to the provisions of the Rules of Procedure.

**CHAPTER SIX**

**Immunities And Privileges**

**Article 24**

The Chairman and Board Members, centre’s Secretary General, members of the Arbitral Tribunal and members of the Tribunal Secretariat shall enjoy the following immunities:

(a) Immunity against any legal action upon their exercise of their job duties unless the Centre decides to relinquish such immunity by a resolution of the Board of Directors.

(b) Prescribed immunities and prerogatives for members of the diplomatic corps whilst travelling. Further, they shall be exempted from currency restrictions, if any.

The provisions of paragraph (b) shall not be applicable to the citizens of the host country.
Article 25

The Centre and all its properties and funds shall enjoy immunity against any legal or administrative action upon carrying out its duties in accordance with this Charter.

Article 26

The Centre’s papers, documents and archives shall enjoy immunity against any action of any kind whatsoever.

CHAPTER SEVEN

Tax Exemptions

Article 27

The Centre, its properties, funds, resources and financial transactions which take place in accordance with the provisions of this Charter shall be exempt from all kinds of taxes, if any, and custom duties.

Further, the Centre may not be subject to any claims in this respect.

Any payment made by the Centre to the Secretary General shall not be subject to any tax that may be imposed.

Such tax shall not be imposed upon salaries, expenses or any other payments made to the Arbitral Tribunal’s Secretariat staff. This exemption shall not be applicable to the citizens of the host country.

The preceding provisions shall be applicable to the arbitrators’ fees and expenses upon the performance of their duties in accordance with the provisions of this charter.

CHAPTER EIGHT

General Provisions

Article 28

The Arbitral Rules of Procedure shall be prepared by legal experts from the member states within three months from the date of approving this Charter. The Rule shall become effective and enforceable upon their ratification by the GCC Commercial Co-operation Committee.

Article 29

Any GCC member State may seek the amendment of this Charter. An amendment shall be effective three months after its ratification by the Supreme Council.

Article 30

The Charter shall come into effect three months after the date of its ratification by the Supreme Council of the Co-operation Council of Arab States of the Gulf.