



Guidelines for the Reimbursement of Arbitrators

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INTRODUCTION

The GIAC Guidelines for the Reimbursement of Arbitrators (the “Guidelines”) are adopted by the Secretary General of the GIAC pursuant to Article 43(1)(b) of the GIAC Arbitration Rules.

These Guidelines come into force upon approval by the GIAC Secretary General and shall be in force indefinitely.

The purpose of the GIAC Guidelines (the “Guidelines”) is to serve as a practical tool and the source of information for arbitrators when they serve as an arbitrator and conduct the arbitration proceedings under the GIAC Arbitration Rules (the “GIAC Rules”).

A. EXPENSES

1. General Provisions

- 1.1 Expenses shall be *reasonable and cost efficient*. All expenses shall be supported by a receipt or an invoice.
- 1.2 The following expenses are subject to reimbursement under these Guidelines:
 - 1.2.1 Travel expenses;
 - 1.2.2 Hearing Expenses;
 - 1.2.3 *Per diem* of an arbitrator.

2. Travel Expenses

- 2.1 The travel expenses for the purposes of these Guidelines shall include air or train fare, airport taxi; travel by a private car, or any other means which are needed for transportation.
- 2.2 The travel expenses will be reimbursed if the arbitrator is required to travel for the purpose of the arbitration hearing, or for conducting other work meetings regarding the arbitration case.
- 2.3 The arbitrator shall be reimbursed for actual travel expenses he/she has incurred during travelling from and returning to his/her usual place of business or where he/she is domiciled.
- 2.4 Bearing in mind the cost efficiency, only a sum equivalent to the price of a ticket of the Economy/Economy Extra class shall be reimbursed.
- 2.5 If the arbitrator is travelling by a private car, a flat rate of USD 1.5 per kilometer, plus all necessary parking and toll charges incurred during such travel shall be reimbursed.
- 2.6 If any unforeseen changes are required in the travel plan agreed upon by the parties and the members of the tribunal, and these changes are requested by the parties, either of the parties or the party requesting the re-scheduling shall bear the costs of such changes.

3. Hearing Expenses

- 3.1 The hearing expenses for the purposes of these Guidelines shall include the rental of hearing rooms, equipment, telephone, video conferences, and any other reasonable costs associated with conduct of the arbitration hearing.

3.2 The GIAC offers its facilities for the parties and the tribunal to conduct arbitration hearings and working meetings without any charge. It is advised to use the GIAC hearing room facilities where the circumstances allow.

3.3 If the hearing is held in offices of an arbitrator, or at premises where the arbitrator otherwise carries out his/her ordinary business activities, compensation is only granted if the arbitrator has informed the parties before the hearing that the arbitrator intends to claim costs and the parties agree to this. Compensation may only cover direct costs. Invoices and/or expense receipts must be submitted.

3.4 The general office expenses and overhead such as fax, postage, telephone and clerical assistance incurred in the ordinary course of business by an arbitrator in connection with the arbitration proceedings are not reimbursable.

3.5 Any other reasonable costs associated with conduct of the arbitration hearings may be reimbursed provided that the corresponding invoice(s) is submitted to the GIAC Secretariat for consideration.

4. *Per diem* Allowance

4.1 Arbitrators that are required to travel to a location other than their residence or usual place of business for an arbitration hearing shall be entitled to receive a flat-rate *per diem* allowance.

4.2 The *per diem* allowance shall include such expenses of an arbitrator as accommodation, meals, inter-city taxi fares, phone expenses and other reasonable expenses.

4.3 The *per diem* allowance shall be fixed in the following manner, unless the arbitrator is subject to the Georgian legislation regulating the *per diem* allowance:

4.3.1 *Per diem* in Tbilisi, Georgia – USD 280

4.3.2 *Per diem* in other cities of Georgia – USD 200

4.3.3 *Per diem* outside of Georgia – USD 350

4.4 If the arbitrator is not required to use overnight hotel accommodation, a flat-rate *per diem* allowance is the following, unless the arbitrator is subject to the Georgian legislation regulating the *per diem* allowance:

4.4.1 *Per diem* in Tbilisi, Georgia – USD 80

4.4.2 *Per diem* in other cities of Georgia – USD 60

4.4.3 *Per diem* outside of Georgia – USD 150

4.5 In case if the arbitrator is subject to Georgian legislation regulating, the *per diem* allowance should be fixed in accordance with the relevant provisions of the legislation and the amount shall not exceed the upper limit defined by it.

4.6 An arbitrator is required to submit the invoices proving the overnight stay, the purpose of such stay (procedural hearing, main or evidence hearing, deliberations etc.) and the number of days spent for this purpose.

4.7 The costs exceeding applicable *per diem* allowance shall not be reimbursed.

4.8 All other costs are at the arbitrator's own expense.

5. Non-Reimbursable Expenses

5.1. The following expenses are considered personal. Under no circumstances will arbitrators be reimbursed for the following:

5.1.1 Hotel amenities such as hotel spas, recreational sports, in-room movies, mini-bar, and hotel room refrigerator charges.

5.1.2 Expenses of anyone accompanying an arbitrator to a hearing or while traveling. Combined charges should be adjusted to exclude expenses incurred by the accompanying person. In addition, any difference between single and double room rates because of an accompanying person should be deducted from the total expense.

5.1.3 Airline headsets and any other items for personal use. If charges for reimbursable items and personal items are combined, the charges should be adjusted to exclude personal items.

5.1.4 Any alcoholic beverage.

B. REIMBURSEMENT PROCEDURE

6. Default Rule of Reimbursement

6.1 The reimbursement for expenses and payment of the arbitrator's fees are made when the final award has been rendered, but not later than 45 (forty-five) days from the day the award was rendered.

6.2 When the final award has been rendered, any compensation for expenses is paid alongside with the fees.

7. Arbitrator's Request for an immediate reimbursement

7.1 An arbitrator may request the reimbursement after reimbursable expenses are incurred. The request shall be filed with all the invoices.

7.2 If such request is not filed within 10 days after the arbitration hearing or the working meeting is conducted the Default Rule of Reimbursement shall apply.