INTRODUCTORY NOTES

The aim of LACIAC’s Adjudication Rules is to provide a quick, fair, transparent, and cost-effective process for the interim resolution of disputes. The decision of an adjudicator is binding upon the parties until any fuller consideration in subsequent arbitration or litigation as the parties may agree.

These rules are particularly suitable for commercial contracts or projects of significant duration, such as building and engineering contracts, where the parties wish to obtain interim binding decisions on disputes that may arise during the commercial relationship. The parties may incorporate an agreement to adjudicate under LACIAC’s Adjudication Rules into their underlying contract or they may agree to adjudicate a dispute when it arises.

ARTICLE 1 - OBJECT AND ADMINISTRATION OF ADJUDICATION

Object of adjudication

1. The object of adjudication is to obtain a binding interim decision in relation to any dispute arising under a contract or other commercial relationship, in a process that is speedy, fair, and cost-effective.

2. An adjudication shall be by a sole Adjudicator in accordance with these rules and the terms of any applicable contract and its applicable law.

3. Subject to paragraph 4 below the decision shall be binding on the parties in the same manner as an agreement to settle or compromise on dispute.

4. The decision shall be binding on the parties until the dispute is finally determined through litigation, arbitration, by agreement or through any other dispute resolution mechanism that the parties have agreed or may agree. The parties may also agree to accept the decision of the Adjudicator as a final determination of the dispute.

5. For the purposes of these rules a dispute is any disputed claim or assertion or any claim or assertion which has been communicated to the other party or parties and which within a reasonable time is not accepted, arising out of or in connection with the contract or other commercial relationship.

Administration of adjudication

6. The adjudication will be administered by the Lagos Chamber of Commerce International Arbitration Centre (“LACIAC”)

7. The legal seat of the adjudication shall be as agreed by the parties or as determined by the Adjudicator, and the language of the adjudication shall be English, with all written communications made and any hearings conducted in English, unless the parties and the Adjudicator otherwise agree.

8. Reference herein to "days" means calendar days. A notice or document shall be served in person, by courier service or if agreed by the parties beforehand, by email.

ARTICLE 2 - THE REFERRAL PROCESS

Request for adjudication

1. Any party to the contract (“the Referring Party”) may at any time make a written request (“Notice of Adjudication”) to refer to adjudication any dispute arising under the contract.
2. The Notice of Adjudication shall be served on every other person who is a party to the contract and to the dispute (“Responding Party”), and on the LACIAC Secretariat. Service on the LACIAC Secretariat shall be at “The Secretariat, Lagos Chamber of Commerce International Arbitration Centre (LACIAC), Commerce House, No 1 Idowu Taylor Street, Victoria Island, Lagos”. At the time that it serves the Notice of Adjudication, the Requesting Party shall pay such administrative fee as is prescribed by LACIAC’s applicable scales of fees.

3. The Referring Party may also commence adjudication on LACIAC’s Online Dispute Resolution (ODR) Portal. When a party agrees to adjudicate under LACIAC’s Rules of Adjudication, such party also agrees to adjudicate through LACIAC’s ODR portal should the Requesting Party initiate the adjudication through the portal.

4. The Notice of Adjudication shall contain a concise statement of the nature and background of the dispute, a brief description of the contract, the issues arising, and the remedy sought. It shall also contain the name of each responding party and its address for service.

5. If the parties had identified the Adjudicator in their agreement or had otherwise agreed on who to appoint as Adjudicator, the Referring Party shall state the name and contact details of the Adjudicator in the Notice of Adjudication. If the parties had not agreed on who to appoint as Adjudicator at the time that the Notice of Adjudication is served, the LACIAC Court shall appoint the Adjudicator not later than fourteen (14) days after the Notice of

6. No person shall be appointed as adjudicator who is an employee of any of the parties, or who has any financial or personal or any other conflicting interest in the result of the adjudication, except with the written consent of the parties.

7. Within 7 days of receipt of notice of the appointment of the Adjudicator, the Referring Party shall serve its written referral submissions (“the Referral Submissions”) on each Responding Party and the Adjudicator with a copy to the LACIAC Secretariat.

8. The Referral Submissions shall contain concise submissions in relation to the dispute. They shall contain copies of all documents which have an important and direct bearing on the issues.

9. The dispute is deemed referred to the Adjudicator on receipt by him of the Referral Submissions.

10. Within 14 days of receipt of the Referral Submissions, or consistent with the objectives of these Rules within such other time as directed by the Adjudicator, each Responding Party shall serve its written response submissions (“Response Submissions”) on the Referring Party, any other Responding Party and the Adjudicator with a copy to the LACIAC Secretariat.
11. The Response Submissions shall contain concise submissions in relation to the dispute. They shall contain copies of any further documents not contained in the Referral Submissions which have an important and direct bearing on the issues.

Payment on account

12. On the instructions of the LACIAC Secretariat, each party shall, within 7 days from the communication of the instruction, deposit with the LACIAC Secretariat, such sum as the Secretariat shall, in accordance with LACIAC's scale of adjudication fees, require as payment on account of the Adjudicator’s fees, together with such further sum as the Secretariat may, after consultation with the Adjudicator, assess as the reasonable costs of the adjudication.

13. The Secretariat may at any time direct the parties to make further deposits with the LACIAC Secretariat as payment on account of the additional anticipated costs of adjudication.

14. If any party fails to make any deposit as required, its share may be paid by any other party. Any failure to deposit the entire sum required shall entitle the Adjudicator to stay the proceedings.

15. Following the conclusion of the adjudication, the Adjudicator shall collect the Adjudicator’s fees and expenses out of the funds deposited with the LACIAC Secretariat. Any surplus funds remaining after the Adjudicator's fees and expenses have been paid in full shall be returned to the party that deposited it.

ARTICLE 3 - CONDUCT OF THE ADJUDICATION

Overriding duties of the Adjudicator

1. The Adjudicator shall act impartially and fairly without consideration of race, gender religion or nationality, and in accordance with these rules and the terms of the contract and its applicable law and shall avoid incurring unreasonable expense or delay.

Adjudication procedure

2. The proceedings shall be confidential.

3. All communications with the Adjudicator shall, unless dictated by expediency, be in writing with a copy sent at the same time to the other party or parties.

4. The Adjudicator may take the initiative in party ascertaining the facts and the law necessary to determine the dispute.

5. The Adjudicator shall have the widest available discretion to decide on the procedure to be followed in the adjudication.

6. The Adjudicator shall give each party an opportunity, as may be reasonable in the circumstances of the adjudication, of putting its case and dealing with that of the other parties.

7. The Adjudicator shall consider any relevant information submitted to or obtained by him or her and shall make available to the parties any information to be taken into account in reaching his or her decision.
8. The Adjudicator may decide whether or not to convene a hearing, whether or not otherwise to take oral evidence, and whether or not to proceed to determine the dispute on the basis of submissions alone.

9. The Adjudicator shall fix the date, time and place of any meetings, hearings, or inspections as he or she considers appropriate and shall give the parties reasonable advance notice. The Adjudicator may direct that meetings be held, and that witnesses, (including expert witnesses) be examined through means of telecommunication that do not require the physical presence of the parties or the witnesses.

10. Any party may be assisted or represented by such advisers or representatives (whether legally qualified or not) as it considers appropriate. A party shall notify the other parties, the Adjudicator and the LACAIC Secretariat immediately of any such representation.

Witnesses

11. Before any hearing, the Adjudicator may require each party to give notice of the identity and qualifications of witnesses to be called, and to exchange witness statements.

12. The Adjudicator may allow, refuse or limit the appearance of witnesses at any hearing, whether witnesses of fact or expert witnesses.

13. Any witness who gives oral evidence at a hearing may be questioned by each party or their representatives under the control of the Adjudicator. The Adjudicator may put questions to the witness at any stage.

14. The Adjudicator may allow the evidence of a witness to be presented in written form. Any party may make representations that a witness should attend for oral examination at a hearing, and the Adjudicator may so direct.

15. If a witness fails to attend as directed, the Adjudicator may attach such weight to the written evidence as he or she thinks fit or exclude it altogether.

Powers of the Adjudicator

16. By the terms of the contract or by further written agreement, the parties may limit the powers of the Adjudicator or confer any power upon him or her.

17. Subject to the above rule, and without prejudice to any other power granted to the Adjudicator by these rules, his or her powers shall include the following:

a) To make use of his or her own specialist knowledge;

b) To meet and question any party or representative or witness;

c) To make any inspection or site visit, and to carry out or require to be carried out any test or experiment or opening up;

d) To direct the inspection, preservation, storage or interim custody of any property or sample or thing under the control of any party;

e) To appoint no more than 2 experts, whether legal or technical, independent of the parties, to assist the Adjudicator;

f) To request any further submissions or representations or statements, and at any time to permit any party to amend the aforesaid;
g) To direct any party to produce to every other party and to the Adjudicator for inspection, and to supply copies of, any documents in that party's possession, custody or control;

h) To give directions as to the timetable for the adjudication, or as to any deadlines, or limits as to the length of written documents or oral representations;

i) Otherwise to issue directions relating to the conduct of the adjudication.

18. The Adjudicator has power to rule on his or her own jurisdiction and the validity of his or her appointment.

19. The Adjudicator may open up, revise and review any decision, opinion, instruction, direction, requirement, notice, certificate or valuation made under or in connection with the contract, unless such is stated in the contract to be final and conclusive.

Parties to facilitate adjudication

20. The parties shall do all things necessary for the proper and expeditious conduct of the adjudication and shall comply with any request or direction made by the Adjudicator.

21. If, without showing sufficient cause, any party fails to comply with a request or direction of the Adjudicator, or otherwise fails to comply with these rules, the Adjudicator may:

a) Make a decision dismissing all or part of a party's submissions;

b) Continue with the adjudication in the absence of a party or witness or document or evidence;

c) Draw such adverse inferences from that failure to comply as the Adjudicator feels are justified in the circumstances;

d) Make a decision on the basis of the information properly provided to the Adjudicator;

e) Attach such weight as the Adjudicator thinks fit to any evidence submitted to the Adjudicator outside any period he or she may have requested or directed;

f) Make such order as the Adjudicator thinks fit as to the payment of the costs of the adjudication or the costs of the parties.

Consolidation and joinder

22. By agreement between the parties and the Adjudicator, the Adjudicator may adjudicate at the same time on more than one dispute arising under the same contract, or on related disputes under different contracts.

23. Any party may at any time ask that additional parties be joined to the adjudication. Such joinder is subject to the decision of the Adjudicator and agreement of the current and additional parties. The additional parties shall be bound by these rules, unless otherwise agreed by the Adjudicator and the parties.

Resignation of adjudicator

24. The Adjudicator may resign where it appears to the Adjudicator that the dispute is the same or substantially the same as one which has previously been referred to adjudication with a decision given in that adjudication.

25. The authority of the Adjudicator is personal and ceases on the Adjudicator's death.
Revoking the appointment

26. By agreement between the parties, the appointment of the Adjudicator may be revoked at any time on giving written notice to the Adjudicator and to the LACIAC Secretariat.

27. The LACIAC Court shall have the power to revoke the appointment of the Adjudicator at any time on giving written notice to the parties and to the Adjudicator. Such power shall be exercised in the absolute discretion of the LACIAC Court, but only on the written request of any party who represents that the Adjudicator is not acting, or is unable to conduct the adjudication, in accordance with these rules. Such request shall be served on the LACIAC Secretariat, with copies to the other parties and the Adjudicator. Before exercising this power, the LACIAC Court shall afford the other parties and the Adjudicator a reasonable opportunity to respond to the request and shall consider any such response.

28. If, for any reason whatsoever, a party objects to the appointment of an Adjudicator, or fails to comply with these rules, that objection or failure shall not otherwise invalidate the Adjudicator's appointment or any decision.

Termination of adjudication

29. By agreement between the parties, the adjudication may be terminated at any time on giving written notice to the Adjudicator and to the LACIAC Secretariat.

No bar on fresh requests for adjudication

30. Where, prior to any decision being given, the Adjudicator resigns or dies, or the Adjudicator's appointment is revoked, or the adjudication is terminated:

a) The LACIAC Court shall appoint a new Adjudicator; or
b) Any party may make a fresh request for adjudication in relation to the same or any dispute.

31. The parties shall not refer to adjudication any dispute which is the same or substantially the same as one which has previously been referred to adjudication, with a decision given in that adjudication.

ARTICLE 4 - ADJUDICATION DECISIONS AND COSTS

Adjudication decisions

1. The Adjudicator shall decide the matters in dispute set out in the Notice of Adjudication, together with any other matters which the parties and the Adjudicator agree should be within the scope of the adjudication (“the decision”).

2. The Adjudicator shall reach a decision within 28 days of the Referral Submissions. The parties may agree, after the dispute has been referred to the Adjudicator, for the Adjudicator to reach a decision within any longer period.

3. The Adjudicator shall render his or her decision in writing, which shall be signed and dated by the Adjudicator, and which shall:

a) State the dispute referred to the Adjudicator;
b) State the Adjudicator’s decision;
c) State the reasons for the Adjudicator’s decision;
d) Record any admission (not otherwise recorded in writing) made by any party during the course of the adjudication; and

e) State the total amount of the Adjudicator’s fees and expenses, including the charges of LACIAC.

4. The Adjudicator may make separate decisions on different issues at different times, save that all decisions shall be reached within the period set out above.

5. In rendering the decision, the Adjudicator may order any remedy which could be ordered by a court at the seat of the adjudication, if the dispute was before it.

6. The Adjudicator may order that any surplus sums deposited with the LACIAC Secretariat as payment on account of the costs of adjudication be paid out to any party.

7. Subject to the terms of the contract, the Adjudicator may order that simple or compound interest on amounts which are the subject of the Adjudicator be paid at such rates and for such periods as the Adjudicator thinks appropriate.

8. The Adjudicator may direct, as part of his or her decision that records be kept by any party of the consequences of the decision. If the parties agree, the Adjudicator himself or herself may monitor such consequences.

9. The Adjudicator’s decision is binding on the parties as from the date upon which it is made, until the dispute is finally determined by court proceedings, by arbitration (if the contract provides for arbitration or the parties otherwise agree to arbitration), or by agreement. The parties may agree to accept the decision of the Adjudicator as finally determining the dispute.

10. The parties shall implement the decision without delay. The decision is deemed to be a settlement agreement.

Corrections and clarifications

11. The Adjudicator may on his or her own initiative, or at the request of any party, correct a decision so as to remove any clerical mistake arising from an accidental slip or omission, provided that the initiative is taken or the request made within 7 days of the date of the decision. The Adjudicator shall make any corrections within 7 days of any request.

12. The Adjudicator may, at the request of any party, clarify any ambiguity in his or her decision, or make an additional decision on any matter referred to adjudication but not dealt with in the decision, provided that the request is made within 7 days of the date of the decision. The Adjudicator shall make any clarification or additional decision within 7 days of any request.

13. Any such request under this heading shall be in writing and served on the Adjudicator, with copies to the LACIAC Secretariat and to the other parties. Before acting on the request, the Adjudicator shall afford the other parties an opportunity to respond to the request, on terms that are reasonable in the circumstances and in light of the time limits above, and shall consider any response.

Costs of adjudication

14. Except as elsewhere provided in these rules, the Adjudicator is entitled to his or her fees and expenses, in reasonable amount and reasonably incurred.
15. Notwithstanding any other rule herein, the parties remain jointly and severally liable to the Adjudicator for the Adjudicator’s fees and expenses to which the Adjudicator is entitled until paid in full.

16. In the absence of direction by the Adjudicator, each party shall bear its own costs, and shall pay an equal share of the Adjudicator’s fees and expenses.

17. The Adjudicator may determine the proportions in which the parties shall pay his or her fees and expenses, including whether any party shall pay for a specific expense.

18. The Adjudicator may direct that all or part of the legal or other costs of any party, such costs being reasonable in amount and reasonably incurred, be paid by any other party. The Adjudicator has the power to assess such costs and shall do so if requested by any party.

19. If one party has already paid the Adjudicator those fees and expenses which the Adjudicator has ordered be paid by another party, the former shall have the right to recover that amount from the latter as a debt.

20. Upon the Adjudicator’s resignation, or the Adjudicator’s failure to reach a decision within the time specified, the Adjudicator shall be entitled to his or her fees and expenses only if the Adjudicator acted reasonably in all the circumstances.

21. Where the appointment of an Adjudicator is revoked, the Adjudicator shall be entitled to his or her fees and expenses unless the revocation was due to the Adjudicator’s own fault or misconduct.

22. Any dispute as to the Adjudicator’s entitlement to the Adjudicator’s fees and expenses, or the reasonable amount of his or her fees and expenses, shall be determined by the LACIAC Court in its absolute discretion, on the written request of any party or the Adjudicator, with copies to the other parties and the Adjudicator. Before acting on the request, the LACIAC Court shall afford the other parties and the Adjudicator a reasonable opportunity to respond to the request and shall consider any response. The Adjudicator shall repay any amount already received but deemed excessive by the LACIAC Court.

ARTICLE 5 - SUPPLEMENTARY PROVISIONS

Subsequent arbitration or litigation

1. The Adjudicator shall not be appointed as arbitrator in any subsequent arbitration between the parties unless the parties otherwise agree in writing.

2. The Adjudicator may be called as a witness in any subsequent arbitration or litigation and is entitled to his or her fees and expenses, in reasonable amount and reasonably incurred in acting as a witness.

3. In the event of any subsequent arbitration or litigation, any information or documents or evidence submitted or obtained during the course of the adjudication, and the decision of the Adjudicator, shall be made available as appropriate.

4. In the event of any subsequent arbitration or litigation, the decision of the Adjudicator shall not prevent the tribunal or court from considering the dispute anew.
Exclusion of liability

5. None of LACIAC, the LACIAC Court, the LACIAC Secretariat staff, Adjudicators, and experts appointed by Adjudicators shall be liable for any act or omission in connection with an adjudication conducted under these Rules, save where the act was done or omitted to be done dishonestly.

6. The Adjudicator is appointed to determine the disputes between the parties, and the Adjudicator shall owe no duty of care to any third party.