

Chambre Arbitrale Maritime de Paris: Fee Increase Announced

As announced on our website in July 2005, Budd became one of the 16 company members of the “Chambre Arbitrale Maritime de Paris” in June 2005.

In this capacity, James Budd and I therefore attended the Annual General Meeting held on 14th June 2006 where it was decided that there will be a 20% increase in arbitrations fees as from January 2007. It was pointed out that this is the first time fees have been raised since 1993.

We think it worthwhile to draw again the attention of Owners, Charterers and P&I Clubs alike to the possibility of referring to the arbitration of the Chambre Arbitrale Maritime in Letters of Guarantee provided by P&I Clubs.

Indeed, such arbitration clauses present several advantages:

First of all, the cost.

As can be seen from both the chart and the example given below, the cost of arbitration in France far lower than it is in England. The parties will be asked to pay a deposit representing 50% of the arbitration costs when the claim is lodged but their ultimate apportionment between the parties will be specified in the arbitration award.

Secondly, an arbitration clause referring claims to the Chambre Arbitrale Maritime de Paris is generally acceptable to representatives of cargo interests and in particular to those based in France. This is not the case of clauses referring to arbitration in London.

Thirdly, the arbitrators themselves are just as professional as in London (see the list on the website of the Chamber - <http://www.arbitrage-maritime.org>). There is a long list of arbitrators, composed of well-known personalities of the shipping world as well as eminent lawyers, including university professors of maritime law.

Finally, the long, drawn-out procedure of disclosure of documents which takes a lot of time in English arbitration does not exist in France, and time is money...

Arbitration Fees and Expenses applicable from 1 January 2007:

The calculation of arbitration fees is based on the amount claimed.

A fixed amount is determined according to the financial bracket into which the claim falls and the remaining fees and expenses are then calculated on a sliding scale.

The table below gives some indication of the level of fees and expenses habitually levied.

Claim Euros	Variable Amoun	Fixed Amount	Total Levied
15,000	-	3,500	3,500
50,000	3,500+	3,500	7,000
100,000	3,750+	7,000	10,750
200,000	6,000+	10,750	16,750
500,000	9,000+	16,750	25,750
1,000,000	12,500+	25,750	38,250
3,000,000	9,000+	38,250	47,250
7,500,000	11,250+	47,250	58,500

As you will see, for claims below Euros 15,000.00 there is a standard charge of Euros 3,500.00 in order to discourage the lodging of very small claims before the Chambre Arbitrale Maritime de Paris.

Example

Taking a claim of Euros 700,000.00 as an example, the arbitration fees will be calculated as follows:

Fixed amount: Euros 25,750.00

Variable amount:
 $(700,000 - 500,000) \times 2.5\% =$ Euros 5,000.00

Total **Euros 30,750.00**

For further information, please contact Cathérine Couturier in Budd's Paris office (catherine.couturier@budd-pni.com).