

SCIA Arbitration Rules for Financial Loan Disputes

(Adopted by the Second Council of SCIA at its seventh meeting, effective as from February 21, 2019. Amended by the Second Council of SCIA at its fourteenth meeting, such amendments shall take effect from October 1, 2020.)

MODEL ARBITRATION CLAUSE

Any dispute arising from or in connection with this contract shall be submitted to the Shenzhen Court of International Arbitration (the SCIA) for arbitration in accordance with the SCIA Arbitration Rules for Financial Loan Disputes.

Shenzhen Court of International Arbitration Rules for Financial Loan Disputes

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Shenzhen Court of International Arbitration Rules for Financial Loan Disputes

Article 1 Purpose

The Rules are formulated by the Shenzhen Court of International Arbitration (also known as the Shenzhen Arbitration Commission and the South China International Economic and Trade Arbitration Commission, formerly known as the China International Economic and Trade Arbitration Commission South China Sub-commission or the China International Economic and Trade Arbitration Commission Shenzhen Sub-commission, hereinafter as the “SCIA”) in accordance with the Arbitration Law of the People’s Republic of China and the SCIA Arbitration Rules for the purpose of efficient and speedy resolution of financial loan disputes.

Article 2 Scope of Application

1. Unless otherwise agreed by the parties, the Rules shall apply to arbitration cases accepted by the SCIA which involve disputes over bank loans and their security contracts governed by the laws of the People's Republic of China.
2. For arbitration cases involving the following contractual disputes accepted by the SCIA to which the parties agree to apply the Rules, the SCIA shall decide whether to apply the Rules based on their merits:
 - (a) Inter-bank lending disputes;
 - (b) Inter-company lending disputes;

- (c) Private lending disputes;
- (d) Small loan contract disputes;
- (e) Non-performing financial loan transfer contract disputes;
- (f) Non-performing financial loan recovery disputes; or
- (g) Other contract disputes.

Article 3 Arbitration Fees and Costs

1. The parties shall pay the applicable arbitration fees and costs to the SCIA in accordance with the Schedule of Arbitration Fees and Costs for Financial Loan Disputes prescribed by the SCIA.
2. The Schedule of Arbitration Fees and Costs for Financial Loan Disputes which is attached hereto forms an integral part of the Rules.

Article 4 Time Limit for Defence and Counterclaim

1. The Respondent shall submit its Statement of Defence and evidentiary materials within seven (7) days after receipt of the Notice of Arbitration.
2. The Respondent shall submit its counterclaim (if any) in writing within seven (7) days after receipt of the Notice of Arbitration. The Claimant shall submit its Statement of Defence to the Respondent's counterclaim within seven (7) days after receipt of the Notice of Acceptance of Counterclaim.

Article 5 Formation of the Arbitral Tribunal

1. Unless otherwise agreed by the parties or decided by the SCIA, an

arbitral tribunal shall be composed of a sole arbitrator.

2. Within seven (7) days after receipt of the Notice of Arbitration, the parties shall jointly appoint, or jointly entrust the President of the SCIA to appoint, the sole arbitrator, failing which, the sole arbitrator shall be appointed by the President of the SCIA.
3. Where the arbitral tribunal is composed of 3 arbitrators, each of the parties shall appoint, or entrust the President of the SCIA to appoint, one arbitrator and jointly appoint, or jointly entrust the President of the SCIA to appoint, the presiding arbitrator, within seven (7) days after receipt of the Notice of Arbitration, failing which, the arbitrators shall be appointed by the President of the SCIA.
4. The members of the arbitral tribunal shall be selected from the SCIA Panel of Arbitrators or the SCIA List of Arbitrators for Specific Types of Cases.

Article 6 Conduct of Hearing Proceedings

The arbitral tribunal may conduct the arbitration in the manner it considers appropriate. The arbitral tribunal may decide whether to conduct the arbitration solely on the basis of the written materials and evidence submitted by the parties or to hold an oral hearing.

Article 7 Notice of Hearings

After the arbitral tribunal has fixed a date for the first oral hearing, the parties shall be notified at least five (5) days prior to the oral hearing.

Article 8 Time-limit for the Arbitral Award

The arbitral tribunal shall render an arbitral award within one (1) month from the date on which the arbitral tribunal is formed. Where there are special circumstances or adequate reasons justifying an extension of the duration of the arbitration, the SCIA may approve an appropriate extension upon the request of the arbitral tribunal.

Article 9 Change of Procedure

For cases to which the Rules are applicable, upon the request of the parties or the suggestion of the arbitral tribunal and by taking into consideration such factors as the amount in dispute and the complexity of the cases, the SCIA may decide to apply any other arbitration procedure provided in the SCIA Arbitration Rules.

Article 10 Other Matters

The SCIA Arbitration Rules shall apply to matters not covered herein.

Article 11 Interpretation of the Rules

1. The headings of the articles in the Rules shall not be construed as interpretations of the contents of the provisions contained therein.
2. The Rules shall be interpreted by the SCIA.

Article 12 Coming into Force

The Rules shall be effective as from 21 February 2019.

Schedule of Arbitration Fees and Costs for Financial Loan Disputes

This Schedule shall apply to fees and costs charged by the SCIA for cases to which the SCIA Arbitration Rules for Financial Loan Disputes apply, including the case-acceptance fee and case-handling fee.

Case-acceptance Fee:

Amount in Dispute (AID) (RMB)	Formula (RMB):
1,000 and below	100
1,000 to 50,000	100 plus 5% of the AID above 1,000
50,000 to 100,000	2,550 plus 4% of the AID above 50,000
100,000 to 200,000	4,550 plus 3% of the AID above 100,000
200,000 to 500,000	7,550 plus 2% of the AID above 200,000
500,000 to 1,000,000	13,550 plus 1% of the AID above 500,000
Above 1,000,000	18,550 plus 0.5% of the AID above 1,000,000

Case-handling Fee

Amount in Dispute (AID) (RMB)	Formula (RMB):
400,000 and below	5,000
400,000 to 1,000,000	5,000 plus 0.8% of the AID above 400,000
1,000,000 to 3,000,000	9,800 plus 0.5% of the AID above 1,000,000
3,000,000 to 5,000,000	19,800 plus 0.4% of the AID above 3,000,000
5,000,000 to 10,000,000	27,800 plus 0.3% of the AID above 5,000,000
10,000,000 to 30,000,000	42,800 plus 0.2% of the AID above 10,000,000
30,000,000 to 50,000,000	82,800 plus 0.15% of the AID above 30,000,000
Above 50,000,000	11,2800

1. The AID referred to in this Schedule shall be the amount claimed by the parties.
2. Where no monetary claim is specified or the amount in dispute is unclear, the arbitration fee shall be determined by the SCIA in consideration of the specific rights and interests involved in the dispute.
3. In addition to the arbitration fees and costs set forth this Schedule, the SCIA may charge for other disbursements reasonably incurred.