



RESOLUTION NO. 06-2007

Clarifying Section 21.7, Rule 21 of the Revised CIAC Rules

WHEREAS, Sections 6 and 21 of Executive Order No. 1008 empowers the CIAC “to enunciate policies and prescribe rules and procedures for construction arbitration” and “to formulate and adopt necessary rules and procedures for construction arbitration”, respectively;

WHEREAS, Section 21.7 (*Freedom to Settle*), Rule 21 of the Revised CIAC Rules provides as follows:

“Section 21.7 Freedom to Settle - The parties shall be free to settle the dispute(s) anytime even if the same is under arbitration. In such case, the actual expenses incurred for arbitration shall be charged against the deposit. If the deposit is insufficient, the parties shall equally shoulder the balance.

21.7.1. The parties may either jointly withdraw or submit their compromise agreement to CIAC for the rendition of an award by the Arbitral Tribunal, if the latter have already been appointed. Where the arbitrators have been appointed and proceedings have commenced, the arbitration fees to be charged the parties shall be in accordance with the stage of proceedings”;

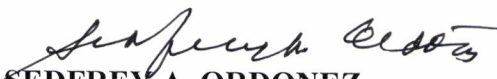
WHEREAS, during its 96th CIAC Regular Meeting held on 26 April 2007, the Commission discussed the abovementioned rule in light of a *Motion to Withdraw Complaint* filed, after an Award/Decision was rendered by the Sole Arbitrator, on the ground that the parties had already come to terms;

WHEREAS, the Commission agreed that the phrase “even if the same is under arbitration” in Section 27.1 and subsection 21.7.1 providing, among others, for the submission of the compromise agreement to CIAC for the rendition of an award by the Arbitral Tribunal, imply a limitation on the period for the parties to settle, i.e., before the lapse of the period given for submission of memoranda or draft decision.

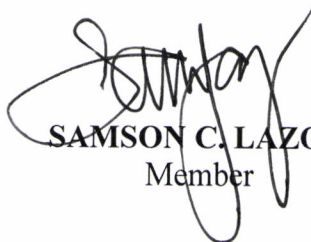
NOW, THEREFORE, WE THE UNDERSIGNED COMMISSIONERS, by virtue of the powers vested in us by law, hereby RESOLVE, as it hereby resolved, to clarify that Section 21.7, Rule 21 of the Revised CIAC Rules only applies to cases where arbitration proceedings are still on-going and an award has not yet been rendered. As such, the parties are free to settle/come to terms and/or consequently jointly move for the withdrawal of the case anytime during the proceedings but before the lapse of the period given for submission of memoranda or draft decision.

UNANIMOUSLY APPROVED.

26 April 2007, Makati City.


SEDFREY A. ORDONEZ
Chairman


ISAAC S. DAVID
Member


SAMSON C. LAZO
Member