CHANGES INTRODUCED BY THE SIAC RULES 2025

Posted on June 5, 2025

Category: <u>CNPupdates</u>

General disclaimer

Introduction

With the 7th edition of the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules 2025**") coming into force on 1 January 2025, the SIAC has introduced several major updates aimed at enhancing the efficiency, transparency and flexibility of arbitration proceedings conducted under the SIAC framework. The new rules apply to any arbitration commenced on or after 1 January 2025, regardless of when the arbitration agreement was concluded, unless parties agree otherwise.

Below is an overview of the key changes under the SIAC Rules 2025.

I. Streamlined Procedure and Expedited Procedure

A key feature introduced in the SIAC Rules 2025 is the introduction of the Streamlined Procedure, designed to resolve low-value disputes efficiently before a sole arbitrator.

By default, the Streamlined Procedure applies to arbitration where the amount in dispute does not exceed S\$ 1 million prior to the constitution of the tribunal. A party may, however, apply to the SIAC President to opt out of the procedure. For disputes exceeding this threshold, the Streamlined Procedure can still be adopted provided the parties consent to the procedure prior to the constitution of the tribunal. Notably, unlike the Expedited Procedure, a party cannot unilaterally apply for the Streamlined Procedure where it does not already apply by default or by agreement.

Under the Streamlined Procedure, the arbitration timelines are condensed at numerous stages to enable a more rapid resolution of the dispute. Notable features of the procedure include:

- **Appointment of Arbitrator** If parties are unable to agree on a sole arbitrator within three days of being notified, the arbitrator will be appointed by the SIAC President. Once the tribunal has been constituted, the first case management conference must be held within 5 days.
- **Time limit for Final Award** The time limit for the tribunal's issuance of award is 3 months from the date of the constitution of the tribunal (unless extended by the Registrar).
- Arbitration to be Decided on Written Submission and Documents As a default position, the arbitration is to be decided on the basis of written submissions and documentary evidence only, unless the tribunal determines otherwise after considering the views of the parties.
- No Discovery Process and Witness Evidence As a default position, the parties are not entitled to make requests for document production or file factual / expert witness evidence, unless the tribunal determines otherwise after considering the views of the parties.
- No Hearing to be Conducted Generally As a default position, no hearing will be conducted unless the tribunal determines that a hearing a necessary, or a party requests a hearing and the tribunal accepts the request.

General disclaimer

Further, the Tribunal's and SIAC's fees under the Streamlined Procedure are capped at 50% of the maximum limits based on the disputed amount in accordance with the Schedule of Fees, unless the registrar determines otherwise.

While this mechanism is especially suited for parties seeking a quick, cost-efficient and documentdriven resolution with minimal procedural complexity, parties preferring conventional dispute resolution mechanisms, such as the discovery process, witness statements and evidentiary hearings, should be mindful to opt out of the procedure in a timely manner by way of an application to the SIAC President.

The scope of the Expedited Procedure has also been expanded. For cases exceeding the threshold for the Streamlined Procedure, parties may apply to have the arbitration conducted under the Expedited Procedure provided the eligibility criteria are met. Under this framework, the final award must be issued within 6 months of the constitution of the tribunal, unless the registrar extends the time, and the default position is that the arbitration proceeds on a "documents-only" basis.

Previously, parties could apply for the Expedited Procedure where: (i) the amount in dispute does not exceed S\$ 6 million; or (ii) in cases of "exceptional emergency". Under the new rules, the threshold has been revised upwards and the ground of "exceptional emergency" has been replaced with a broader ground, such that a party may now apply for the Expedited Procedure if:

- The amount in dispute does not exceed S\$ 10 million, but is greater than S\$ 1,000; or
- The circumstances of the case "warrant the application of the Expedited Procedure".

This considerably widens the scope of potential application of the Expedited Procedure, allowing more parties to benefit from a swifter and more efficient resolution process.

While the Expedited Procedure and Streamline Procedure offers the advantages of efficiency and cost-savings, concerns regarding due process may arise, particularly where no oral hearing is held.

In Wan Sern Metal Industries Pte Ltd v Hua Tian Engineering Pte Ltd SGCA 5, the Singapore Court of Appeal partially set aside an award under the Expedited Proceedings as the Court found that the arbitrator had failed to apply her mind to the parties' cases, and appeared to not have appreciated that an unpleaded claim was introduced the respondents' written submissions. The decision highlights a key risk of expedited and "documents-only" arbitrations: the limited engagement between the tribunal and parties reduces opportunities to clarify key issues or ensure that both parties are properly heard. This concern may be even more pronounced under the Streamlined Procedure, where the compressed timelines further constrain the arbitrator's ability to address complex matters. Accordingly, such truncated procedures are better suited for case that do not involve complex legal or factual issues.

II. Preliminary Determination

General disclaimer

The SIAC Rules 2025 further introduces a preliminary determination mechanism, enabling a party to apply for a final and binding preliminary determination of any issue arising in the arbitration, provided one of the following grounds is met:

- Parties agree to such a preliminary determination;
- The applicant is able to demonstrate that the preliminary determination is likely to contribute to saving time and costs and a more efficient and expeditious resolution of the dispute; or
- The circumstances of the case otherwise warrant such a preliminary determination.

If the tribunal decides to proceed with the preliminary determination, the preliminary determination will need to be issued within 90 days from the date of filing the application, subject to an extension by the Registrar.

Preliminary determination enhances efficiency by enabling early resolution of threshold issues that may determine the trajectory of the arbitration. Unlike the prior mechanism of early dismissal, which was limited to claims manifestly lacking merit or jurisdiction, preliminary determination allows a broader application to streamline cases.

While it is generally accepted that it is within an arbitrator's powers to determine issues preliminarily, it remains to be seen whether the mechanism truly enhances efficiency in arbitral proceedings. Despite the underlying aim to streamline the arbitral process by narrowing down the scope of disputes early in the proceedings, in practice preliminary determination can lead to delays, particularly if parties contest the tribunal's decision, or if the determination complicates the arbitration timelines. It is therefore important that the preliminary determination mechanism is applied judiciously to avoid undermining the very efficiency it is meant to promote.

III. Emergency Arbitrator Procedure and Protective Preliminary Order Application

Under the SIAC Rules 2025, parties can now file an application for the appointment of an emergency before the commencement of the arbitration, provided the Notice of Arbitration is filed within 7 days from the date of the application. Previously, this could only be done concurrently with or after the filing of the Notice of Arbitration.

More notably, new provisions have also been introduced to allow parties to apply for a Protective Preliminary Order ("**PPO**") on an *ex parte* to prevent a party from frustrating the purpose of the emergency interim relief or conservatory measure requested. Under the old rules, the only recourse available on an urgent basis was an application for emergency interim relief, which required the application to serve a copy of the application on all other parties and reasonable opportunity was to be provided for the parties to be heard before a decision on the emergency interim relief sought was granted.

Key features of the PPO mechanism include the following:

General disclaimer

- Determination of Application within 24 Hours Once an application is filed, the SIAC President will determine if SIAC accepts the protective preliminary order application. If the application is accepted, an Emergency Arbitrator will be appointed and the Emergency Arbitrator will determine the application within 24 hours of its appointment.
- Notification to all parties after PPO granted The applicant will then need to deliver to all parties the PPO and case papers filed within 12 hours of a PPO being granted, failing which the PPO will expire 3 days after the issuance date.
- **Opportunity to be heard at earliest time** The Emergency Arbitrator is required to provide an opportunity for any party against whom the PPO is directed to present its case at the earliest time, and decide promptly on any objection to the PPO.
- Expiry after 14 days and conversion to order or award PPOs will expire 14 days after the date of issuance. Thereafter, the Emergency Arbitrator may issue an order or award adopting or modifying the PPO after all parties have been an opportunity to present their case.

If, however, the PPO application is rejected by the SIAC President, the application will be treated as an application for emergency interim relief under Schedule 1 of the 2025 SIAC Rules, and the applicant will be required to provide all parties with a copy of the application.

The changes made to the emergency arbitration procedures are timely in view of the recent Singapore High Court decision in CVG v CVH 3 SLR 1559. In that case, the Court clarified that a decision need not be final to be binding and that interim relief granted by an emergency arbitrator prior to the constitution of the tribunal is binding, provided that this has been expressly permitted by the applicable arbitral rules. With this clarification, it appears the SIC has taken a firmer stance on interim measures and has expanded the powers of arbitrators to guard against asset dissipation and other acts taken to frustrate interim relief at the early stages of an arbitration.

IV. Coordinated Proceedings

New provisions in the SIAC Rules 2025 have also formally codified the practice of coordinating separate but related arbitral proceedings, a practice previously undertaken only with the parties' consent. Under these provisions, a party may apply for a coordinated proceedings of multiple arbitrations where:

- the same tribunal is constituted in those arbitrations; and
- a common question of law or fact arises out of or in connection with all the arbitrations.

The coordinated proceedings provisions formalises a practice that commonly occurs in arbitrations involving the same tribunal and common questions of law or fact. Parties involved in these situations would typically need to consider how best to structure the hearings to ensure efficiency and consistency.

General disclaimer

These provisions allow arbitrations to be conducted concurrently or sequentially, heard together with aligned procedural aspects, or suspended pending determination of other related arbitrations. However, unless otherwise agreed by parties, each arbitration remains formally separate with separate rulings and awards. The provisions also do not provide for evidence in one arbitration to be admitted in the other arbitrations under the coordinated proceedings. While this falls short of a full consolidation of the dispute prior to the constitution of the tribunal, by aligning procedures across related arbitrations, the mechanism helps reduce duplication, promotes consistency in outcomes and mitigates the risk of conflicting decisions.

V. Third Party Funding Arrangements

Initially permitted only for international arbitrations in 2017, third-party funding was subsequently expanded to include domestic arbitration, proceedings in the Singapore International Commercial Court, court proceedings in the context of insolvency and certain mediations, reflecting a growing acceptance and use of third-party funding as a legitimate means of financing dispute resolution. With this expansion, however, comes a heightened need to safeguard the integrity and impartiality of arbitral proceedings. In response, the SIAC Rules 2025 now place specific obligations on parties involved in such funding arrangements with the aim of upholding the integrity of the proceedings. Under the rules, parties are now obliged to:

- Disclose the existence of any third-party funding agreement, and the identity and contact details of the third-party funder in its Notice or Response as soon as practicable upon concluding a third-party funding agreement.
- Notify the tribunal, parties, and Registrar of any changes to any disclosed third-party funding agreement.
- Disclose details of the third-party funder's interest in the outcome of the proceedings and whether the third-party funder has committed to undertake adverse costs liability, where the tribunal so orders.

The provisions under the SIAC Rules 2025 also prohibit a party from entering into a third-party funding agreement, after the constitution of the tribunal, which may give rise to a conflict of interest with any member of the tribunal. In such cases, the tribunal is empowered to direct the party to withdraw from the funding agreement. The tribunal may also take the appropriate measures, such as issuing an order or award for sanctions, damages or costs if a party fails to comply with any obligations or orders for disclosure.

VI. Amicable Dispute Resolution

The new rules now expressly promotes amicable dispute resolution ("**ADR**"), and encourages the tribunal and parties to consider early settlement of the dispute. Tribunals are encouraged to consult with the parties on the potential for settlement through the adoption of ADR methods, including

General disclaimer

mediation under the SIAC-SIMC AMA Protocol, at the first case management conference. The rules also expressly permit parties to include, in their Notice of Arbitration or Response to the Notice, any comment on the adoption of ADR methods.

VII. Integration of Technology

The SIAC Rules 2025 integrates digital infrastructure in arbitrations under the SIAC framework by introducing the use of SIAC Gateway, an online case management system. SIAC Gateway is envisaged to support electronic filing and communication, an integrated online payment and secure document upload and storage. By leveraging on technology to facilitate communication and document retrieval, the SIAC Gateway allows arbitrations under SIAC to be conducted in a more efficient and cost-effective manner.

The 2025 SIAC Rules introduce several significant updates designed to improve efficiency, transparency and flexibility of arbitrations. These updates are timely to address evolving user needs in international dispute resolution. As commercial arbitration becomes increasingly complex and resource-intensive, these changes represent a welcomed development – marking a progressive step toward making arbitration under SIAC a leading alternative for dispute resolution.

Rule 13.1, SIAC Rules 2025.

Rule 13.1, SIAC Rules 2025.

Rule 46.1, SIAC Rules 2025.

Similar provisions can be found in the rules of other arbitral institutions, e.g., Article 2(3)(b), International Bar Association Rules on the Taking of Evidence in International Arbitration (adopted on 17 December 2002); Article 22(4), International Centre for Dispute Resolution International Dispute Resolution Procedures (effective 1 March 2021).

Rule 12.1, read with Schedule 1, SIAC Rules 2025.

, CVG v CVH 3 SLR 1559. In the context of the SIAC Rules, this is provided for under paragraph 23 of Schedule 1, SIAC Rules 2025, which states that the parties shall be deemed to have agreed that an order or award by an Emergency Arbitrator shall be binding on the parties from the date it is made, and that the parties undertake to carry out the order or award immediately and without delay.

Rule 17.1, SIAC Rules 2025.

Rule 38, SIAC Rules 2025.

Rule 38.3, SIAC Rules 2025.

Should you require any further information, please do not hesitate to contact Subramanian Pillai or Shann Liew:

General disclaimer

Tel: +65 6349 8714 Tel: +65 6349 8669 E-mail: spillai@cnplaw.com E-mail: sliew@cnplaw.com

General disclaimer