

Fiona Cain in Maritime Risk International: ‘A Review of the Revised LMAA Terms’

July 15, 2021 Fiona Cain

PRACTICES Shipping, Europe, Middle East and Africa, Shipping Dispute Resolution, International Arbitration, Offshore Oil and Gas Dispute Resolution

The London Maritime Arbitrators Association (LMAA) has recently published revised Terms and Procedures. These came into effect on 1 May 2021 and apply to maritime arbitrations commenced after that date where members of the tribunal accept appointment subject to the LMAA Terms. This article looks at the key changes introduced by the LMAA Terms 2021.

Background

By way of background, the LMAA is an association of maritime arbitrators based in London which facilitates ad hoc maritime arbitration. It does not administer or supervise the conduct of its arbitrations or provide institutional help but exists to assist maritime arbitrations in various ways including publishing Terms and Procedures. LMAA arbitrations typically involve international parties seeking to resolve commercial shipping disputes including those arising out of charterparties, bills of lading, contracts of affreightment, ship sale, shipbuilding, ship repair, and insurance, as well as offshore and oil gas disputes.

LMAA arbitration is the most popular arbitration forum for the resolution of maritime disputes. In 2020, 3,010 arbitrator appointments and 1,775 new arbitrations were registered with the LMAA and its members published 523 awards. These figures are largely consistent with those published in 2019, but the way in which many of the arbitration hearings were conducted was markedly different as a result of the COVID-19 pandemic. To allow hearings to take place during the pandemic, many were conducted virtually. The experiences of its arbitrators were reflected in the LMAA Guidelines for Virtual and Semi-Virtual Hearings issued in July 2020. The updated Terms address this and other specific issues which have arisen in recent years. The new Terms also seek to retain the flexibility and light touch approaches which are characteristic of LMAA arbitration. In making these changes, the LMAA seek to ensure that LMAA arbitration “remains as effective and cost-efficient as possible.”

Appointment and Replacement of Arbitrators

Two issues regarding the arbitrators are addressed in the new Terms.

Firstly, there has been a change to the appointment procedure where both parties are to each appoint an arbitrator, but one party fails to do so. Paragraph 10 now reflects the simpler and speedier procedure that is commonly used by parties in arbitration clauses providing for LMAA arbitration. Now, provided that the referring party stated in its original notice of arbitration that it will appoint its own arbitrator as sole arbitrator in such circumstances, their arbitrator can be appointed as sole arbitrator without delay. The Terms no longer provide that the claimant must follow the procedure set out in section 17 of the Arbitration Act 1996 and send a further notice to the respondent requesting that the appointment is made within a further 14 days, if the respondent still fails to appoint an arbitrator, the claimant’s arbitrator will only then be appointed sole arbitrator.

Excerpted from *Maritime Risk International*. To read the full article, click [here](#). (Subscription required)