

**ISTANBUL CHAMBER OF COMMERCE
REGULATION ON
ARBITRATION-CONCILIATION-EXPERT ARBITRATION**

***Headings are for reference only and are not included in the text.**

I. GENERAL PROVISIONS

Article 1- Pursuant to Article 12 of the Law No.5174 and with the purpose of resolving commercial and industrial disputes through conciliation or arbitration procedures, three institutions consisting of conciliation, arbitration and expert arbitration have been established at the Istanbul Chamber of Commerce in accordance with the provisions of this Regulation.

Article 2- In order to benefit from this service, at least one of the parties shall be a member of the Istanbul Chamber of Commerce or the Istanbul Chamber of Industry or the Istanbul Commodity Exchange or Istanbul and Marmara Region Chamber of Shipping.

Article 3- (1) All procedures set forth in this Regulation are completely independent from each other. As recourse to conciliation is not a prerequisite for applying to arbitration, applying for conciliation does not represent an agreement for recourse to arbitration in case conciliation remains inconclusive.

(2) The arbitration agreement between the parties does not preclude recourse to conciliation.

Article 4- (1) Conciliators, arbitrators and expert arbitrators shall be determined by the Assembly of the Chamber. An adequate number of jurists, experts in financial issues and persons who are deemed by the Assembly of the Chamber as valuable in terms of their personality traits or areas of specialization shall be included among such people.

(2) The names of the conciliators, arbitrators and expert arbitrators shall be announced by the Chamber as a list. How such list is to be drafted shall be governed by a specific regulation.

Article 5- (1) An Arbitration Bureau shall be established within the Chamber in order to perform the services set forth in the provisions of this Regulation.

(2) Organization of the Arbitration Bureau shall be regulated with the Personnel Regulation of the Chamber.

II. CONCILIATION

Application for conciliation

Article 6- (1) In order to initiate the conciliation procedures, the parties or one of the parties shall apply to the Arbitration Bureau of the Istanbul Chamber of Commerce with a written request and pay the registration fee included in the tariff of costs.

(2) In case only one of the parties has applied for conciliation, then such party shall submit the written request thereof in as many copies as the number of the parties with whom conciliation is requested.

(3) In order to reach settlement, the subject of the dispute shall be explained to a required extent and the relevant documents shall be attached to the written request.

Duty of the Bureau

Article 7- (1) In case only one of the parties has applied for conciliation, then the Bureau shall transmit a copy of the written request to the other party or parties and notify them to declare in writing within 5 business days as of the date of service:

- a) That they accept the implementation of the conciliation procedure,
- b) Their explanations and opinions regarding the subject,
- c) That they undertake to comply with the Istanbul Chamber of Commerce's tariff of costs regarding conciliation,

and to enclose all documents that would assist the conciliation with such written declaration.

(2) In case the other party refuses conciliation or does not fulfill the above conditions, then the Bureau shall notify the requesting party that the conciliation procedure shall not proceed.

(3) The parties are free to abandon the conciliation procedure at any time.

Appointment of conciliators

Article 8- (1) Upon fulfillment of the conditions stipulated in Article 7, the Bureau shall submit the file, as well as three conciliator candidates appointed from the list indicated in Article 4 of the Regulation to the Board of Directors of the Chamber.

(2) The conciliator to be appointed by the Board of Directors among those candidates shall be notified to the parties via registered mail with return receipt requested and the parties shall be requested to notify their objections, if any, within 5 business days as of the date of service.

(3) In case the parties themselves agree on a person who is on the list indicated in Article 4 of the Regulation, then the conciliator shall be such person. In case the parties agree on a conciliator who is not on the list, then such person becoming the conciliator is subject to the consent of the Board of Directors of the Chamber. In case of rejection, the reasons thereof shall not be expressed.

(4) In case the parties object to the conciliator appointed in accordance with the paragraph 2, then another conciliator to be appointed with the same procedure shall be notified to the parties. In case the parties also object to such conciliator and do not notify another conciliator on whom they agree, then the conciliation procedure shall be dismissed.

(5) The conciliation to remain inconclusive in this way does not prevent re-application for conciliation for the same dispute.

Fees of the conciliator; costs of conciliation

Article 9- (1) The fees and costs set forth in the tariff or conciliation shall be paid in full before the conciliator commences conciliation activities.

(2) In case such amount is not paid to the cashiers of the Chamber at the latest within 5 business days as of the date on which the conciliator is accepted by the parties, then conciliation shall be deemed to have been abandoned.

Conciliation procedure, duties of the conciliator

Article 10- (1) The conciliator shall inspect the views of the parties on file. As the conciliator may hear the parties, the conciliator may also request them to provide written explanations and other documents regarding the issues which the conciliator deems necessary.

(2) The conciliator may take other steps that might be necessary for the settlement.

Time limit for settlement, settlement text prepared by the conciliator

Article 11- (1) The conciliator shall complete the conciliation draft within one month following the fulfillment of the obligation indicated in article 9.

(2) The Board of Directors may extend such term upon the request of the conciliator. However, the term of conciliation shall not exceed 3 months.

(3) The settlement text prepared by the conciliator shall be notified to the parties in writing in return for signature or via registered mail with return receipt requested by the conciliator or by the Bureau. A copy of the settlement text shall be kept by the Arbitration Bureau. The parties shall accept settlement by signing the settlement text or by making a declaration within 5 business days as of the notification of the conciliation text to them.

(4) In case the parties do not accept the settlement text, then the duty of the conciliator terminates.

Confidentiality

Article 12- The declarations or offers made by the parties during the course of conciliation cannot be used in the cases brought before the arbitrators or the State Courts.

III. ARBITRATION PROCEEDINGS

Arbitration Agreement

Article 13- (1) In principle, resolving a dispute through arbitration procedure is possible in case there is an arbitration agreement between the parties. An arbitration agreement may be made in the form of a clause of an agreement between the parties or in the form of a separate agreement.

(2) The arbitration agreement between the parties shall explicitly state that the dispute shall be resolved in accordance with the Arbitration Regulation of the Istanbul Chamber of Commerce.

(3) The arbitration agreement shall be made in writing. To comply with the written form requirement, the agreement shall be contained in a document signed by the parties or in a mean of communication exchanged between the parties such as a letter, telegram, telex and facsimile or shall be made in an electronic environment. The reference to a document containing an arbitration clause for the purposes of making such document a part of the main contract also constitutes an arbitration agreement.

(4) In case there is no arbitration agreement or arbitration clause, one of the parties may apply to the Arbitration Bureau, requesting in writing that a notification be made to the other parties as to the settlement of the dispute through arbitration.

(5) The Arbitration Bureau shall send a copy of the request to the other party (or parties) in accordance with article 18/1 of this Regulation and request from such other party (or parties) to make a written notification to the Arbitration Bureau within 1 week in case settlement of the dispute through arbitration is accepted. The arbitration procedure shall commence upon the declaration of the other party's acceptance in writing or in case the other party does not explicitly make an objection to the arbitration proceedings in its response. If the party against whom a request for arbitration has been made does not respond, then it shall be accepted that such party does not approve the settlement of the dispute through arbitration.

(6) An objection that the main contract is invalid or that the arbitration agreement is related to a dispute that has not yet arisen shall not be raised against the arbitration agreement.

(7) The arbitrator or the arbitral tribunal may decide on its own jurisdiction, including any objections regarding the existence or validity of the arbitration

agreement. While making such decision, the arbitration clause contained in a contract shall be treated as an agreement independent of the other terms of the contract. The arbitrator or arbitral tribunal deciding that the main contract is invalid does not automatically cause the invalidity of the arbitration agreement.

Request for arbitration and response to the request

Article 14- (1) The application fee included in the tariff shall be paid to the cashiers of the Chamber, in order to apply for the arbitration procedures.

(2) The request for arbitration shall contain the following information:

- a) Contact information including names, surnames and addresses of the parties and their attorneys if any,
- b) Arbitration clause or agreement,
- c) Summary of the material facts and legal grounds,
- d) Name and surname of the appointed arbitrator if it is set forth in the arbitration agreement that the parties shall appoint their own arbitrators; other suggestions regarding the parties' appointment of their own arbitrators in case it is not set forth in the arbitration agreement that the parties shall appoint their own arbitrators,
- e) The relief sought,
- f) Signature of the requesting party and its attorneys, if any.

(3) The request for arbitration does not need to be accompanied by evidence.

(4) The request for arbitration shall be notified to the counter party following the payment of the application fee. An application may be made to the Arbitration Bureau in relation to such notification within one week. In the response given to such notification, the name and surname of the appointed arbitrator if it is set forth in the arbitration agreement that the parties shall appoint their own arbitrators, or other suggestions regarding the parties' appointment of their own arbitrators if it is not set forth in the arbitration agreement that the parties shall appoint their own arbitrators shall be included.

(5) The parties' written notification regarding their acceptance of the arbitration proceeding of the Chamber shall mean that they have also accepted to comply with the provisions of this Regulation.

Duty of the Arbitration Bureau

Article 15- (1) In order to proceed with the arbitration, Arbitration Bureau shall decide that the conditions set forth in article 2, 13/2 and 14/1 of this Regulation have been fulfilled.

(2) In case the conditions set forth in the first paragraph are fulfilled, the Arbitration Bureau shall perform the necessary actions to form the arbitral tribunal. Otherwise, the Arbitration Bureau shall send to the parties its decision that the conditions have not been fulfilled, pursuant to article 18/1 of this Regulation. The parties may raise an objection to the Board of Directors against such decision within

1 week following the date of service of such decision. The Board of Directors shall make a decision on such objection within 2 weeks following the date of objection.

Commencement of arbitration

Article 16- The arbitration proceedings shall be deemed to be commenced on the date when an application to the arbitration procedure of the Chamber is made in accordance with the conditions included in article 15.

Composition of the arbitral tribunal

Article 17- (1) The parties are free to determine the number of arbitrators. However, such number shall be an odd number. In case the parties have not determined the number of arbitrators, three arbitrators shall be appointed.

(2) The parties may appoint all arbitrators of the arbitral tribunal by agreement. In such case, it is required that one of the arbitrators shall be appointed from the list to be prepared pursuant to article 4 of this Regulation. Where there is more than one claimant or respondent and where the arbitral tribunal consists of three arbitrators, then the claimants shall jointly appoint an arbitrator and the respondents shall jointly appoint an arbitrator. In case a joint arbitrator cannot be appointed by these means, all arbitrators shall be appointed in accordance with the third paragraph of this article. In any case, the arbitral tribunal shall be constituted in compliance with the principle of equal treatment of the parties.

(3) In case the parties have not agreed on appointing their own arbitrators, then the arbitrator who is included in the First Arbitrators' List in the list prepared pursuant to article 4 of the Regulation and whose turn has come shall act as the president of the arbitral tribunal. The president shall appoint two arbitrators, one from the list of merchants and the other from the list of experts.

(4) Upon agreement of the parties, the arbitrator whose turn has come in the First Arbitrators' List or the arbitrator to be appointed by the parties from the list set forth in article 4 may settle the dispute as the sole arbitrator.

(5) Arbitrators appointed from out of the abovementioned list shall obtain the approval of the Assembly of the Chamber to serve as arbitrators.

(6) Where the arbitral tribunal consists of three or more arbitrators, if there is an arbitrator from the First Arbitrators' List then such arbitrator, if only one of the arbitrators was appointed from the list indicated in article 4 of this Regulation then such arbitrator, if all of the arbitrators were appointed from the First Arbitrators' List or from out of such list, then the arbitrator to be appointed by all the arbitrators shall act as the president of the arbitral tribunal.

Disclosure by arbitrator

Article 17/A-The person who was offered to act as an arbitrator, before accepting such offer, shall disclose within 2 weeks in writing to the Arbitration Bureau and the parties any circumstances and conditions that justify any doubts as to his impartiality or independence, or other circumstances that might preclude acting as an arbitrator. If the parties have not been informed previously, the arbitrator shall notify the Arbitration Bureau and the parties about the circumstances that have occurred afterwards within 2 weeks at the latest following the date on which such circumstance has arisen.

Notifications

Article 18- (1) Following the constitution of the arbitral tribunal, the names of arbitrators shall be notified to the parties either by hand delivery in exchange for signature or via registered mail with return receipt requested or via courier.

(2) In case no other procedure is set forth by the parties or by the arbitral tribunal where the parties have failed to agree, such notification may also be made via facsimile, e-mail or other means of communication that provide a document of delivery, provided that the original document is sent to the parties through abovementioned means on the same day.

(3) Principles related to the notification indicated in this article shall be applied to all notifications to be made pursuant to this Regulation unless otherwise is provided for.

Challenge of arbitrator (Articles 18/A and 18/B)

Article 18/A- (1) An arbitrator may be challenged if he does not have the qualifications agreed upon by the parties, if there is a ground for challenge set forth in the arbitration procedures agreed upon by the parties or if there are circumstances and conditions that justify to doubt the arbitrator's impartiality or independence. A party may challenge the arbitrator who was appointed by such party or in whose appointment such party has participated, only based on the grounds for challenge of which it becomes aware after the date of the appointment of the arbitrator.

(2) The parties are free to agree on the procedure for challenging an arbitrator.

(3) A party who intends to challenge an arbitrator may file a request for challenge within two weeks following the appointment of the arbitrator or arbitral tribunal or following the date on which circumstances upon which a challenge can be made has become known to that party, and shall notify such request to the other party in writing. If a challenged arbitrator does not withdraw himself or the other party does not accept the challenge, then the arbitral tribunal shall make a ruling about the challenge.

(4) The party who is seeking to challenge one or more arbitrators of the arbitral tribunal shall notify his request for challenge and its grounds to the arbitral tribunal. A party, who has been informed that his request for challenge has been rejected, may

request the revocation of such decision by applying to the court within one month following the date, on which such party has been informed about such rejection, as well as a decision regarding the request for challenge of an arbitrator or arbitrators.

(5) A party may only apply to the court for challenging the sole arbitrator or all arbitrators or as many arbitrators as to deprive the arbitral tribunal from its majority. The decisions of the court pursuant to this paragraph shall not subject to appeal.

(6) In case the court accepts the request for challenge of a sole arbitrator, of all arbitrators or of as many arbitrators as to deprive the arbitral tribunal from its majority, then the arbitration shall terminate. However, in case the names of the arbitrator or arbitrators have not been determined in the arbitration agreement, then new arbitrators shall be appointed.

Article 18/B- (1) If an arbitrator becomes *de facto* or *de jure* unable to perform his duties or to perform those duties in a timely manner, then his mandate as an arbitrator terminates either upon withdrawal or upon the agreement of the parties.

(2) If a dispute arises among the parties as to the existence of the grounds for withdrawal of the arbitrator, each party may request the court to decide on termination of the authority of the arbitrator. The decision of the court shall be final.

(3) Withdrawal of an arbitrator or approval of the other party of the termination of the authority of the arbitrator shall not be considered as an acceptance of the grounds for challenge of such arbitrator.

Replacement of arbitrator

Article 18/C- (1) In case the mandate of an arbitrator terminates for any reason, a new arbitrator shall be appointed pursuant to the procedure that was applicable to the appointment of the arbitrator being replaced.

(2) The time that elapses during the replacement of one or more arbitrators shall not be considered within the term of arbitration.

(3) Where the names and surnames of the arbitrator or the arbitrators constituting the arbitral tribunal are stated in the arbitration agreement, if the mandate of the arbitrator, arbitral tribunal or as many arbitrators as to deprive the arbitral tribunal from its majority terminates for any reason, then the arbitration clause becomes invalid.

Statement of claim (Articles 19 and 20)

Article 19- (1) After the constitution of the arbitral tribunal, the arbitrator or arbitrators shall fix a suitable period of time to the claimant for submitting the statement of claim. Within the designated period, the claimant shall submit to the Arbitration Bureau the statement of claim and its annexes, if any, in an adequate

number consisting of one copy for each party, one copy for each arbitrator and one for the Secretariat.

(2) The statement of claim shall contain the following:

- a) Contact information including the name, surname and addresses of the parties and their attorneys, if any,
- b) Arbitration clause or agreement and the main contract, if any,
- c) Subject matter of and value of the subject matter of the case,
- d) Explicit summary with sequence numbers of all facts, upon which the claimant's allegation is based,
- e) By which evidence each alleged fact will be proven,
- f) Legal grounds relied upon,
- g) A clear statement of the relief sought,
- h) Signature of the claimant and the claimant's legal representative or attorneys, if any.

(3) The statement of claim shall be accompanied by all evidences relied upon by the Claimant. Article 21/8 of this Regulation is reserved.

(4) The Claimant shall also deposit to the cashiers of the Chamber the advance on the arbitration costs and fees of the arbitrators to be calculated by the Arbitration Bureau in accordance with provisions of the Regulation on Costs and Fees.

(5) In case the fees of arbitrators and advance on the arbitration costs are not paid at this stage, the arbitrator or arbitral tribunal may suspend the arbitration proceedings. The arbitration proceedings shall proceed, in case the advance is deposited within one month following the notification of the suspension of the proceedings to the parties. Otherwise, the arbitration proceedings shall terminate.

Article 20- The arbitral tribunal shall deliver or serve the statement of claim to the respondent through the Arbitration bureau in accordance with the provisions of Article 18 of this Regulation and fix a suitable period of time for the respondent to submit the statement of defence once it is determined that sufficient number of copies of the statement of claim and its annexes have been submitted and the arbitrators' fees and advances on arbitration costs have been deposited.

Statement of defence

Article 21- (1) The respondent shall include the following in the statement of defence;

- a) The contact information including name, surname and addresses of the parties and their attorneys, if any,
- b) Explicit summary with sequence numbers of all facts, upon which the respondent's defense is based,
- c) By which evidence each fact that is alleged to form the basis of the defense will be proven,
- d) Legal grounds relied upon,

- e) A clear statement of relief sought;
- f) Signature of the respondent and the respondent's legal representative or attorneys, if any.

(2) The statement of defence shall be accompanied by all evidence relied upon by the respondent. Article 21/8 of this Regulation is reserved.

(3) The arbitral tribunal shall fix a suitable period of time for submission of the second pleadings of the claimant and the respondent.

(4) Pleadings in addition to the ones mentioned above might be submitted upon the arbitral tribunal's decision. In case a pleading by one of the parties is accepted, the other party shall be given the opportunity to submit a pleading. The above paragraph regarding periods of time shall apply.

(5) The pleadings that the parties will submit in addition to the statement of claim and the statement of defence shall be accompanied by all relevant evidence.

(6) The respondent shall file any counterclaims falling within the scope of the arbitration agreement within the period of time applicable to the statement of defence. The claimant shall submit its reply to the counterclaim in the claimant's second pleading. In case a counterclaim is made, the provisions of this Regulation as well as the Regulation on Arbitrator Fees and Arbitration Costs shall be applicable to the counterclaim.

(7) Pleadings that are not submitted within the required period of time shall be taken into consideration only if the parties agree or the arbitral tribunal decides in this regard.

(8) Parties, unless otherwise agreed, may amend or supplement their claims or defenses during the arbitral proceedings. However, the arbitral tribunal may refrain from allowing such amendment or supplement considering that this action is delayed or it unjustly creates a big difficulty for the other party, as well as other circumstances and conditions. Claims or defenses shall not be amended or supplemented in a way that they fall outside the scope of the arbitration agreement.

Applicable law; ex aequo et bono and amiable compositeur

Article 22- (1) The arbitrator or the arbitral tribunal may decide *ex aequo et bono* or act as *amiable compositeur* only if explicitly authorized by the parties.

(2) The parties shall be free to agree upon the rules of law to be applied by the arbitral tribunal to the merits of the dispute. In the absence of such an agreement, the arbitral tribunal shall apply the law it determines appropriate.

Language to be used in arbitration

Article 23- (1) The arbitral proceedings may be conducted in Turkish or in the official language of a state recognized by the Turkish Republic. In the absence of an agreement by the parties regarding the language or languages to be used in the

proceedings, the arbitrator or the arbitral tribunal shall determine the language or languages of arbitration. Unless otherwise provided by the parties' agreement or the arbitrators' interim decision in this regard, this language or these languages shall be used in all written pleadings of the parties, hearings and in interim decisions, final award and written communications of the arbitrator or the arbitral tribunal.

(2) The arbitrator or the arbitral tribunal may decide that the documents, upon which the parties rely, shall be accompanied together with their translation in the language or languages used in the arbitral proceedings.

Place of arbitration

Article 24- (1) The place of the arbitral tribunal meetings is the Istanbul Chamber of Commerce.

(2) The arbitrator or the arbitral tribunal may, pre- notification to the parties, conduct meetings at another location in cases where the arbitral proceedings so require; the arbitral tribunal may also conduct similar procedures such as hearings and inspection. In such case, the place of arbitration shall not be deemed to have changed.

(3) The arbitral proceedings before the arbitral tribunal shall be confidential. The arbitral proceedings may be open to the public upon agreement by the parties or upon decision of the arbitral tribunal.

Procedural rules

Article 25- (1) The procedural rules to be applied by the arbitral tribunal may be determined by the parties' agreement provided that they do not violate the mandatory provisions of the Code of Civil Procedure No.6100 in a dispute that does not involve a foreign element and the Law of International Arbitration No.4686 in a dispute that involves a foreign element. Whether or not the dispute involves a foreign element shall be determined in accordance with the Law of International Arbitration No.4686.

(2) The arbitral tribunal shall set the procedural rules to be applied unless it is determined by the parties or by this Regulation.

(3) Parties shall have equal rights and powers in the arbitral proceedings. The parties shall be granted the legal right to be heard.

(4) In case the parties and the other members of the tribunal authorizes so, the president of the arbitral tribunal may decide alone on certain matters related to the arbitration procedure.

Appointment of experts, inspection, taking evidence

Article 26- (1) The arbitrator or the arbitral tribunal may decide;

- a) to appoint one or more experts to provide reports with regard to certain subjects determined by it,
- b) the parties to make necessary explanations and provide related documents and information to the expert,
- c) to order inspection.

(2) Unless otherwise agreed, at the request of a party or in case the arbitrator or the arbitral tribunal deems necessary, the experts shall participate in the hearing to which they are invited after their submission of written or oral reports. In this hearing, the parties may direct questions to the experts and have the special experts that they have appointed present.

(3) One of the parties may request assistance from the court in taking evidence with the approval of the arbitrator or the arbitral tribunal.

Interim measures

Article 26/A- (1) Unless otherwise agreed, the arbitrator or the arbitral tribunal, at the request of a party, may grant an interim measure or rule on determination of evidence. The arbitrator or the arbitral tribunal may make the granting of an interim measure subject to provision of an appropriate security.

(2) At the request of a party, the court shall decide the enforceability of the interim measure granted by the arbitrator or the arbitral tribunal provided that a valid arbitration agreement exists.

(3) In cases where the arbitrator or the arbitral tribunal cannot take an action on time or efficiently, any party may apply to the court for an interim measure or determination of evidence. If there are no such circumstances, application to the court can only be made upon permission by the arbitrator or the arbitral tribunal or parties' written agreement in this regard.

(4) Unless otherwise agreed, an interim measure granted by the court at the request of one of parties prior or during the arbitral proceedings shall automatically terminate in case where the decision of the arbitrator or the arbitral tribunal becomes enforceable or the case is dismissed by the arbitrator or the arbitral tribunal.

(5) An interim measure granted by the court may be modified or terminated by the arbitrator or the arbitral tribunal.

Hearings (Articles 27, 28 and 29)

Article 27- (1) The arbitrator or the arbitral tribunal may decide to hold a hearing for reasons like presentation of evidence, of oral arguments or request of explanations from the expert or may decide to conduct the case based on the documents. Unless otherwise provided by the parties, the arbitrator or the arbitral tribunal, at the request of one of the parties, shall decide to hold a hearing at an appropriate stage of the proceedings.

(2) The arbitrator or the arbitral tribunal shall give the parties an adequate advance notice about the date of inspection, expert examination or dates of meetings or hearings to be held for the examination of other evidence, as well as the consequences in case parties fail to appear.

(3) The parties shall be notified of the pleadings, information and other documents submitted to the arbitrator or the arbitral tribunal.

Article 28- (1) The parties may appear in person or through their representatives in the hearing. The Code of Civil Procedure and Attorneyship Law shall apply to the representation of a party before the arbitral tribunal. Provisions of the Law of International Arbitration No. 4686 are reserved.

(2) At the hearing, the parties may direct questions to the experts and present special experts that they have appointed. Parties shall mention such requests and related persons during the stage of production of evidence.

Article 29- (1) Questions may be directed to the parties at the hearing. The parties may request from the other party to respond their own questions through the arbitrator or the arbitral tribunal.

(2) If any of the parties fails to appear at the hearing or refrains from production of evidence without a valid excuse, the arbitrator or the arbitral tribunal may continue the arbitral proceedings and may make the award on the existing evidence.

Time limit for the arbitral award

Article 30- (1) Unless otherwise agreed by the parties, time limit to render a final award on the merits of the dispute by the arbitrator or the arbitral tribunal is one year following the appointment of the arbitrator in disputes to be resolved by a sole arbitrator and the date of the first minutes of the meeting of the arbitral tribunal in disputes to be resolved by an arbitral tribunal.

(2) The term of arbitration may be extended by the agreement of the parties, or failing such an agreement, by the court at the request of one of the parties. The court decision in this regard shall be final.

Settlement or other grounds for termination (Articles 31 and 31/A)

Article 31- If the parties reach a settlement during the arbitral proceedings, the arbitral proceedings shall be terminated. Provided that the settlement is not against morals or public policy and is related to an arbitrable subject, the settlement shall be recorded in the form of an award.

Article 31/A- (1) Arbitral proceedings shall terminate upon the rendering of the final award or upon existence of one of the following circumstances:

- a) If the Claimant withdraws its claim, except when upon the respondent's request the arbitrator or the arbitral tribunal decides that the respondent has a legal interest in the final settlement of the dispute.
- b) If parties agree to terminate the arbitral proceedings.
- c) If the arbitrator or the arbitral tribunal finds that continuation of the arbitral proceedings has for any other reason become unnecessary or impossible.
- d) If the court rejects the request for the extension of the term of arbitration made pursuant to paragraph two of Article 30.
- e) If the arbitral tribunal fails to make the final award unanimously although the parties agreed that the award shall be unanimous.
- f) If no advance payment is made for the arbitration costs pursuant to paragraph five of Article 19.

(2) In case the arbitral proceedings are terminated in accordance with subparagraphs a, b, c, d or e of paragraph 1, the arbitration costs and the arbitrators' fees shall be paid pursuant to the Regulation on the Arbitrators' Fees and the Arbitration Costs.

(3) The mandate of the arbitrator or the arbitral tribunal terminates with the termination of the arbitral proceedings provided that the provisions of Article 33/A remain reserved.

Deliberations and the arbitral award (Articles 32 and 33)

Article 32- (1) In case the arbitral tribunal forms the opinion that the conflict is clarified enough and reasonable opportunity was given to the parties to present their claims and defenses, the arbitral tribunal shall proceed with the deliberations of the award. The arbitral tribunal shall convene with the presence of all of its members. No abstaining votes shall be cast in the meetings. Deliberations and voting are confidential.

(2) Deliberations shall be conducted with the presence of all arbitrators.

(3) Unless otherwise agreed by the parties, the arbitral tribunal shall make the award by majority and casting an open vote. The award shall include dissenting opinions.

(4) After the deliberations of the award and the voting, the award written by the arbitral tribunal shall be delivered to the Arbitration Bureau.

Article 33- (1) The award shall include the following;

- a) Name and surname of the arbitrator or the members of the arbitral tribunal who rendered the award,
- b) Name, surname, title and address of the parties and their representatives and attorneys, if any,
- c) Legal grounds upon which the award is based and reasoning of the award,

- d) A clear and concrete statement of the parties' rights and liabilities and the arbitration costs under one sequence number,
- e) Possibility of and time limit for setting aside the award,
- f) The place of arbitration and the date of the award,
- g) Signature of the arbitrator, or signatures of all or majority of the members of the arbitral tribunal who rendered the award and the dissenting opinion if attached to the award.

(2) Unless otherwise agreed, the arbitrator or the arbitral tribunal may make partial awards.

(3) The Arbitration Bureau shall notify the parties, who have paid the fees and costs in full, of the award; and the original award shall be submitted to the court with the case file and be kept by the court.

Correction and clarification of the arbitral award; additional award

Article 33/A- (1) Unless a different time limit is set in advance, each party may request

- a) correction of factual errors contained in the award such as computational, clerical or any similar errors,
- b) clarification of a specific issue related to the award or clarification of a part of the award

by applying to the arbitrator or the arbitral tribunal within two weeks following its notification of the award, provided that the other party is informed.

(2) If the arbitrator or the arbitral tribunal, after taking the other party's opinion, considers the request justifiable, the arbitrator or the arbitral tribunal shall correct the factual error in the award or clarify the award within one month following the date of request. Such period of time may be extended by the arbitrator or the arbitral tribunal, if necessary.

(3) The arbitrator or the arbitral tribunal may ex officio correct the factual errors contained in the award within two weeks following the date of the award provided that it takes the opinions of the parties in this regard.

(4) Each party, within one month following its notification of the award, may request an additional award as to issues raised during the arbitral proceeding but not decided by the arbitral tribunal, provided that the other party is informed. If the arbitrator or the arbitral tribunal considers the request justifiable, the arbitrator or the arbitral tribunal shall make the additional award within one month following the date of request. Such period of time may be extended by the arbitrator or the arbitral tribunal for one more month at maximum if necessary.

(5) Correction, clarification and additional awards shall be notified to the parties and shall become a part of the award.

Submission and enforcement of the arbitral award

Article 34- (1) Code of Civil Procedure shall be applicable to submission of the award to the Court as well as its attestation and enforcement. Submission, approval and enforcement of the awards that are made pursuant to the Law of International Arbitration No.4686 shall be conducted in accordance with such Law.

(2) A copy of the award shall be kept by the Arbitration Bureau.

IV. EXPERT ARBITRATION

Application for expert arbitration

Article 35- (1) The parties may apply for expert arbitration procedure of the Istanbul Chamber of Commerce provided that they agree in writing in this regard.

(2) The facts to be determined by an expert arbitrator shall be clearly stated.

Appointment of expert arbitrator

Article 36- (1) Upon request stated above, Board of Directors of the Chamber shall appoint an expert arbitrator from the list cited in Article 4 above. The parties may also appoint an expert arbitrator from the said list provided that they agree in this regard.

(2) The parties may also request 3 expert arbitrators.

(3) The name of the appointed expert arbitrator shall be notified to the parties by hand in return for signature or via registered mail with return receipt requested.

(4) Article 18/A of this Regulation shall be applicable in case of removal of the expert arbitrator.

(5) Article 18/C of this Regulation shall be applicable to the expert arbitrator by analogy.

Prohibition to act as arbitrator

Article 37- The person who served as the expert arbitrator cannot act as an arbitrator in the same dispute.

Expert arbitration procedure, duty of expert arbitrator

Article 38- (1) The expert arbitrator shall decide by reviewing the file. If it deems necessary, the expert arbitrator may hear the parties as well. The parties shall notify the expert arbitrator of all the facts, which will constitute the basis of the expert

arbitrator's award, within the time limit set by the expert arbitrator and shall submit their evidence, if any.

(2) The expert arbitrator may decide, upon request or ex officio, to order inspection. In such a case, the necessary expense for this shall be paid in advance.

Time limit

Article 39- The expert arbitrator shall make his decision within 3 months of the date of appointment.

Decision of expert arbitrator

Article 40- (1) In the decision, the expert arbitrator shall clearly state the issue which is requested to be resolved, the reasons and decision. The decision, after signed, shall be delivered to the Arbitration Bureau in order to be served.

(2) In case there is more than one expert arbitrator, Article 32 of this Regulation shall be applied by analogy.

Applicable provisions

Article 41- The provisions with regard to arbitral proceeding of this Regulation shall also be applied to the expert arbitration to the extent they are appropriate.

Fees of the expert arbitrator; costs of expert arbitration

Article 42- With respect to the fees and costs, the provisions of the Regulation on Arbitrator Fees and Arbitration Costs shall apply.

Entry into force

Article 42/A- The provisions of this Regulation shall be applicable to the arbitration cases initiated after this Regulation comes into force. However, in case the parties had agreed that the Regulation, which was in force when the arbitration agreement was concluded, should apply, the provisions of the Regulation, which was in force when the arbitration agreement was concluded, shall be applicable to the arbitral proceeding.

**ISTANBUL CHAMBER OF COMMERCE
REGULATION ON ARBITRATION, CONCILIATION
AND EXPERT ARBITRATION COSTS AND FEES**

Article 1- Service fee for arbitration, conciliation, and expert arbitration is TL 66.-.

Article 2- The term 'arbitration costs' refers to the work and process costs defined in Article 26 of the Arbitration Regulation, notification costs, hearing costs, and travel and accommodation costs of arbitrators.

Arbitration costs to be paid in advance by a claimant shall be determined by the Board of Directors for each individual case. Arbitration costs shall be paid from the advance in question. Arbitration costs shall be set off against the advance and be settled by the end of the arbitral proceedings.

Arbitration costs shall be apportioned between the parties in accordance with the general rules, and the allocation shall be described in the award. Conciliation costs and fees of the conciliator shall be paid on equal basis by the parties.

Experts appointed by an arbitrator or by the arbitral tribunal shall be remunerated in accordance with the tariff issued by the Assembly of the Chamber under Article 26 of the Law no. 5174. If a committee of experts is appointed, the expert fee will be distributed on equal basis among the experts forming that committee.

Article 3- If an application is made for expert arbitration, costs for the relevant procedure will be calculated by the Arbitration Bureau with reference to relevant documents. In this case the requesting person must pay the costs in advance after each calculation. Arbitration Bureau may collect an advance payment for the costs at the time of application. If the total value of actual costs is less than the advance, the remaining balance will be refunded.

Article 4- Arbitrator's fee will correspond to 1% of the disputed amount gross per arbitrator. Conciliator's fee will correspond to one-fourth (1/4) of the arbitrator's fee.

Article 5- Fees of the Expert Arbitrator will be determined by the Board of Directors with reference to nature of the case, scene of inspection, value of the subject matter inspected, duration of inspection and other circumstances up to the maximum limits described below:

Within Istanbul	TL 110.-	to	TL 600.-
Outside municipal borders of Istanbul	TL 165.-	to	TL 750.-

The fee described above shall be paid in advance.

Article 6- In case the parties reach a settlement before the the date of the first meeting of the arbitral tribunal in disputes to be resolved by an arbitral tribunal, or before the submission of the claimant made to the Chamber and its annexes are delivered to the single arbitrator in disputes to be resolved by a single arbitrator; and notify such settlement in writing to the Chamber, both the fees of the arbitrator and the application fee that have been collected by the Chamber shall be refunded in full and the remaining amount of the arbitration costs after setting off against the advance, shall be refunded to the claimant. If such settlement is reached after the abovementioned applicable deadline, the arbitrator's fee shall not be refunded.

Article 7- Maximum limit for the arbitration, conciliation and expert arbitration application fee and for the fees of arbitrator, conciliator and expert arbitrator defined in this Regulation will be determined and announced by the Board of Directors in January every year,

Article 8- Cost and fee tariffs as of the date on which the parties apply for arbitration or conciliation shall be applicable. Subsequent changes in such tariffs will not be reflected to pending procedures.

ISTANBUL CHAMBER OF COMMERCE
REGULATION ON PREPARATION OF
LISTS OF ARBITRATORS, MEDIATORS AND EXPERT ARBITRATORS

Article 1- The List of Arbitrators, Conciliators and Expert Arbitrators shall be prepared and announced by, upon suggestion of the Board of Directors of the Chamber, the Assembly to be formed pursuant to general organ elections, in accordance with Article 4 of the Istanbul Chamber of Commerce Regulation on Arbitration, Conciliation and Expert Arbitration. Lists in force shall remain applicable until new lists are prepared and announced. Arbitrators, conciliators and expert arbitrators shall be appointed from the above-mentioned lists in accordance with the procedures stipulated in the Istanbul Chamber of Commerce Regulation on Arbitration, Conciliation and Expert Arbitration.

Article 2- The above-mentioned list consists of three separate lists, including lawyers, financial and other experts. List One is entitled First Arbitrators' List, List Two is entitled Experts List and List Three is entitled Merchants List.

Article 3- First Arbitrators' List and Merchants List consist of 33 principal and 33 substitute, i.e. total 66 arbitrators each; whereas Experts List consists of two principal and two substitute, i.e. total four arbitrators per each occupational group. Expertise fields other than the occupational groups might be added to this list if necessary. Formation of the above-mentioned lists shall be accomplished at the time when the Assembly approves the names selected by the Board of Directors under Article 1, among a sufficient number of candidates suggested by the Arbitration Bureau.

If the number of arbitrators on one of the lists consisting of principals decreases due to any reason, the arbitrator listed on top of the relevant list of substitute arbitrators will be transferred to the bottom of the relevant list of principals.

Article 4- Persons serving in the elected body or that are occupied in the administrative body of the Chamber shall not be included in the Arbitrators Lists as long as they occupy those positions.

Article 5- Resolution of the Assembly as to the election will be notified to the elected persons via registered mail with return receipt requested. Arbitrators elected shall be deemed to accept such election either by sending a written notice or by signing a record in the Arbitration Bureau in person within 10 business days following the date of delivery of the resolution. Otherwise they shall be deemed to refuse.