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Client Update: New International Standard May Cut Your Adjudication Time by as Much as 90% in Arbitration

September 2024

The United Nations Commission on International Trade Law (UNCITRAL) recently published Four Model Clauses on Specialized Express Dispute Resolution (SPEDR), setting a new international standard for resolving disputes more expeditiously through a number of arbitration innovations.

Under the SPEDR Clauses, a sole arbitrator is selected within just 7 days, and an award is rendered within as little as 45 days from the constitution of the tribunal. This reduces the adjudication time by more than half of the previously published UNCITRAL Expedited Arbitration Rules and is 90% faster than the average median duration of regular (non-expedited) international arbitrations.¹

To avoid gridlock and delays in the appointment of an arbitrator, the Model Clauses stipulate the use of relatively inexpensive appointing authorities to select arbitrators with specific expertise. Additionally, the Model Clauses provide for the use of technical advisors directly by the tribunal to enhance the speed and efficiency of the proceedings.

These Model Clauses represent a significant global trend in dispute resolution, particularly for the tech industry, post-merger integration matters, intellectual property disputes, and others, for which timing is crucial, and urgent resolutions delayed by even just a few weeks can become entirely moot and inoperable.

Like other arbitration clauses, the Model Clauses offer a flexible framework for parties to design efficient and specialized arbitration proceedings tailored to their specific needs. That said, it is important to consider that a key benefit of the Model Clauses lies in their ubiquity and international recognition, and accordingly, parties should take care regarding the central elements of the clauses that lend them this validity. Just as with the UNCITRAL Model Law on International Commercial Arbitration (1985), which Israel recently adopted in its own International Arbitration Law, 2024; adoption of the SPEDR Model Clauses into commercial agreements could offer Israeli companies an internationally recognized standard, promoting investor confidence and increasing the likelihood of the parties agreeing to and benefiting from expedited conflict resolution options.

Importantly, for disputes unsuitable for highly expedited adjudication, the Model Clauses preserve the requisite flexibility for tribunals to shift the matter to regular Expedited Arbitration or other arbitration.

Whether for an investor, an established institutional company, or a startup, it is worth considering the inclusion of arbitration or SPEDR clauses in commercial agreements to streamline dispute resolution, reduce costs, and minimize the impact of a dispute on cash flow and regular business operations.

For more information or any questions on the SPEDR Model Clauses or any related matter, please contact Yoav Razin or Azariah Hacohen.

 $^{[1]}$ Estimated to be 15.56 months; calculated by averaging the reported median procedure lengths of the leading international arbitration institutions: the ICC, the ICDR, the HKIAC (2023 updated figure), the LCIA (2017 figure), and SIAC (2016 figure)

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