

# Dispute Resolution Hotline

January 16, 2025

## NEW SIAC 2025 RULES – KEY CHANGES & IMPLICATIONS

### INTRODUCTION

On December 9, 2024, the Singapore International Arbitration Centre (“SIAC”) unveiled the 7<sup>th</sup> edition of its arbitration rules (“2025 Rules”). The new 2025 Rules came into effect on January 1, 2025 and mark a significant evolution in arbitration practices.

The 2025 Rules, that have been based on global feedback<sup>1</sup>, are a step towards modernizing the arbitration framework, addressing contemporary challenges, and enhancing procedural efficiency. The 2025 Rules also launch SIAC’s new electronic case management system, the SIAC Gateway, bringing forth a centralised platform for written communications and document delivery.<sup>2</sup> In this piece, we analyse some of the key changes introduced in the new 2025 Rules and explore their practical implications for practitioners and the users of SIAC.

### SCOPE AND APPLICABILITY

Unless otherwise agreed by the parties, the 2025 Rules apply to all arbitrations commenced on or after 1 January, 2025.<sup>3</sup> The 2025 Rules now explicitly apply to arbitrations commenced under contracts, treaties, or other instruments.<sup>4</sup> This broadens the scope to include treaty-based arbitrations.

### NEW DEFINITIONS

The 2025 Rules have introduced several new definitions for better clarity, particularly for procedural matters like joinder of parties, third-party funding agreements, and case management. Definitions such as “Additional Party”, “Amount in Dispute”, “Claimant”, “Respondent”, “Costs of the Arbitration”, “Day”, “Direct Economic Interest”, “Emergency Arbitrator”, “Party/Parties”, “Practice Notes”, “Schedule of Fees”, “Schedules”, “SIAC Gateway”, “SIAC Secretariat”, “third-party funder”, and “third-party funding agreement” are now added.

### UPDATED EMERGENCY ARBITRATION PROCEDURE ALLOWING FOR EX-PARTE RELIEF IN DEAL VALUE TEST

The 2025 Rules have further enhanced the Emergency Arbitration Procedure (“EA Procedure”), a mechanism that has become increasingly vital for parties seeking urgent interim relief before the constitution of the arbitral tribunal.

One of the most notable changes is the introduction of *ex-parte* protective preliminary orders, which were previously kept outside the domain of arbitrators. The 2025 Rules now allow an emergency arbitrator to grant immediate relief,<sup>5</sup> such as asset freezes or injunctions, without prior notice to the opposing party. This addresses situations where giving notice could undermine the effectiveness of the relief sought, providing a more robust tool for urgent scenarios. This marks a significant departure from the usual practice and reduces the scenarios requiring the court’s involvement and adjudication of the substantive dispute, although on a *prima facie* basis.

### PRELIMINARY DETERMINATION

The 2025 Rules introduce a new “Preliminary Determination” procedure,<sup>6</sup> which allows a party to apply for a final and binding determination of a specific issue within the broader arbitration. The process can be invoked upon (a) parties agreement,<sup>7</sup> or (b) if it can lead to saving of time and costs, and efficient and expeditious resolution of the dispute,<sup>8</sup> or (c) where the circumstances of the case so warrant.<sup>9</sup> This is a time-bound procedure and requires the tribunal to make a determination within 90 days of filing of the application.

An arbitral tribunal’s freedom to determine the procedure, combined with the need to conduct an arbitration efficiently, means that a tribunal can always bifurcate the arbitration and resolve some issues before others to conduct arbitration more efficiently. The inclusion of an express rule better equips parties to leverage the procedural discretion vested with the Tribunal and empowers the Tribunal to exercise its discretion more confidently.

Further, the preliminary determination procedure differs from the “Early Dismissal” procedure. The “Early Dismissal” procedure focuses specifically on dismissing claims or defences that are “*manifestly without legal merit*” or outside the tribunal’s jurisdiction.<sup>10</sup> The phrase “*manifestly without legal merit*” made it limited to questions of legal merit, not factual issues. While the tribunals need not accept factual assertions that are manifestly incredible, frivolous, or vexatious, the threshold for early dismissal is high – requiring the issue to be clear beyond question. This led the Tribunals to avoid dismissing claims or defences early in the proceedings (and often at the cost of efficiency).

In contrast, the preliminary determination procedure under the new 2025 Rules allows for a final and binding

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determination of any issue, whether legal or factual, provided it leads to significant time and cost savings. Unlike early dismissal, which may not accommodate disputed questions of fact, preliminary determination allows the tribunals to resolve such issues. For example, issues like limitation, which often involve mixed questions of fact and law, can be determined early, potentially leading to the dismissal of a claim and saving costs.

STREAMLINED PROCEDURE

The 2025 Rules introduce a streamlined procedure designed to apply for claims not exceeding SGD 1,000,000. It can also be applied or excluded upon parties' agreement.<sup>11</sup> Unlike traditional procedure, the streamlined procedure eliminates certain procedural steps that are often time-consuming and resource intensive. For instance, there is no document production phase, it's a document only arbitration with no fact or expert witness evidence, and hearings are generally dispensed with, unless the tribunal deems necessary under this procedure.<sup>12</sup> Additionally, the procedure imposes strict timelines, with the tribunal required to render an award within three (3) months from its constitution.<sup>13</sup> This innovation is particularly beneficial for lower value disputes where parties seek an alternative to a full scale arbitration. It is hoped that this will address the growing demand for cost-effective dispute resolution by the stakeholders.

COORDINATED PROCEDURE

The 2025 Rules introduce a "Coordinated Procedure", a mechanism designed to address the complexities of managing multiple arbitrations with overlapping issues, particularly where consolidation<sup>14</sup> is not possible. This procedure allows parties to request the coordination of two or more arbitrations that have the same tribunal and involve common questions of law or fact, even if they arise from separate contracts or involve different parties. Unlike consolidation which merges multiple arbitrations into a single proceeding and a single award is issued with costs of a single arbitration, coordinated proceedings keep the arbitrations separate but allow for procedural efficiencies, such as conducting concurrent or sequential hearings, clubbing the hearings, or suspending one arbitration pending the determination of the other.<sup>15</sup> This mechanism is particularly beneficial in complex commercial disputes, involving multi-party contracts or interconnected transactions where overlapping issues can lead to fragmented and inconsistent outcomes.

SECURITY FOR COSTS AND CLAIMS

Under the 2016 Rules, the power to grant security for costs and claims was generally recognized as part of the Tribunal's inherent powers and authority to manage the proceedings effectively.<sup>16</sup> However, the rules were silent on Tribunal's power to make consequential directions on non-compliance, the ongoing disclosure obligations of a party for change in circumstances, or the tribunal's ability to modify or revoke such orders as the case progressed. The 2025 Rules now address this by codifying these aspects<sup>17</sup> and (a) allow tribunals to make appropriate consequential orders for failure to provide security such as stay of the proceedings or dismissal of the claim, (b) requires the party to promptly disclose any material change in circumstances based on which security order was passed, and (c) allows for the tribunals to modify or remove its order on security.

THIRD PARTY FUNDING IN ARBITRATION

Undisclosed third-party funding in arbitration could lead to significant issues, including potential conflicts of interest and concerns over the transparency and integrity of the arbitration process. SIAC had earlier addressed this in its Practice Note – 01/17.<sup>18</sup> However, there was no requirement for the parties to mandatorily disclose any funding arrangements. The 2025 Rules now provide a framework for third-party funding in the arbitration,<sup>19</sup> requiring disclosure of funding agreements.<sup>20</sup> Tribunals are empowered to order additional disclosures<sup>21</sup>, assess the funder's interest in the proceedings, and consider funding agreements when apportioning costs.<sup>22</sup> Non-compliance with disclosure obligations may also invite sanctions.<sup>23</sup> This introduction is particularly timely, given the increasing prevalence of third-party funding in international arbitrations.

CHALLENGE TO ARBITRATORS

A new provision has been added that allows for the challenge of an arbitrator due to their *de jure* or *de facto* incapacity to perform his or her functions.<sup>24</sup> This new addition appears to address situations where an arbitrator, after having been appointed, becomes incapacitated or unable to perform his / her duties. For example, in an earlier case of *Vacuum Salt v. Ghana*<sup>25</sup>, Judge Brower presided over oral hearings in the place of Sir Robert Jennings who was unable to preside due to his status as President of the International Court of Justice.<sup>26</sup> It is also likely to cover other situations such as incapacity due to physical illness, mental health etc.

CONCLUSION

The 2025 Rules represent a significant evolution in the field of international arbitration, addressing emerging challenges and aligning with global best practices. Mechanisms such as the Streamlined Procedure, Coordinated Proceedings, and a robust third-party funding disclosure regime, indicate a continued commitment towards enhancing efficiency, transparency, and accessibility in dispute resolution. These changes cater to the needs of modern arbitration users and reflect a thoughtful balance between procedural flexibility, the preservation of principles of fairness and due process and reducing costs.

A table outlining some notable changes between the 2016 and the 2025 Rules is provided below for quick reference.

Feature	2016 SIAC Arbitration Rules	2025 SIAC Arbitration Rules	Remarks
Administrative Conference	No specific provision	Prior to constitution of the Tribunal, the Registrar may conduct administrative conference to discuss procedural and	Allows for settling issues relating to information security etc.

administrative matters.

<b>Amendment to Notice of Arbitration / Response</b>	No specific provision	Parties may amend the Notice or Response, prior to constitution of tribunal with the leave of Registrar.	Allows parties to, among other things, change their nominations for the arbitrators.
<b>Notice of Arbitration</b>	Copy of the arbitration agreement mandatory	Copy of arbitration agreement not required.	Simplifies the mechanism to initiate arbitration proceedings.
<b>Document Retention</b>	No specific provision	Allows SIAC to maintain archive of each arbitration for a minimum of six years unless otherwise requested for a longer period by the parties.	
<b>Filing Fee</b>	SGD 2,180 (Singapore parties), SGD 2,000 (overseas parties)	SGD 3,270 (Singapore parties), SGD 3,000 (overseas parties)	
<b>Parties Obligation to Confer on Procedural Matters</b>	No specific provision	Expressly require the parties to attempt to agree on procedural matters before approaching the Tribunal or Registrar	
<b>Changing Party Representative</b>	No express provision mandating prior approval of the Tribunal	After constitution of the Tribunal, its permission is required	
<b>Emergency Arbitrator Procedure</b>	Available only upon filing of Notice of Arbitration.  No ex-parte orders provided for.	Also available prior to filing of notice of arbitration.  Ex-parte protective preliminary orders for urgent relief are provided for.	Introduces ex-parte orders for immediate relief, such as freezing assets, without prior notice.
<b>Streamlined Procedure</b>	Not available	Introduced for low-value disputes (≤ SGD 1,000,000).	Designed to reduce time and costs for simpler disputes, with no document production, or expert witnesses, or hearings.
<b>Third-Party Funding Disclosure</b>	No specific provision	Mandatory disclosure of third-party funding agreements and funder details	Aims to prevent conflicts of interest and ensures transparency.
<b>Preliminary Determination</b>	Not available	Allows parties to request a binding preliminary determination on key issues	Aims to save time and costs by resolving critical issues early.
<b>Coordinated Proceedings</b>	Not available	Introduced for arbitrations with common questions of law or fact.	Allows concurrent or sequential hearings for efficiency, while maintaining separate awards.
<b>Information Security</b>	No specific provision	Requires SIAC to implement measures to protect case data.	Reflects the growing relevance of cyber-security issues and data privacy in arbitrations.
<b>SIAC Gateway</b>	Not available	Case management system hosted by SIAC on its website.	Written communications in the arbitration may now be uploaded on SIAC Gateway.
<b>Security for Costs/Claims</b>	Implied in tribunal's general powers	Explicit provisions for ordering security for costs and claims, power to modify or vacate security orders, and consequences of non-compliances.	Provides clearer guidelines for tribunals to safeguard enforcement of awards.
<b>Timelines for submission of Award</b>	45 days from the date on which the Tribunal declares the proceedings closed.	90 days from the date of submission of the last directed oral or written submission.	
<b>Expedited Procedure</b>	Available for disputes ≤ SGD 6,000,000	Available for disputes ≤ SGD 10,000,000	Aims to bring more disputes within its ambit and offer faster resolution.

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You can direct your queries or comments to the relevant member.

<sup>1</sup>Page 4, SIAC, HIGHLIGHTS OF THE SIAC 2025 RULES2025 (<https://siac.org.sg/wp-content/uploads/2024/06/Highlights-of-the-SIAC-Rules-2025.pdf>)

<sup>2</sup>Rule 4.2, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>3</sup>Rule 1.5, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>4</sup>Rule 1.2, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>5</sup>Rule 12.1, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>6</sup>Rule 46, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>7</sup>Rule 46.1(a), SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>8</sup>Rule 46.1(b), SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>9</sup>Rule 46.1(c), SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>10</sup>Rule 47.1, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>11</sup>Rule 13, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>12</sup>Paragraph 11, Schedule 2,SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>13</sup>Paragraph 15, Schedule 2, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>14</sup>Rule 17, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>15</sup>Rule 17.1, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>16</sup>Rule 27 (j), SIAC Rules 2016, 6<sup>th</sup> Edition.

<sup>17</sup>Rule 48, SIAC Rules 2025, 7<sup>th</sup> Edition; Rule 49 SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>18</sup>Singapore International Arbitration Centre, 'Practice Note for Administered Cases – On Arbitrator Conduct in Cases Involving External Funding' (31 March, 2017) ~~Practice-Note-for-Administered-Cases—On-Arbitrator-Conduct-in-Cases-Involving-External-Funding.pdf~~ accessed [12 December 2024].

<sup>19</sup>Rule 38, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>20</sup>Rule 38.1, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>21</sup>Rule 38.4, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>22</sup>Rule 38.6, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>23</sup>Rule 38.7, SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>24</sup>Rule 26.1(c), SIAC Rules 2025, 7<sup>th</sup> Edition.

<sup>25</sup>Vacuum Salt Products Ltd. v. Republic of Ghana (ICSID Case No. ARB/92/1), FA, 16 February 1994.

<sup>26</sup>Arbitration Rules, Chapter II, Arbitration Rule 17 [Incapacity of the president]', in Loukas A. Mistelis (ed), Concise International Arbitration (Second Edition), (Kluwer Law International 2015), pp. 292 - 293

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