



New LMAA Terms Released

It is common practice that when a dispute under a charterparty arises, which is not able to be resolved, the parties swiftly look to the dispute clause to establish under which legal forum they can issue proceedings. It is common in Charterparties that reference is made to arbitration, in particular to the London Maritime Arbitrators Association (LMAA) various forms of arbitration depending on the value of the claim.

In line with their commitment to keep up to date with the commercial use of arbitration and to reflect the current legal environment, the LMAA have announced that they finalised and released their new “Terms and Procedures” for 2021.

These new terms are to be known respectively as the **LMAA Terms 2021**, the **LMAA Intermediate Claims Procedure 2021** and the **LMAA Small Claims Procedure 2021**.

They will come into effect on **1st May 2021** and they will apply to arbitrations that commence after that date, regardless of the date of the charterparty was entered into. Between now and the 1st May 2021 any new appointments will continue to be made and accepted on the basis of the 2017 Terms or Procedures.

Aside from a number of general improvements the material amendments are:

- 1. Virtual and Semi-Virtual hearings.** As a result of the COVID-19 pandemic and the need, as well as the possible continuing desire, for hearings to take place using a virtual platform, virtual or semi-virtual hearings are now provided for. There is a detailed protocol for their conduct set out in the **Sixth Schedule** to the new terms.
- 2. Witness statements.** In line with the recent important amendments that have been made in the Courts for a witness statement to be shorted and more relevant, the new LMAA terms provide that, “so far as possible, witness statements should be in a witness’s own words, should be confined to the evidence that the witness can give and should not seek to argue a case. Arbitrators will be able to impose costs sanctions if these requirements are ignored”.
- 3. Replacement Arbitrators.** To allow for the appointment of arbitrators more rapidly than the provision currently provided for in the Arbitration Act; the LMAA President is now able to appoint a **replacement arbitrator** where an original arbitrator is unable to act but is not replaced by the

appointer. This provision will save time and costs of asking the court to make an appointment.

4. **Signing of Awards.** The new terms have provided confirmation that awards may be signed electronically.

These amendments are welcomed to provide clarity as we move forward with virtual hearings, which in an attempt to save costs will likely continue to be requested and to bring the terms in line with the Courts on the use of witnesses statement.

If you have any questions or concerns regarding how the LMAA's new "Terms and Procedures" for 2021 will impact your matter, please contact our specialist [Marine Lawyers](#) on 02380 827416 or by emailing online.enquiries@la-law.com