

Security for Tribunal's Costs

The LMAA Committee have approved a suggested draft wording for the undertaking which, under the LMAA Terms 2021, tribunals are entitled to obtain to secure their costs.

This is as follows:

(Heading to include, where relevant, name of vessel and charterparty or contract date)

In compliance with the order of the tribunal in the captioned arbitration reference made on pursuant to the LMAA Terms 2021, First Schedule, para E (1), and in consideration of the tribunal proceeding with the reference up to, and if necessary including the making of an award in the reference, we hereby irrevocably undertake that if the tribunal has not been paid its costs, including any fees and expenses up to and including the making of its award: (a) within 28 days of publication of the award, or (b) in the event that the dispute has been settled or otherwise disposed of between the parties before an award is made (of which it is the obligation of the parties to advise the tribunal promptly: para.19 of the Terms), within 14 days of any written demand by the tribunal for payment of such costs, we will, within three working days after the expiry of such period, pay the tribunal its costs in an amount up to but not exceeding £..... provided always that if this amount does not cover the costs of the said award or costs the said award shall only be released once the balance has been paid to the tribunal.

This undertaking shall be construed in accordance with English law and subject to the exclusive jurisdiction of the High Court of Justice in London for the purpose of which any proceedings may be served upon us at.....