#### King & Spalding

## Client Alert



International Arbitration and Litigation

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# On the Fast Track - Insights from the First SCC Express Dispute Assessment

Sweden is no stranger to innovations – from energy, to furniture, to music – and international arbitration is no exception. Indeed, the SCC Arbitration Institute (SCC) proudly refers to itself as the one of the leading international arbitration institutions, as well as the world's most modern and innovative one.

With more than 100 years of experience administering arbitration proceedings, the SCC has a long and storied history handling international disputes. In 1975, under a US-Soviet Agreement, the SCC was selected as a forum for resolving East-West Disputes, with China choosing to resolve its international disputes before the SCC shortly thereafter. Many Western parties, including from the US, have since included SCC arbitration clauses in their contracts.

In 2010, the SCC was among the first to establish rules on the appointment of emergency arbitrators; in 2019, it provided the first online platform for arbitration proceedings – the SCC Platform; and in 2021, it introduced the SCC Rules for Express Dispute Assessment ("SCC Express"), a unique neutral evaluation tool.

In July 2023, the first SCC Express Dispute Assessment was handed down in a case administered under the SCC Express Rules. According to local sources, the SCC Express arrived on time and on schedule, within only three weeks of being referred to the Neutral.

#### **SCC EXPRESS**

The SCC Express was designed in consultation with the SCC's users to provide an alternative form of dispute resolution to address a perceived gap in dispute resolution services.

The SCC Express is a consensual and confidential process through which parties to a dispute receive a non-binding legal assessment of their dispute ("Express Dispute Assessment") within 21 days, for a fixed fee of €29,000. The Express Dispute Assessment is made by a neutral legal expert ("Neutral") who manages the proceedings closely and plays an active role in them. The Express Dispute Assessment includes the Neutral's reasoned

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findings on the issues presented. The parties may also agree that the Express Dispute Assessment will be contractually binding.

The SCC Express was designed to help parties move forward in their contractual relationship with greater predictability of time and cost. It is primarily aimed at parties who have a continuing business relationship, value being able to work efficiently on a joint project, are looking for a swift and cost-effective dispute resolution process, are likely to accept the assessment without further legal action and are interested to know how the issues in dispute would be assessed in a full arbitration or litigation.

#### ADMINISTERING AN SCC EXPRESS

The SCC administers an SCC Express similarly to an SCC Mediation. Upon receipt of a request for an SCC Express by one party and payment of the administration fee of €4,000, the SCC contacts the responding party to give it the opportunity to respond and provide its consent to the process. Once the responding party's consent has been confirmed, the remaining fee of €25,000 must be paid. The SCC will then appoint a Neutral within 48 hours and refer the case to him or her. Thereafter, the Neutral will guide the parties through the SCC Express process.

To facilitate user-friendly, secure, and confidential communications and submissions of the SCC Express participants, the SCC provides access to its digital case management tool, the SCC Platform. The Neutral or either party can raise the question of whether the outcome of their SCC Express Dispute Assessment should be made binding on the parties. Within 21 days, the Neutral provides the Express Dispute Assessment to the parties, including a summary of the Neutral's conclusions on the issues in dispute.

#### MORE ON THE FIRST SCC EXPRESS CASE

In the first SCC Express case, the parties had enjoyed a longstanding commercial relationship and shared a mutual interest in maintaining good relations. A disagreement arose as to the right of one of the parties to further payments under the parties' main agreement. The parties agreed to submit their dispute to the SCC Express, seeking a binding assessment on whether the requesting party was entitled to further payments and, if so, how much.

After two rounds of written submissions and a short oral hearing, the Neutral delivered her assessment within the three-week deadline. The timely delivery of the binding assessment ensured a swift resolution to the parties' disagreement in accordance with the SCC Express Rules. The Neutral's reasoned assessment provided the parties with greater certainty in continuing their commercial relationship, allowing them to focus on the business at hand and avoid getting bogged down in a costly arbitration or litigation.

Further information on the SCC Express is available in the SCC Express Guidelines.

#### **ABOUT KING & SPALDING**

Celebrating more than 130 years of service, King & Spalding is an international law firm that represents a broad array of clients, including half of the Fortune Global 100, with 1,300 lawyers in 23 offices in the United States, Europe, the Middle East and Asia. The firm has handled matters in over 160 countries on six continents and is consistently recognized for the results it obtains, uncompromising commitment to quality, and dedication to understanding the business and culture of its clients.

This alert provides a general summary of recent legal developments. It is not intended to be and should not be relied upon as legal advice. In some jurisdictions, this may be considered "Attorney Advertising." View our <u>Privacy Notice</u>.

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