Award Preparation for International Cases
Fact Sheet

The purpose of this Fact Sheet is to provide a brief guide to award preparation. Please make sure to review the applicable rules and guides for additional information.

Q. Must awards be in writing?

A. The award must be in writing and signed by the arbitrator or by a majority of the arbitrators, if there is more than one. The award should be dated as of the date on which each arbitrator signs it.

Q. Does the award take any special form?

A. There are generally five parts to an award, which appear in the following order:
1. *Caption* - states the parties' names and the case number;
2. *Preamble* - contains basic introductory language;
3. *Body* - addressing all issues raised, as well as the allocation of the expenses and the arbitrators' compensation, if any;
4. *Closing* - declaring that the award is in full settlement of all claims and counterclaims submitted to the arbitration;
5. *Notarization or affirmation* - if required by state of law.

Q. Are there any other tenets of a proper award?

A. *Award in Excess of the Arbitrator's Authority*: An arbitrator should not exceed his or her powers. Among other things, an arbitrator's powers may be exceeded by:
1. Rendering an award against a person who has not agreed to arbitrate;
2. Failing to comply with applicable laws;
3. Failing to comply with substantive terms of the parties' contract;
4. Rendering an award on matters not embraced in the arbitration agreement or submitted to arbitration.

Final and Definite Requirements of the Award: The award must be final and definite - all acts necessary to fix the rights or obligations of the parties should be spelled out on the face of the award. In most instances, the award should also state the amount to be paid by one party to another, or at least the basis on which the computation of the amount of damages is to be made and provide a time limit for compliance. Performance of the award should be possible. The arbitrator should not require a party to perform any terms that are impossible (e.g., setting a date that is past or requiring the commission of an illegal act).

Q. Can an arbitrator award attorneys' fees?

A. Attorneys' fees may be recoverable if the parties' agreement or applicable law give the arbitrator the authority to allocate the payment of these fees.

Q. May arbitrators prepare their own awards for signature?

A. Preparation of the arbitrator's award is part of the service the AAA-ICDR® gladly provides to the arbitrators on its roster. The award format used by the AAA-ICDR is time-tested and has withstood the review of various judicial bodies over the years. However, arbitrators may choose to prepare-their own-awards; provided they include all of the components referenced above. Arbitrators preparing their own awards should contact their case administrators regarding the proper form.

Q. What is the basic introductory language for the preamble?

A. The preamble generally reads as follows:

"I, (WE), THE UNDERSIGNED ARBITRATOR(S), having been designated in accordance with the Arbitration Agreement entered into by the above-named parties, and dated and having been duly sworn as having duly heard the proofs and allegations of the parties, AWARD, as follows:"

The preamble may vary depending on the circumstances of each case. For example, in those instances where a party has failed to attend the hearing, the preamble would be modified to so indicate. Consult with your case administrator regarding such modifications.

Q. Are reasoned awards required?

A. The International rules state that an arbitral tribunal shall state the reasons upon which the award is based, unless the parties have agreed that no reasons need be given. The Supplementary Procedures for International Commercial Arbitration have a similar provision.

Q. What is a partial/final award?

A. In a partial/final award, the arbitrator disposes of one or several issues, while leaving other issues outstanding. For example, an arbitrator may render a partial/final award on the issue of liability. If the arbitrator decides that there is liability, the case moves into the second phase of the arbitration to determine the amount of the damages.

Q. Can an arbitrator retain jurisdiction?

A. Another example of a partial/final award is one where the arbitrator retains jurisdiction pending specific performance. In general, arbitrators are encouraged to issue a final award that disposes of all the issues at the same time, if possible. Arbitration is often the preferred choice of dispute resolution processes largely because of its final and binding nature. Therefore, absent their agreement otherwise, the parties are entitled to a final determination (i.e., award) on the issues presented. Arbitrators should not retain jurisdiction over the dispute absent the written agreement of the parties. If an arbitrator is inclined to retain jurisdiction, the partial/final award should clearly indicate the issue over which the arbitrator has retained jurisdiction and the deadline by which the arbitrator's jurisdiction will expire.

Q. When is the award due?

A. The award should be made as promptly as possible after hearings are closed. If an arbitration proceeding is governed by a set of rules other than the International Rules, arbitrators must be careful to comply with the time restrictions in those rules. For example, under the Commercial Arbitration Rules, arbitrators are to render their awards within 30 days of the date of the closing of the hearings. If the due date falls on a Saturday, a Sunday, or a legal holiday, the 30-day period is extended to the end of the next day which is not a Saturday, a Sunday, or a legal holiday.

Q. Whom should I contact if I have questions regarding award preparation or any other general questions about the process?

A. Contact the case administrator assigned to your case. The case administrators have the most knowledge about every aspect of your case and are there to assist you throughout the process.