



REPORT

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## I- BACKGROUND

It gives me great pleasure to start my report by stating the fact that, this year 1988 is a very special year for the Cairo Centre for International Commercial Arbitration.

As you know, the Committee created an integrated scheme for settlement of disputes arising out of economic and commercial matters by its decision taken during its 18th Session held in Baghdad, Iraq in February 1977, and its 19th Session held in Doha, Qatar in January, 1978. As a result of this the Cairo Regional Centre for International Commercial Arbitration was created. The year 1988 marks the 10th anniversary for the establishment of this scheme. The Centre was formally inaugurated by virtue of an agreement concluded through exchange of letters between the Government of the Arab Republic of Egypt and the Committee represented by its Secretary-General. Administrative and financial arrangements were agreed upon between the two parties for the first time

on the 15th of March, 1984(1).

The agreement including these arrangements were renewed by exchange of letters on the 30th of March, 1986(2).

The objectives and functions of the Cairo Regional Centre are:

- 1- Promoting international commercial arbitration in the Region;
- 2- Co-ordinating and assisting the activities of existing arbitral institutions particularly among those within the Region;
- 3- Rendering assistance in the conduct of ad hoc arbitrations particularly those held under the UNCITRAL Arbitration Rules;
- 4- Assisting in the enforcement of arbitral awards;
- 5- Providing for arbitration under the auspices of and the Rules of the Centre;
- 6- Rendering of advice and assistance to parties who may approach the Centre.

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1- The agreement was approved by the People's Assembly on March 20, 1984. It was ratified on March 24, 1984, and the Presidential decree No. 104/1984 was issued in this regard.

2- The agreement was ratified on December 30th, 1986.

II- DEVELOPMENTS CONCERNING  
THE LEGAL STATUS OF THE CENTRE

The Cairo Regional Centre for International Commercial Arbitration is a non profit making and an independent international institution. The agreement concluded in 1980 between the AALCC and the Government of the Arab Republic of Egypt provides that:

"The Centre will be an International Institution having its own international status .....

The Egyptian Government has always assured that the Centre enjoys the privileges and immunities of an independent international institution. The Headquarter's Agreement for the Cairo Centre was concluded and signed in May the 24th, 1987(1). The Agreement was signed by the Egyptian Under-Secretary of State for Foreign Affairs on behalf of the Egyptian Government, and by the Secretary-General of the AALCC on behalf of the Committee(2).

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1- The agreement was approved by the People's Assembly on December 29th. 1987. It was ratified on January the 2nd 1988, and the Presidential decree No. 299/1987 was issued in this regard.

2- Annex I of the Report.

The Agreement was drafted on the basis of principles included in the draft Headquarter's Agreement of the AALCC approved by the Committee, and similar agreements between the Government of Egypt and other international organizations.

The Headquarter's Agreement emphasize the international character of the Centre, and organize privileges and immunities for the Centre and its staff.

As for the privileges and immunities of the Centre, the Agreement provides in Article (3) for the Juridical personality of the Centre, and refers to its capacity to contract and dispose of immovable and movable property, and to institute legal proceedings in its name.

Article (4) of the Agreement deals with property, funds and assets of the Centre. It provides for the immunity of the Centre from legal process. This immunity includes its property, assets and archives. The same Article provides for the right of the Centre to hold funds and transfeere foreign currencies. It also provides for the exemption of the Centre and its activities from taxation, and from custom duties in respect of equipment imported.

Article (5) of the Agreement deals with the right of the Centre to display the flag and emblem of the Committee, Article (6) deals with the right of the Centre to enjoy freedom of communication, and that no censorship shall be applied to its official correspondence.

Article (7) provides for the duties of the Egyptian Government to provide required facilities for holding meetings in Cairo.

As for the staff of the Centre, the Agreement differentiates between officials in international category and other staff. In accordance with Article (8) (Para. 2) of the Agreement; The Director will be accorded in respect of himself, his spouse, and minor children all privileges and immunities of diplomatic envoys. Other Officers in the International Category and Professional Staff, enjoy:

- Legal immunities,
- Exemption from taxation,
- Immunities from immigration restrictions,
- Exchange facilities,
- Repatriation facilities,
- The right to import within a period of one year, their used furniture, and personal effects.

According to the Agreement other staff of the Centre shall be exempt from taxation on salaries and emoluments paid to them by the Centre.

### III- FINANCIAL AND ADMINISTRATIVE ARRANGEMENTS

I now turn to the financial and administrative arrangements of the Centre. I should start by thanking the Egyptian Government for the support provided to the Centre and for its commitment to stand by its independence and effectiveness.

The Agreements of 1984 and 1986 provide for the Centre's independent budget. The annual budget is adopted every fiscal year in consultation with the AALCC. The fiscal year of the Centre commences on the first of July each year and ends on the 30th of June the following year. Expenditures of the Centre shall be met from the following sources:

- 1- A yearly contribution to be provided by the Government of Egypt;
- 2- Fees and receipts for services to be rendered by the Centre;
- 3- Contribution from the AALCC's main budget to be fixed by the Committee, in each year;
- 4- Voluntary contributions by International Organizations, other institutions, and Member Countries of the AALCC.



In this regard, it gives me great pleasure to inform you that the budget, for this fiscal year was prepared by the Centre and sent to the Secretariat of the Committee in New Delhi on early July 1987 for final approval.

The budget is arranged in a way to enable the Centre to build its own reserve and to reach the objective of being self sufficient in few years. Expenditures are very restrictive, and are within the same amount spent during the previous couple of years.

The Centre's plan - mentioned in my report last year - to buy a computer to facilitate the services rendered by the Centre is approaching realization. The Centre received six offers from reliable computer companies with international reputation. Two of these offers were found to be technically acceptable, and the Centre is now in the process of taking the final steps in this regard. In accordance with the time-table already fixed, the computer should be available, and serve the daily work of the Centre early next year 1989. The services of the computer will be available in Arabic as well as English and French.

In accordance with our programme the computer will enable the Centre to be " a huge legal information Centre", with necessary capacity to provide needed legal information for lawyers in the area in the three working languages i.e., Arabic, English and French. It may be the only one that could provide such information in Arabic.

I believe you agree with me that this will be another important service provided by the Centre. What should be mentioned also , is that the Centre uses, as its official language, Arabic, English and French. In December 1987 the Centre learned from the administrative arrangements of this Session (AALCC the 27 Session) that the Arabic Section in the Committee is facing financial difficulties, and that the future work of the Arabic Section is questionable. Fortunately the work of the Centre will not be affected by these difficulties and the Centre will always use Arabic as one of its basic languages. This fact was brought to the attention of Mr. NAGASAKA the Acting Secretary-General of the Committee, and he was asked to distribute an Arabic note prepared by the Centre confirming this fact. The Acting-Secretary-General was kind enough to send the note to the Members of the Committee(1).

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1- Copies of the note are available in the offices of the Secretariat.

As for the staff of the Centre, the Government of Egypt is making available to the Centre the services of One part-time Deputy Director, Three part-time Councils, Two Secretaries, One Financial Officer, as well as other administrative staff.

IV- ACTIVITIES OF THE CENTRE

The activities of the Centre in the light of its functions may be broadly classed under four heads, namely,

- 1- Promotional activities;
- 2- Arbitration and conciliation under the rules and auspices of the Centre;
- 3- Assistance in ad hoc arbitration and arbitrations under the auspices of other institutions;
- 4- Rendering of advice and assistance generally including matters related to enforcement of arbitral awards.

The Centre's contribution during the previous year 1987 continue to be substantial. It covered almost all of its four wide and comprehensive objectives.

In the field of providing arbitration and conciliation under the auspices of the Centre, this year continue to be a good one for the Centre. Several cases registered before the Centre. Hundreds of contracts included the arbitration clause of the Centre. It should be mentioned, in that sense, that several cases were settled before starting arbitration through conciliation procedures. This attitude was deeply appreciated by all parties concerned.

The second point that should be dealt with is rendering assistance in ad hoc and institutional arbitrations. The Centre provided its facilities, and made its premises available as a venue for several arbitral cases that took place in Cairo during 1987. Adequate advice was also given to those who approached the Centre in several cases of commercial or investment disputes.

The Federation of Banks in Egypt requested that disputes arising from banking arrangements and letters of guarantee be settled according to the Centre's regulations. The request was approved by the Centre.

As it was mentioned in my report last year the Centre was approached by the Egyptian Government for assistance in preparing a draft about the Egyptian Law for International Commercial Arbitration. A special Committee was set up in the Centre presided by Professor Dr. SHAFIK, Mohsen and prepared the requested draft on the basis of the Model Law prepared by the UNCITRAL. The Committee was able to finalize its work in time, and the draft was submitted to the Egyptian Ministry of Justice. The Centre officially learned from the Ministry of Justice that the draft was revised by the necessary departments and that the new Egyptian Law for Interna-

tional Commercial Arbitration is expected to take its final steps towards coming into force.

Moreover, a training programme for Arab and African Arbitrators is being negotiated with some international institutions. The programme is expected to take place by the end of 1988.

In the field of coordinating and assisting the activities of existing arbitral institutions in the Region, The Centre continue to persue its policy to contact several arbitral institutions. As was previously mentioned, co-operation agreements were reached with several arbitral institutions. The Centre, so far, concluded several agreements with the following institutions:

- 1- The world bank;
- 2- The American Arbitration Association (AAA);
- 3- The Morrocan Maritime Chamber of Commerce;
- 4- The Spanish Arbitration Institution (IMARCO);
- 5- The Jordanian Arbitration Centre;
- 6- The Australian Centre for International Commercial Arbitration (ACICA).

Other agreements of cooperation with international institutions and organizations working in the field of arbitration are being negotiated.

The Centre is also building close contacts with other institutions, as well as, Chambers of Commerce, in the area for more cooperation and understanding of the Centre's role in settling disputes that may arise, and in assisting in the enforcement of arbitral awards.

In the field of promoting international arbitration in the region, which is the first objective of the Centre, the year 1987 was another good year. It witnessed the distribution of thousands of the Centre's publications to all concerned institutions in Arabic, English and also in French.

The Centre was represented in several international conferences, and seminars, naturally the Centre was adequately promoted during these international meetings. The most important ones are:

- 1- Conference and workshop on commercial arbitration organized jointly by the Bar Association of Sri Lanka, and the Commercial Arbitration Committee of Lawasia.  
Held in Colombo, Sri Lanka, (from 22-25 January, 1987)

- 2- Arab Regional Conference and Commercial Law Organized by International Bar Association in "Marriott Hotel" Cairo, Egypt, (15 to 19 February, 1987).
- 3- The UNCITRAL 20th Session;  
Held in Vienna, Austria, (June 20th to July 16th, 1987)
- 4- International Council for Commercial Arbitration (ICCA) Conference;  
Held in Bologna, ITALY (May 29 to 30, 1987).
- 5- The Institute of International Law Conference;  
Held in Cairo, (September 13th to 23rd, 1987).
- 6- VIII International Congress of Maritime Arbitration;  
Held in Madrid, Spain, (12th to 16th October, 1987).
- 7- 5th Joint Colloquium of ICSID;  
Held in Washington D.C., (16th to 19th October, 1987)
- 8- Second Euro-Arab Arbitration Congress;  
Held in Bahrain, ( 26th to 29th October, 1987).



Moreover, the final arrangements for our third Seminar, "On International Commercial Arbitration, and Promotion and Protection of Foreign Investments in the Afro-Asian Region" is expected to take place for four days from 28th to 31st March 1988 in "MARRIOTT HOTEL" in Cairo. The Centre made all necessary arrangements for the Seminar to be a successful international event. I hope that the Seminar will be attended by participants from all AALCC Member Countries (Information about the Seminar is available). I certainly need your blessings and cooperation for its success.

Finally, I should bring to your attention the fact that the Centre was approached by representatives of some countries from our area, as well as representative of some legal firms inquiring about the area served by the Centre. Some were under the wrong impression that the Centre was created to serve only Member Countries, some even thought that the Centre is under restrictions to serve only some Member Countries. I believe, the fact, that the scheme of the Committee was created to serve the interest of all African and Asian Countries, should be made clear to every one.