



Report on GIAC Activities

Importing International Arbitration into the Region

2018

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GIAC was founded with the initiative of the Georgian Chamber of Commerce and Industry (GCCI).

The GCCI – as the organization protecting the interests of business entities in Georgia, considering the significance of the establishment of independent and reliable and amicable alternative dispute resolution mechanisms in the country as well as in the region, took into account an imminent necessity of establishing an international arbitration institution. The GCCI relying on the international practice, according to which the Chamber of Commerce worldwide creates the arbitration institutions, founded GIAC in December 2013. It is noteworthy, that GIAC is the only arbitration institution in Georgia that is not profit oriented.

GIAC is incorporated in a legal form of a non-entrepreneurial non-commercial legal entity (NGO) and it is not profit oriented. The central objective of the GIAC is to establish neutral, efficient and reputable forum for the settlement of the domestic and international disputes with the mean of arbitration and mediation. Besides the main objective, GIAC is determined to develop and promote the alternative dispute resolution mechanisms in Georgia and whole region.

The idea of the GCCI on the establishment of an international arbitration institution in Georgia was derived from one of its important functions defined under the Law on “Georgian Chamber of Commerce and Industry”, namely, the development of the alternative dispute resolution.¹

Various international organizations, arbitration institutions and law firms were involved in the formation of GIAC².

At the first stage, for determination of the main actions, directions and structural formation issues, the GIAC Formation Working Group was created, which was composed of the representatives of the Ministries of Justice, Finance and Economy and Sustainable Development of Georgia, also representatives of the Supreme Court, NGOs – EWMI (JILEP Project), Transparency International Georgia, Georgian Young Lawyers Association, and as well as representatives of the private sector.

From the very beginning, the aim was to implement the international practice and experience.

Additionally, the international Commission for Final Revision of the GIAC Arbitration Rules was created by the recommendation of the experts involved in the formation process of GIAC. The

¹ [Georgian law on “Georgian Chamber of Commerce and Industry” Article 3\(2\)”m”](#).

² Please see the “Report on Formation of the Georgian International Arbitration Centre” p.3, 17. on the following link: <http://giac.ge/wp-content/uploads/2014/09/GIAC-REPORT-ENG.pdf>

Commission has organized several working sessions prepared the final draft of the GIAC Arbitration Rules³.

As for today, in order to guarantee the independence and impartiality of GIAC as well as to provide the dispute resolution efficiently, the bodies of GIAC are composed by both local and international experts and practitioners.

The GIAC runs the list of arbitrators, which is constantly updated. Currently, GIAC list of arbitrators consists of the practitioners from the leading international law firms of all five continents.

With respect to the recent developments in GIAC Arbitration proceedings, the Centre recently adopted Fast-track Arbitration Rules, which incorporates the best international practice. The main aim of these Rules is to reduce costs and facilitate the effectiveness of resolution of disputes with the low values.

One of the main product of the center is GIAC annual Arbitration Days⁴, which is the biggest arbitration conference in whole region. The collaboration of GIAC with the outstanding arbitration experts and practitioners allows to invite them to Georgia for sharing their experience with the local practitioners each year and to discuss the topics which are actual domestically as well as internationally.

At the same time, the GIAC Arbitration Days are designed to increase awareness of Georgia on international level, hence, contributing to the perspective of establishing Georgia as an international-regional arbitration hub.

Furthermore, GIAC is actively cooperating with the well-known international arbitration institutions, The Cooperation Agreement was signed with Permanent Court of Arbitration (PCA)⁵ with the intention to exchange the services and facilities. Similarly, the negotiations are completed with the Vienna International Arbitration Centre regarding the Cooperation Agreement, which will be signed during the GIAC Arbitration Days this October.

Moreover, as already renowned institution, GIAC is constantly represented on various arbitration events in the region, including Eastern European Dispute Resolution Forum in Minsk and Kiev Arbitration Days.

It should also be also mentioned, that GIAC is the only arbitration institution from Georgia which is annually featured in Guide to Regional Arbitration of Global Arbitration Review (GAR) since 2015.

³ See the members of the international revision commission on the following web site: <http://giac.ge/about-us/working-groups/committee-final-revision-giac-arbitration-rules/>

⁴ Please follow the link for more information regarding the GIAC Arbitration Days: <https://giacarbitrationdays.ge/>.

⁵ Please see: Permanent Court of Arbitration Annual Report 2017, pp. 44 at: <https://pca-cpa.org/wp-content/uploads/sites/175/2018/03/Online-PCA-Annual-Report-2017-07.03.2018.pdf>.

GIAC is actively involved in various working groups which are aimed to develop arbitration and alternative dispute resolution mechanisms. Particularly, the Secretary General of GIAC was a member of the working group organized by the Ministry of Justice of Georgia which was dedicated to the prospective amendments in Georgia Law on Arbitration. As a result, with the latest amendments, Georgian Law on Arbitration is fully based on the language and essence of the UNCITRAL Model Law on International Commercial Arbitration.

Additionally, GIAC is permanently hosting educational events for Georgian judges and local practitioners. In the framework of these educational events and with the involvement of the United Nations Commission for International Trade Law (UNCITRAL), a two-day Workshop was held for the judges on the application of the New York Convention on Recognition and Enforcement of Foreign Arbitration Awards. The aim of the workshop was to share experience related to the latest trends of application of the Convention.

Moreover, GIAC organized an information campaign throughout the whole country within the grant of the European Union (EU) and United Nations Development Programme (UNDP). Eight of the biggest cities of Georgia were put through stimulating arbitration workshops and seminars in order to raise awareness in international arbitration and alternative dispute resolution and blend together legal professionals and representatives of the private sector.

Herewith, GIAC is a permanent participant of the discussions which are organized by the different pillars of the Georgian Government and which are dedicated to the amendment of the current arbitration practice in order to provide a more attractive investment climate for the investors by offering the independent and modern alternative dispute resolution mechanisms. These discussions include the deliberations regarding the Georgian laws on protection of investments.

At last but not least, due to its reputation and international nature, GIAC is chosen as a dispute resolution mechanism in various investment agreements between the foreign investors and Georgia.