

2018
ANNUAL
CASEWORK
REPORT

ABOUT THE LCIA

The LCIA is one of the world's leading international institutions for commercial dispute resolution.

The LCIA provides efficient, flexible and impartial administration of arbitration and other alternative dispute resolution proceedings, regardless of location and under any system of law.

The LCIA provides access to the most eminent and experienced arbitrators, mediators and experts, with diverse backgrounds, from a variety of jurisdictions, and with a wide range of expertise. The LCIA's dispute resolution services are available to all contracting parties, with no membership requirements.

In order to ensure cost-effective services, the LCIA's administrative charges and the fees charged by the arbitrators it appoints are not based on the value of the dispute. Instead, a fixed registration fee is payable with the Request for Arbitration, and the arbitrators and LCIA apply hourly rates for services.

In addition to its dispute administration services, the LCIA conducts a worldwide program of conferences, seminars, and other events of interest to the arbitration and ADR community, with some 2,200 members hailing from over 80 countries. The LCIA also sponsors the Young International Arbitration Group (YIAG), a group for members of the arbitration community aged 40 or younger, with nearly 11,000 members hailing from 145 countries.

EXECUTIVE SUMMARY

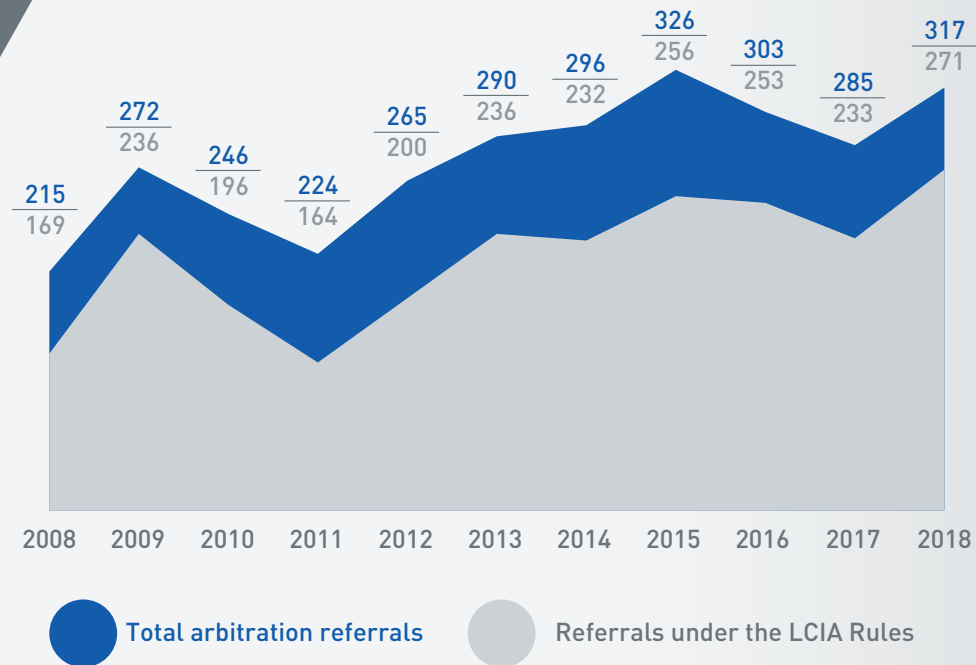
- In 2018, a record number of arbitrations were referred to the LCIA under the LCIA Rules.
- 2018 saw a significant rise in the number of disputes in the banking and finance sector, reaffirming the LCIA's position as the world's premier arbitral institution for complex financial disputes.
- Parties to LCIA arbitrations remain diverse in origin, with growing numbers from India, Ireland, Cyprus and Mexico.
- The LCIA continues to administer a broad range of disputes. 11% of arbitrations referred under the LCIA Rules in 2018 with a quantified claim in the Request for Arbitration have a sum in dispute which exceeds 100 million USD.
- A growing number of applications for joinder and consolidation further underlines the complexity of disputes submitted to LCIA arbitration.
- Women represented 43% of all arbitrators selected by the LCIA Court in 2018, compared with 23% of all appointments, highlighting the need for other stakeholders to ramp up efforts to improve gender diversity on arbitral tribunals.
- There is, over time, an even split between the number of tribunals composed of a sole arbitrator and the number of three-member tribunals.
- The figures reveal a growing recourse to emergency arbitrator and expedited tribunal formation procedures.
- Consistently low arbitrator challenge numbers – and even lower success rates – continue to reflect a robust arbitrator appointment and challenge procedure.

CASELOAD

In 2018, 317 arbitrations were referred to the LCIA, of which 271 were referred under the LCIA Rules – representing the highest number ever recorded in a single year.

Additionally, the LCIA provided administrative services for UNCITRAL or other ad hoc arbitrations in two cases, and acted as the appointing authority in a further three cases.

In 41 cases, the LCIA provided fundholding services for UNCITRAL or ad hoc arbitrations.



The chart above shows a steady increase in referrals to the LCIA over the last 11 years. The temporary increase in the overall number of referrals in 2015 is a result of the higher numbers of non-LCIA Rules arbitrations referred that year.

9 requests for mediation or some other form of alternative dispute resolution were referred to the LCIA, making a total of 326 referrals to the LCIA in 2018.

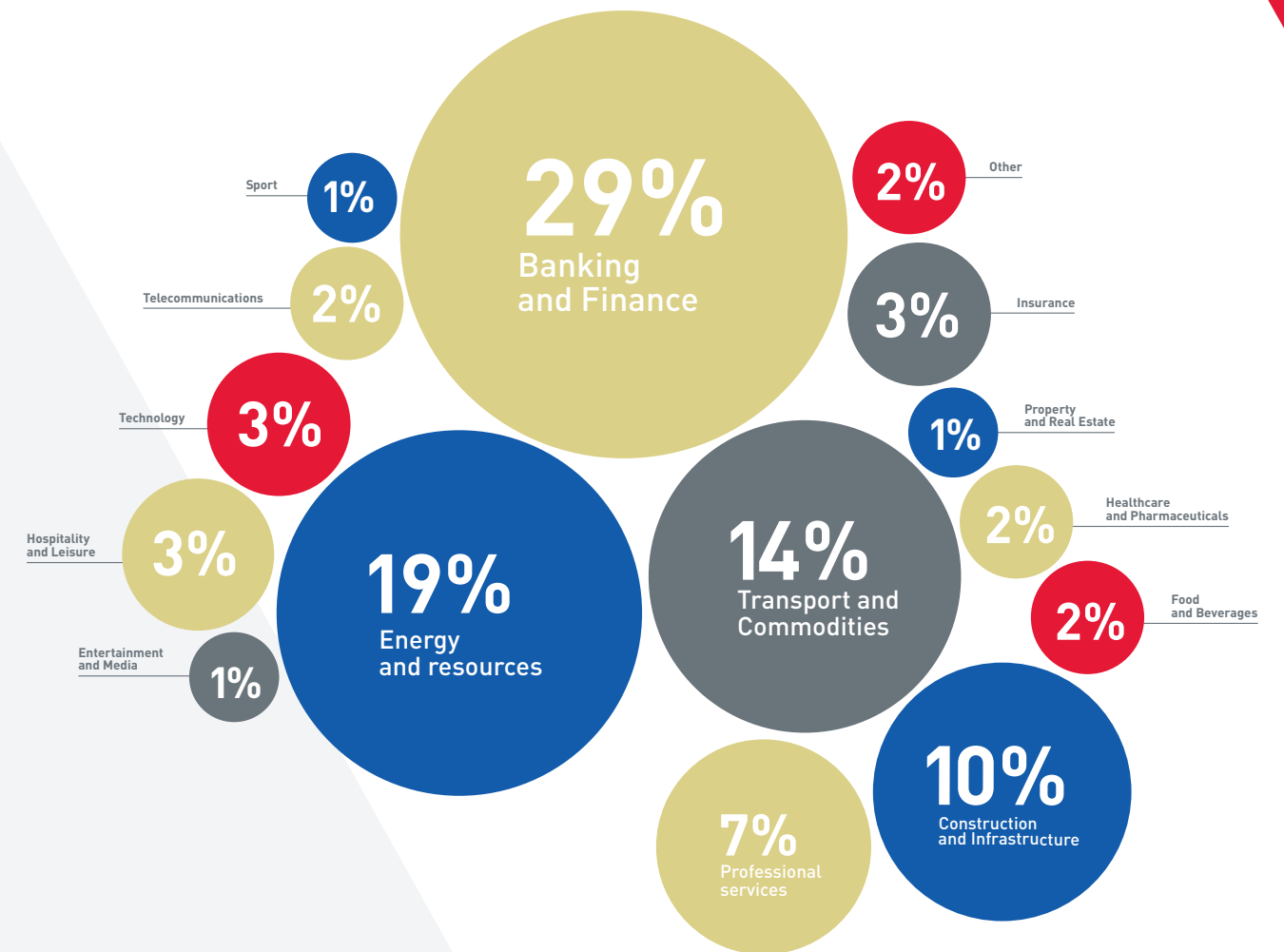
INDUSTRY SECTORS

Disputes in the banking and finance, energy and resources, and transport and commodities sectors dominate the LCIA's caseload.

In 2018, the number of banking and finance arbitrations under the LCIA Rules grew significantly, representing 29% of all cases, up from 24% in 2017. Transport and commodities cases also increased, representing 14% of cases, up from 11% in 2017.

The number of energy and resources disputes dropped from 24% in 2017 to 19% in 2018.

As in 2017, the industry sectors of the claimants and respondents tend to mirror those of the disputes as a whole. However, parties from the banking and finance sectors are significantly more often claimants (21% of claimants) than respondents (12% of respondents). Overall, claimants and respondents were most likely to be from the energy and resources sector (22% and 24% respectively).

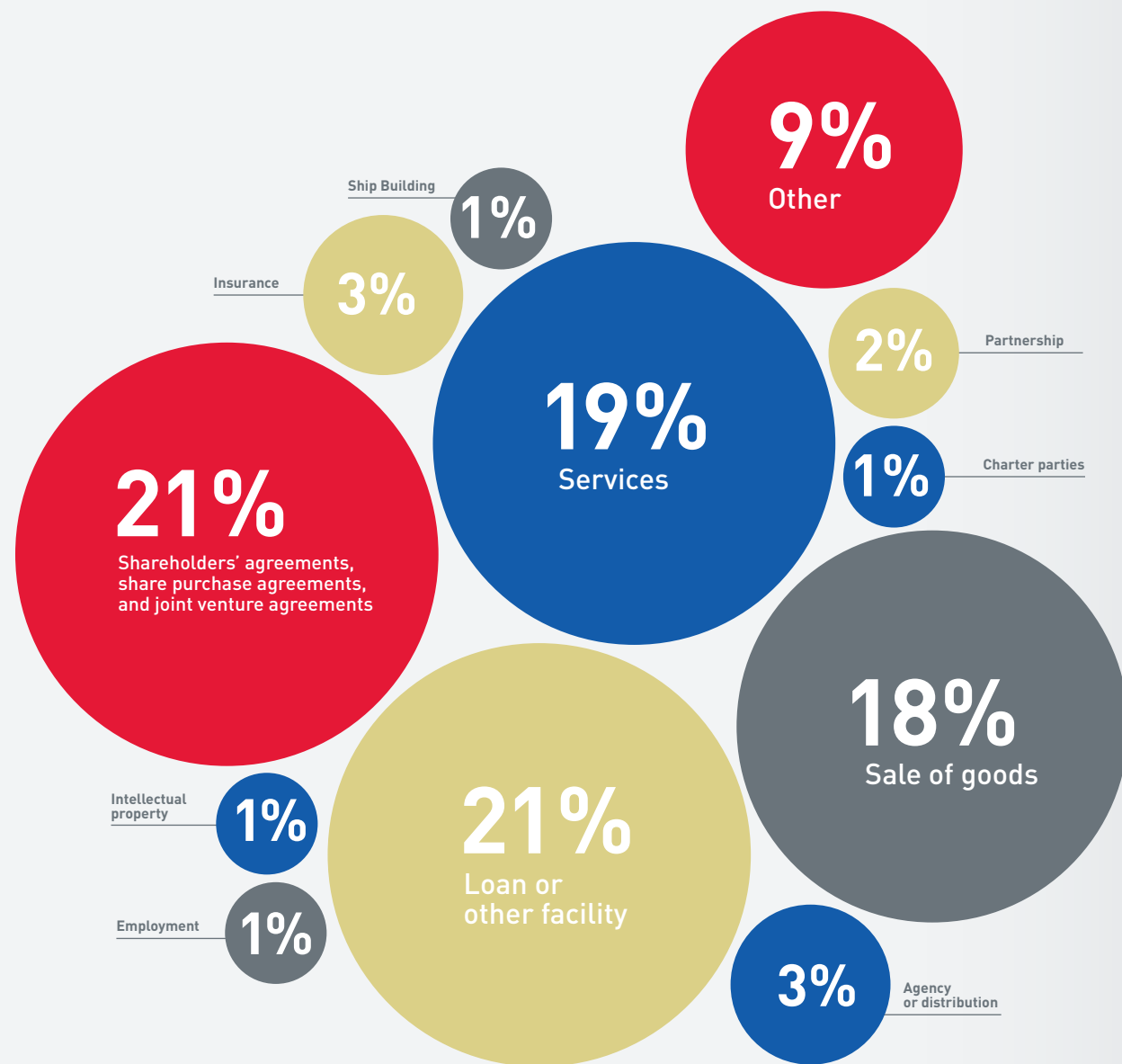


AGREEMENT TYPES

The four most common agreement types seen in arbitrations under the LCIA Rules are (i) loan or other facility agreements, (ii) shareholders' agreements, share purchase agreements and joint venture agreements, (iii) services agreements, and (iv) sales of goods agreements.

In 2018, the number of shareholders' agreements, share purchase agreements and joint venture agreements increased significantly, representing 21% of the agreements, up from 15% in 2017. The number of loan or other facility agreements featuring in disputes dropped slightly from 24% in 2017 to 21% in 2018.

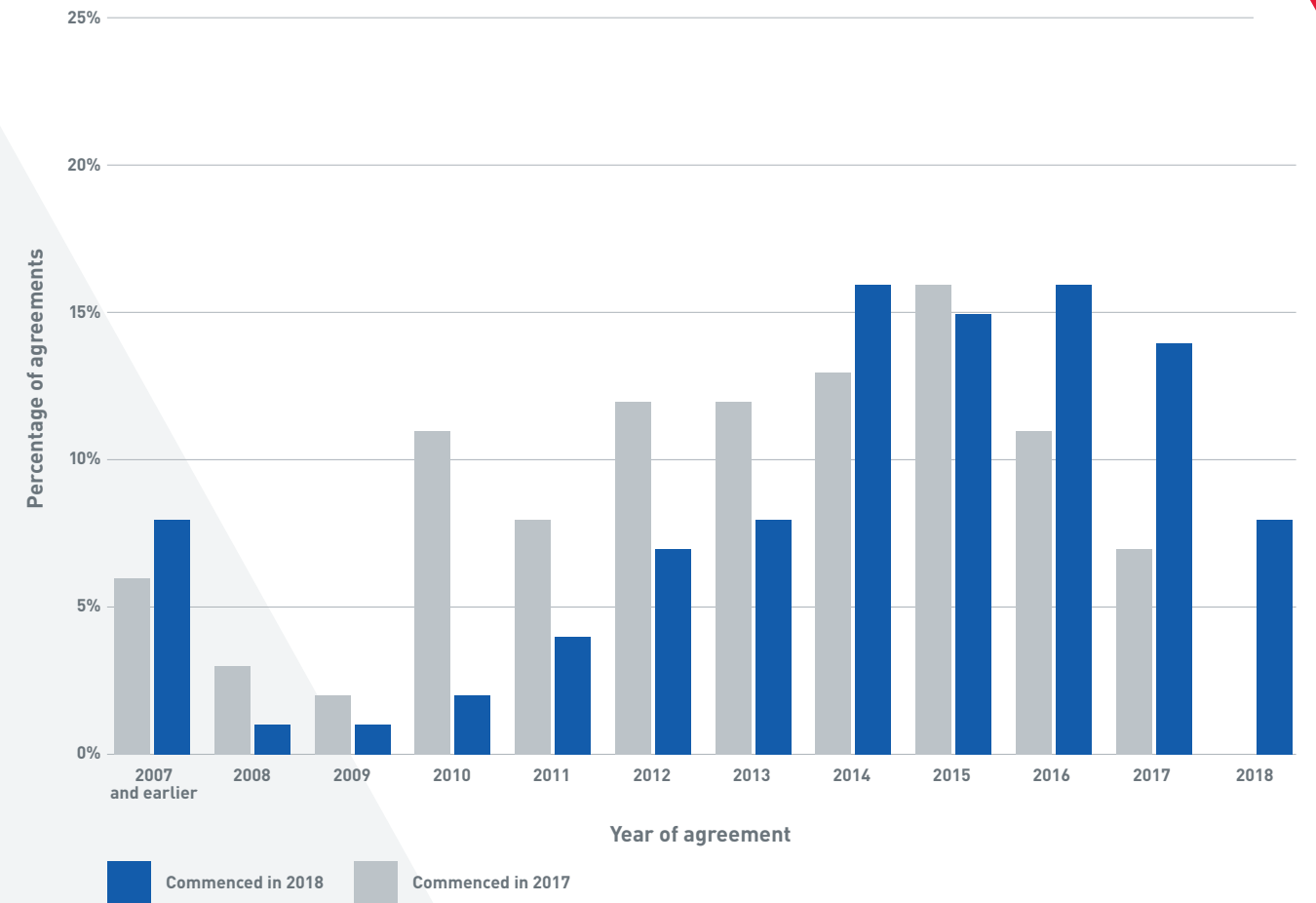
Disputes relating to services agreements and sale of goods agreements dropped by 5% and 3% respectively, while disputes arising out of insurance agreements and shipbuilding agreements rose slightly.



AGREEMENT DATES

To understand the impact of external developments on the make-up of the caseload, it is useful to consider the time lag between the date of the agreements out of which disputes arose and when disputes are referred to the LCIA.

Of the 301 agreements under which disputes arose leading to the initiation of LCIA arbitration in 2018, 70% were entered into between 2014 and 2018. By comparison, 60% of agreements were entered into between 2013 and 2017 for LCIA arbitrations initiated in 2017.

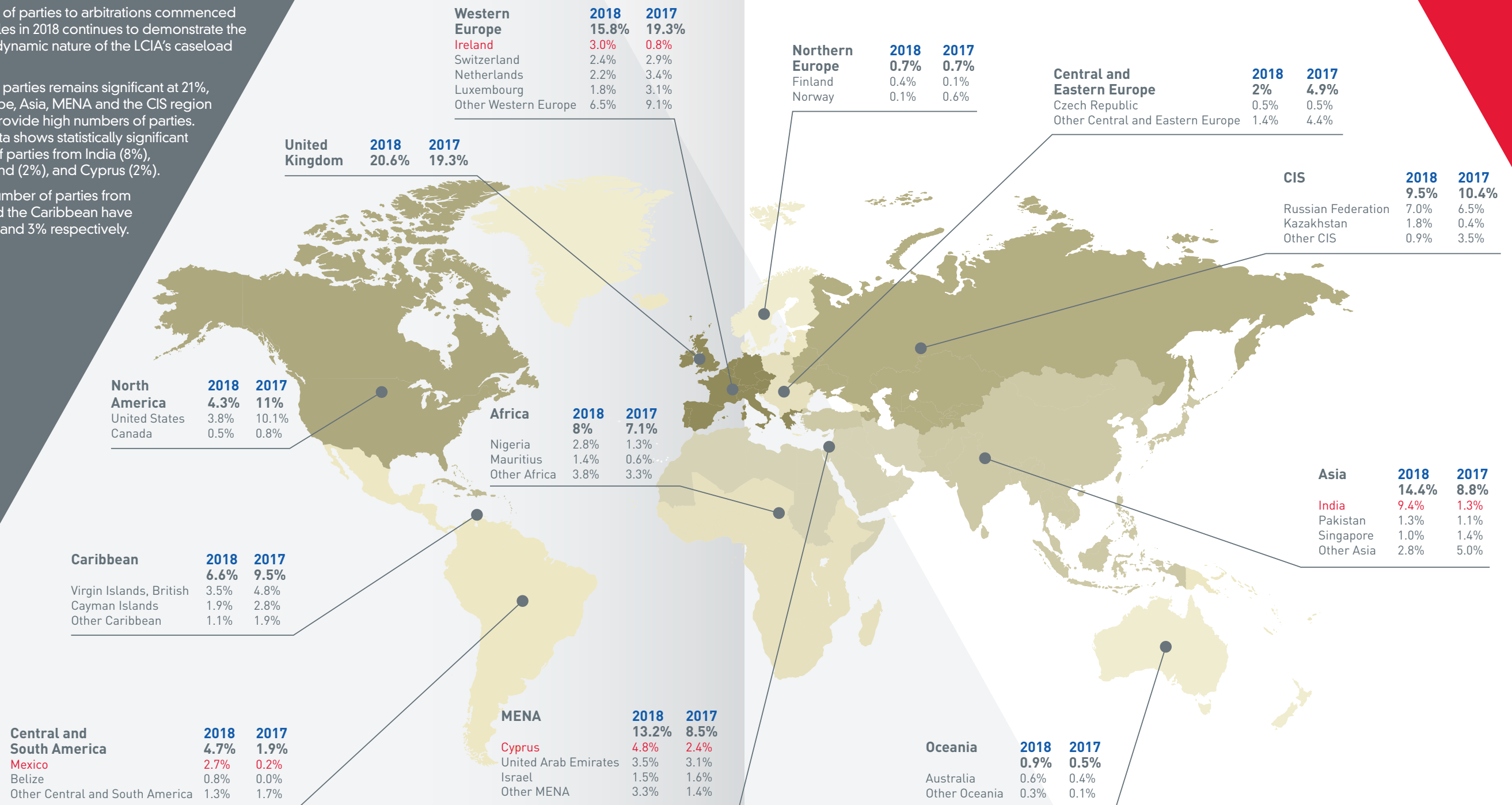


PARTIES

The diverse range of parties to arbitrations commenced under the LCIA Rules in 2018 continues to demonstrate the international and dynamic nature of the LCIA's caseload and profile.

The number of UK parties remains significant at 21%, and Western Europe, Asia, MENA and the CIS region also continue to provide high numbers of parties. LCIA casework data shows statistically significant rises in numbers of parties from India (8%), Mexico (3%), Ireland (2%), and Cyprus (2%).

Conversely, the number of parties from North America and the Caribbean have decreased by 7% and 3% respectively.



RELIEF SOUGHT

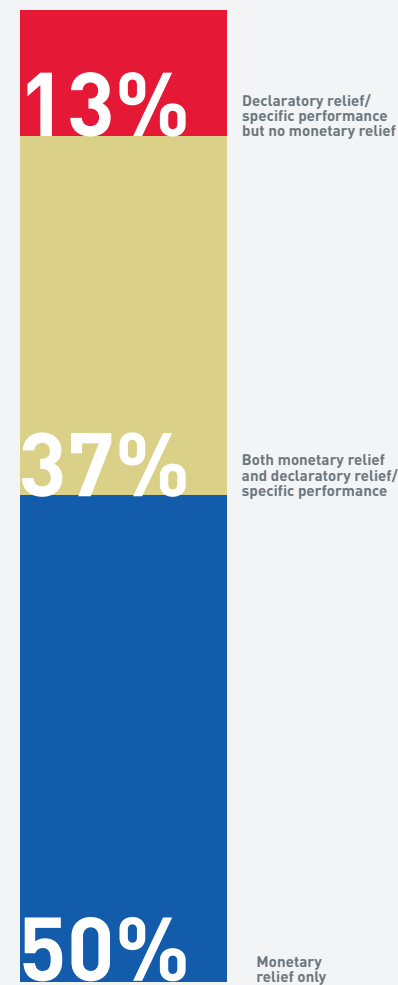
Claimants in arbitrations conducted under the LCIA Rules are not required to quantify their claims at the outset of the proceedings, unlike in arbitrations conducted under the auspices of many other arbitral institutions. Claimants may also quantify claims later in the proceedings, or amend already quantified claims, and respondents may submit their own claims in a Response or in a Statement of Defence and Cross-claim, which are not captured by this report.

In 2018, monetary relief was the sole relief sought by the claimant(s) in 50% of Requests for Arbitration. In 13% of cases, declaratory relief and/or specific performance was the sole relief sought by the claimant(s).

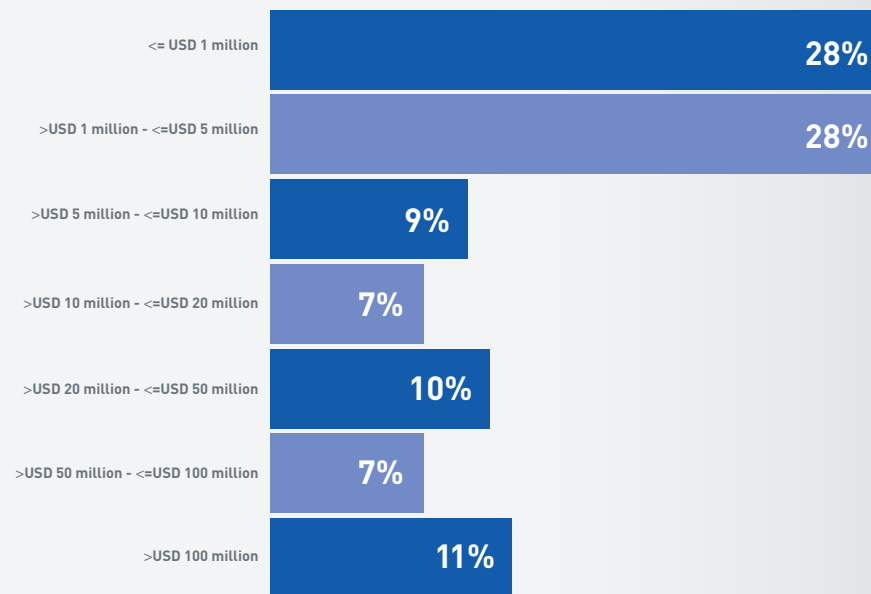
In 37% of cases, the claimant(s) sought both monetary relief and declaratory relief and/or specific performance, representing a 9% rise on 2017 and underlining the typically complex nature of LCIA arbitrations.

In 28% of those cases where the claims were quantified in the Request for Arbitration, the sum claimed was less than 1 million USD. In a further 28% of cases, the sum claimed was between 1 and 5 million USD. In a third of those cases where the claims were quantified, the sum claimed was between 5 and 100 million USD, and in the remaining 11% of cases the sum claimed exceeded 100 million USD.

Type of relief sought



Quantified claims in Requests for Arbitration

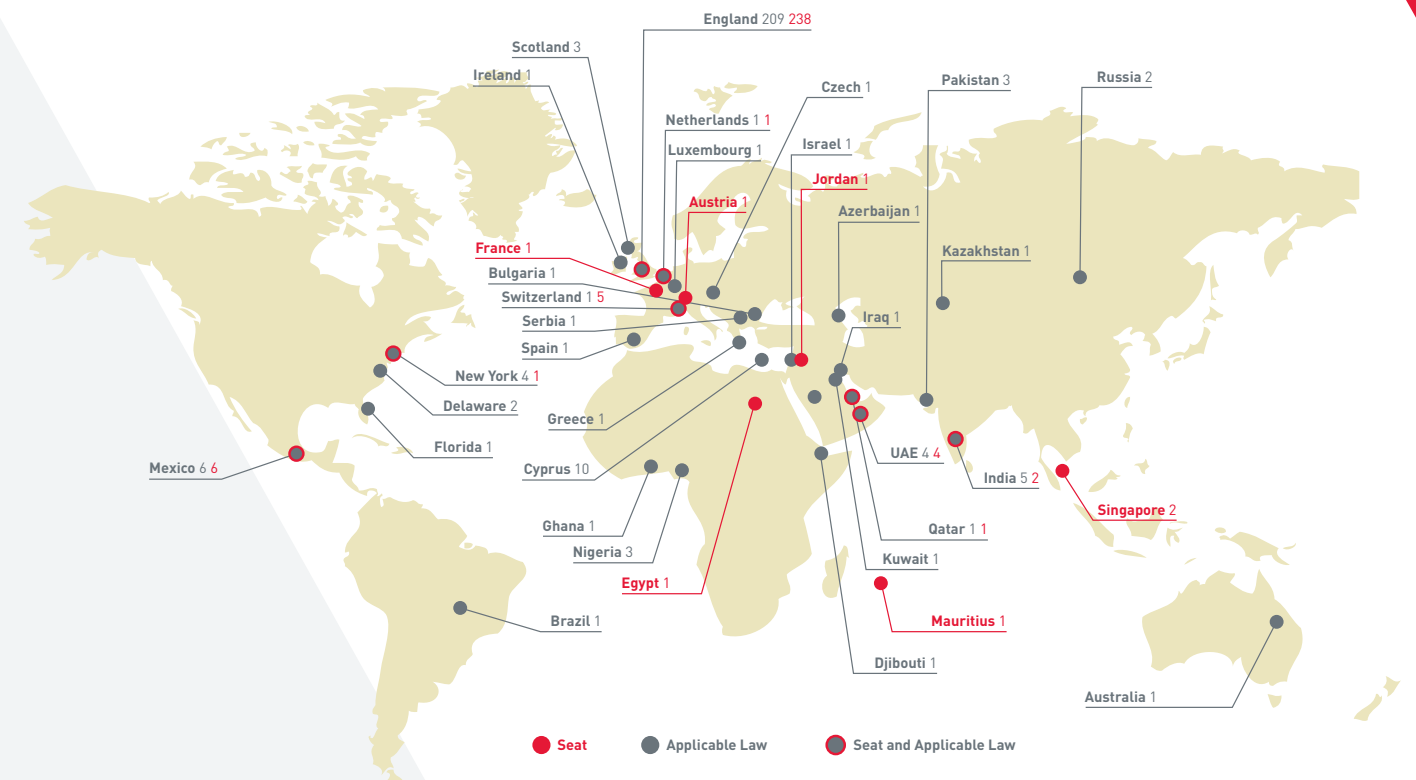


SEAT AND APPLICABLE LAW

2018 marked a shift in the number of LCIA arbitrations with disputes governed by English law (76%), down by 9% on 2017 and reflecting the further diversification of the LCIA's caseload.

In the same vein, the number of arbitrations seated outside England & Wales rose from 6% in 2017 to 12% in 2018.

2018 saw a rise in the number of disputes governed by Cypriot law (4% in 2018) and by Mexican law (2% in 2018), and a concomitant rise in the number of disputes seated in Mexico (2% in 2018).

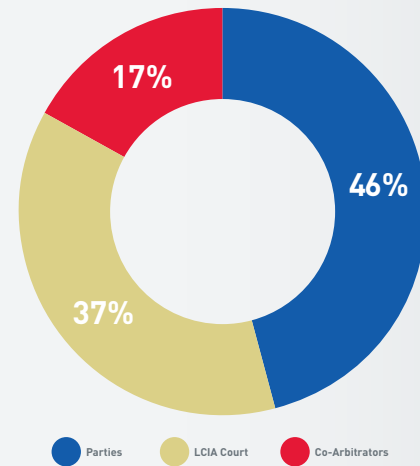


ARBITRATOR APPOINTMENTS

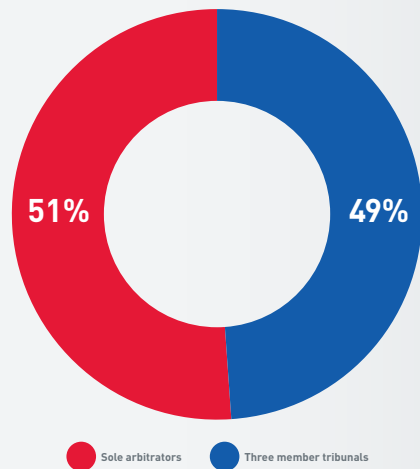
During the course of 2018, the LCIA Court made a total of 449 appointments of 239 different arbitrators across all types of arbitrations.

Sole arbitrators determined the dispute in 51% of cases, and a three-member tribunal determined the dispute in 49% of cases. These figures are in keeping with the relatively even split between the two tribunal types over the years, although represent a slight upswing in the proportion of sole arbitrators as compared to 2016 (37%) and 2017 (40%).

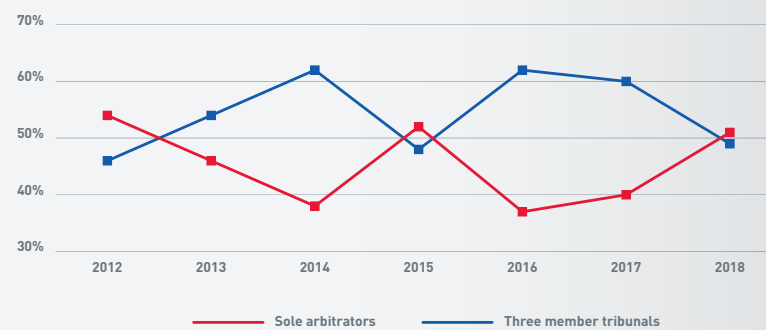
Arbitrator selection 2018



Three member tribunals vs sole arbitrators 2018



Three member tribunals vs sole arbitrators 2012 - 2018



ARBITRATOR NATIONALITIES

The LCIA once again appointed a diverse range of arbitrators in 2018 with arbitrators hailing from 34 different countries. Although the majority continue to be British reflecting the predominance of English law, substantial numbers of arbitrators were also drawn from the United States, Canada, Asia and continental Europe.

The nationality of the arbitrators appointed varied significantly according to the method of their selection. The LCIA Court selected non-British arbitrators 57% of the time, compared to the parties and the co-arbitrators, who selected non-British arbitrators 20% and 27% of the time respectively.

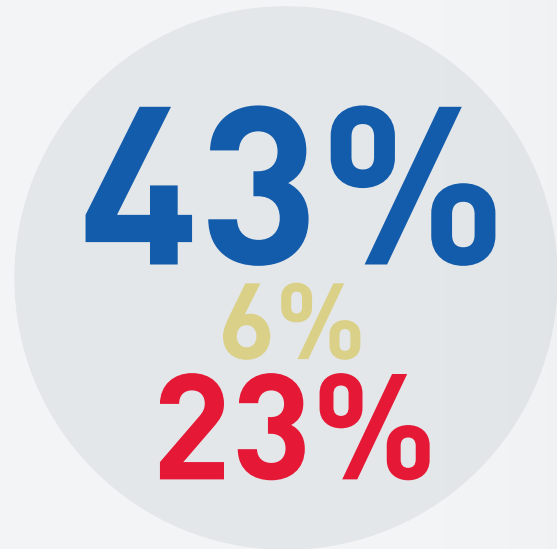


GENDER DIVERSITY

In 2018, 23% of arbitrator appointments (102 out of 499) were women. Where women were appointed as arbitrators, the LCIA Court selected the arbitrator in 71% of cases, the parties selected the arbitrator in 13% of cases and the co-arbitrators selected the arbitrator in 17% of cases.

The LCIA continues to play a role in promoting gender diversity in arbitration, with women representing 43% of all arbitrators selected by the LCIA Court (up by 9% from 2017).

23% of arbitrators selected by co-arbitrators were women, and 6% of arbitrators selected by the parties were women. These figures reinforce the need for all arbitration stakeholders to play their part in promoting gender diversity.



Female arbitrators as a percentage of all arbitrators selected

LCIA Court
Parties
Co-Arbitrators

FIRST-TIME APPOINTEES

13% of appointments made in 2018 (60 of 449) were of candidates not previously appointed. Where first-time appointments were made, the parties selected the arbitrator in 63% of cases, the LCIA Court selected the arbitrator in 25% of cases, and the co-arbitrators selected the arbitrator in 12% of cases.

9% of arbitrators selected by the LCIA and 9% of arbitrators selected by the co-arbitrators had not previously been appointed, compared with 18% of arbitrators selected by the parties being first time-appointees.

The LCIA's figures for appointing first-time arbitrators are lower than that of the parties, in part reflecting the fact that the LCIA Court selects three times as many sole arbitrators and five times as many chairs as the parties select, for which roles prior experience of LCIA arbitration is typically required.



First-time appointees as a percentage of all arbitrators selected

LCIA Court
Parties
Co-Arbitrators

TRIBUNAL SECRETARIES

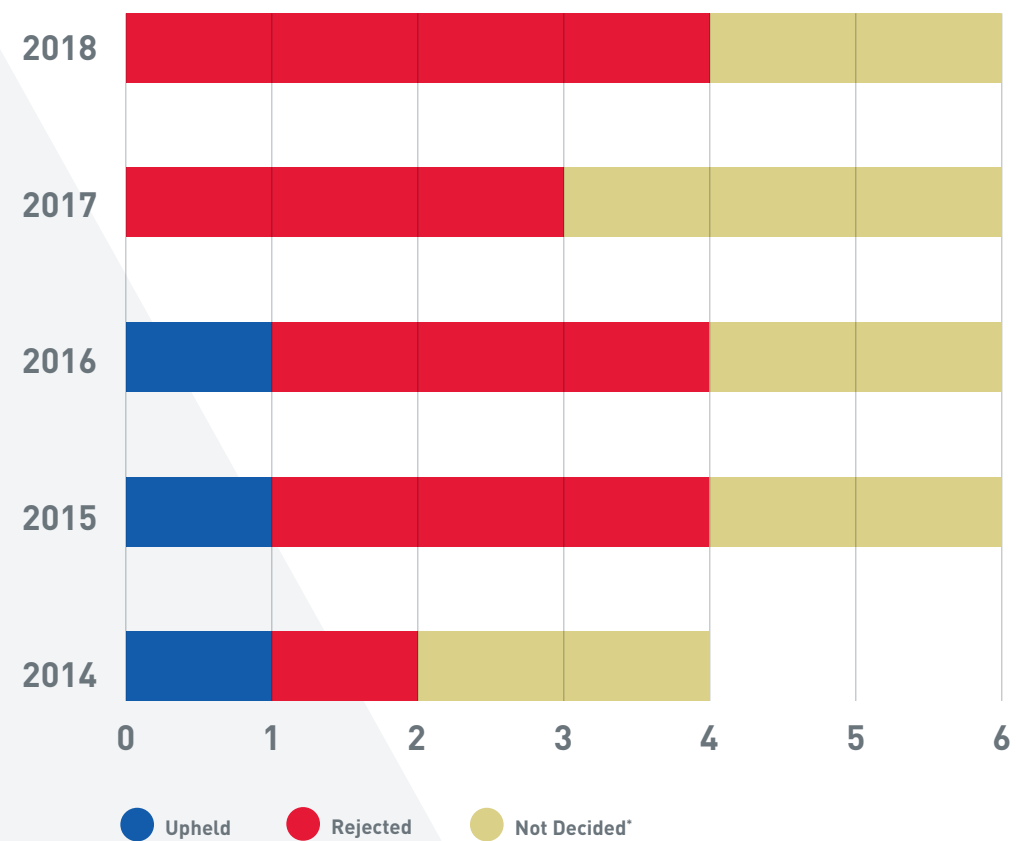
In 2018, tribunal secretaries were appointed in 28 arbitrations conducted under the LCIA Rules, of which 12 were men and 16 were women.

7 of the secretaries were appointed in arbitrations with sole arbitrators, while 21 of the secretaries were appointed to assist three-member tribunals.

As with arbitrators, the tribunal secretaries were from a diverse number of countries, including nationals of Australia, Italy, Singapore, France, India, the United States, Brazil, the Philippines, Mexico and Lebanon.

CHALLENGES

The number of challenges to arbitrators remained low in 2018, with fewer still successful challenges. Six challenges were made, of which 4 were rejected and 2 remain pending as at the end of 2018.

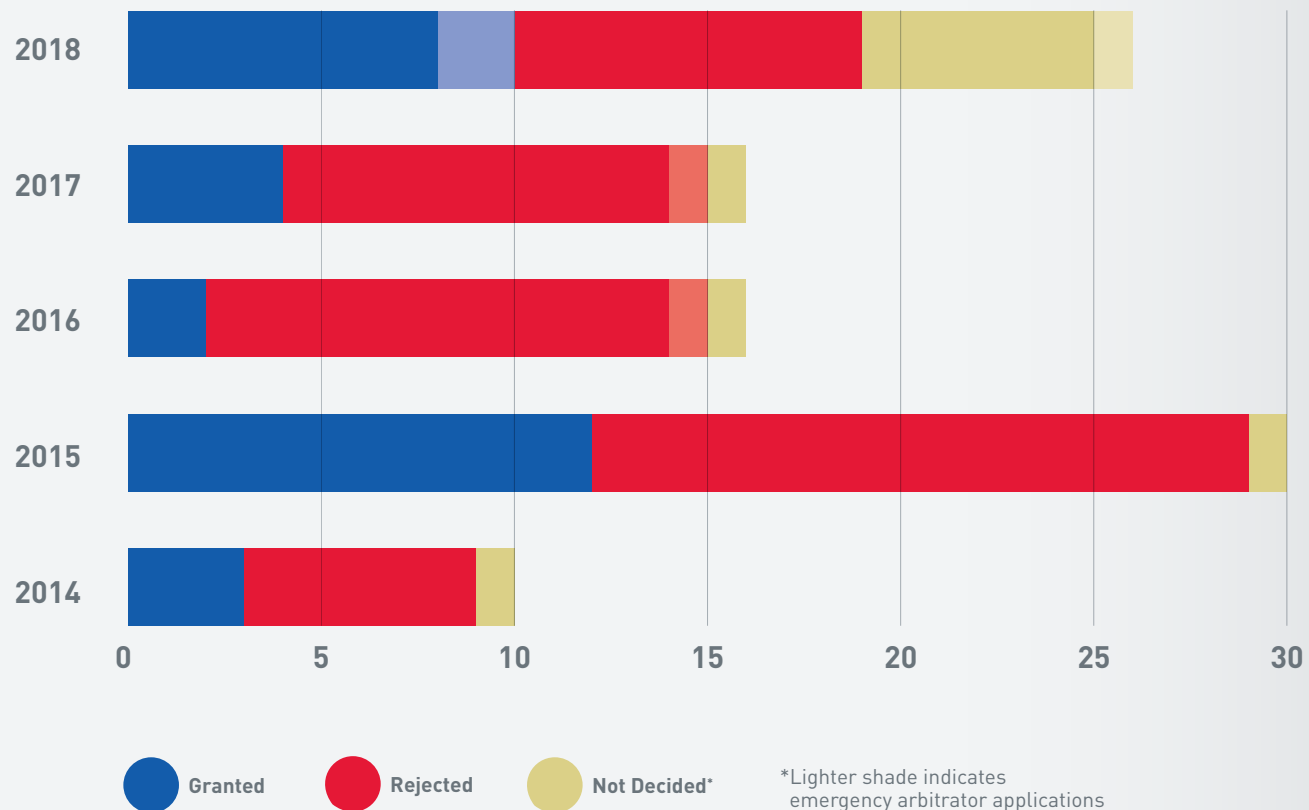


* This includes cases where the challenge was withdrawn, the arbitrator resigned, the parties agreed to the replacement of the arbitrator and challenges which remained pending as at the end of 2018.

EXPEDITED FORMATION OF TRIBUNALS AND EMERGENCY ARBITRATOR APPOINTMENTS

In 2018, there were a total of 23 applications for expedited appointment of a tribunal under Article 9A of the LCIA Rules 2014, 8 more than in 2017. Of those 23 applications, 8 were granted, 9 were rejected, and 6 were either superseded, withdrawn or pending as at the end of 2018.

The LCIA also received 3 applications for the appointment of an emergency arbitrator under Article 9B of the LCIA Rules 2014, 2 of which were granted by the LCIA Court. In the third case, the application was withdrawn.



MULTI-PARTY AND MULTI-AGREEMENT ARBITRATIONS

In 2018, 29% of arbitrations commenced under the LCIA Rules involved more than two parties, and 2% of arbitrations involved ten or more parties.

11% of cases commenced in 2018 involved disputes arising under more than one agreement.

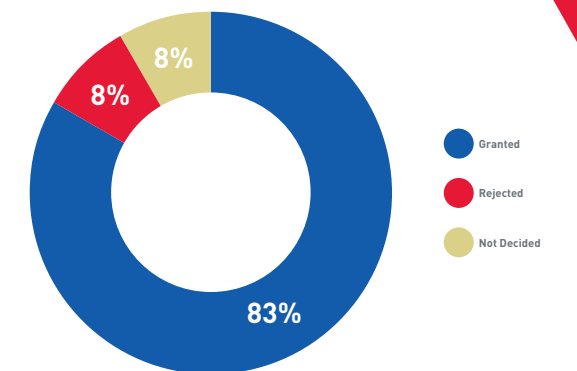
JOINDER

In 2018, 24 applications were made for the joinder of a third party (14 more than in 2017). 20 applications were granted, 2 were rejected, and 2 were pending as at the end of 2018.

Successful applications for joinder tended to be made in arbitrations where:

- a) the efficacy of relief sought in the final award depended on the third party being bound; and/or
- b) the rights or liabilities of the third party would potentially be impacted by the outcome of the arbitration.

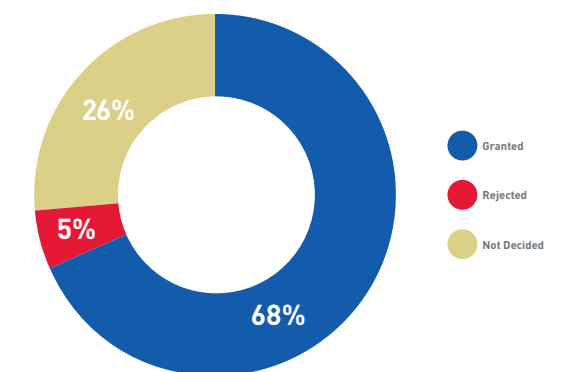
Applications for joinder



CONSOLIDATION

In 2018, 19 applications for consolidation were made in arbitrations under the LCIA Rules, of which 13 were granted, one was rejected, the LCIA Court deferred the decision to the tribunal in question in 2 applications, and 3 were pending as at the end of 2018.

Applications for consolidation

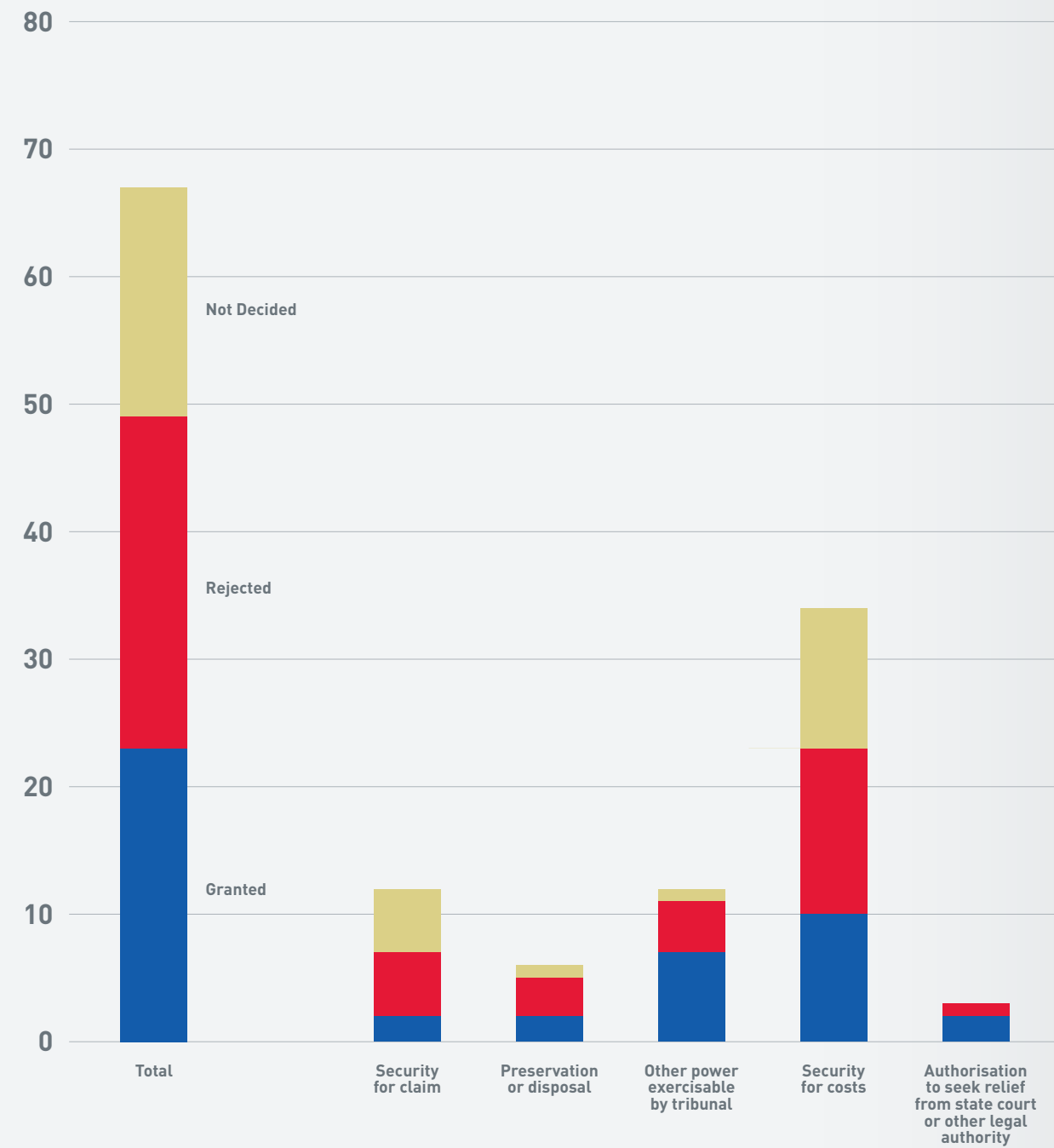


INTERIM RELIEF

In 2018, 67 applications for interim and conservatory measures under Article 25 of the LCIA Rules (involving 60 arbitrations) were made.

Tribunals granted the relief in 23 instances and rejected the application in 26 instances. Applications were superseded, withdrawn or pending as at the end of 2018 in the remaining 18 cases.

More than half of the applications for interim relief were for security for costs under Article 25.2 of the LCIA Rules, of which fewer than a third were successful.





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