

Vilnius Court of Commercial Arbitration: 2021 statistical report

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INTRODUCTORY NOTE

This year report provides a statistical overview of arbitration in Vilnius Court of Commercial Arbitration (VCCA)¹ in 2021 and the evolution in comparison with past years, including pandemic period of COVID-19.

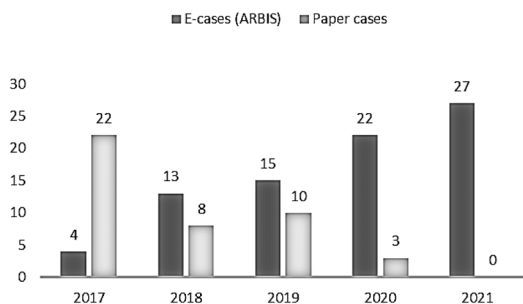
In this report, you will find information about proceedings administered by VCCA such as the number of new cases, origin of the parties, amounts in disputes, the language and place of arbitration, nature of the dispute by economic sectors, the constitution of Arbitral Tribunals and challenges of arbitrators and average duration of VCCA proceeding in 2021.

VCCA continues its commitment to ensure that each case is handed with the requested efficiency, rapidity and in accordance with the specific needs of the Parties.

1. NEW CASES: PAPER V. ELECTRONIC

27 new cases were filed in VCCA during 2021. In the middle of 2017 VCCA has introduced the Vilnius Court of Commercial Arbitration

PAPER V. ELECTRONIC CASES



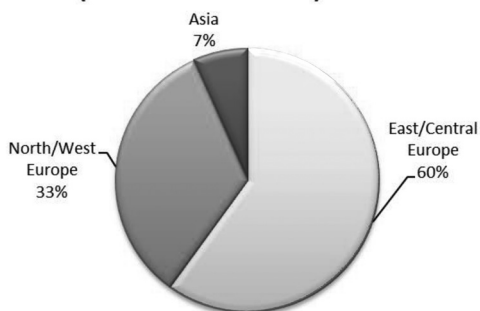
Information System, known as ARBIS, that is dedicated to the management of arbitration cases online. During the last 5 year we see complete transition from paper-case format to the e-case, administered via ARBIS - all new cases in 2021 were filed via ARBIS, that also contributes to the climate change mitigating initiatives.

2. PARTIES

In 2021, 56 % of the cases were introduced between at least one Lithuanian and an International Party, 44 % between Lithuanian Parties, no case were introduced between only International Parties as compared to 1 case in 2020 and 2 cases in 2018.

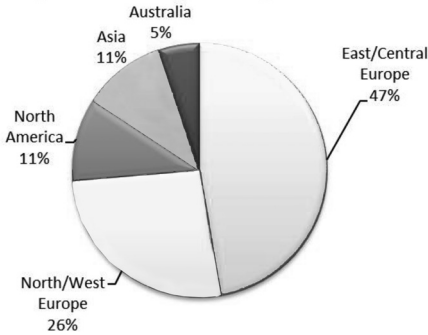
Geographical origin: the bigger part (93 %) of the International Parties in 2021 repeated results from 2019 and came from the Europe. It spread 60 % from the East and the Central Europe and 33 % from the North and the West Europe, the minor part (7 %) – from the Asia.

Geographical origin of the Parties (International Cases) in 2021



¹ Permanent arbitral institution Vilnius Court of Commercial Arbitration (in Lith. Nuolatinė arbitražo institucija “Vilniaus komercinio arbitražo teismas”), Vilnius, Lithuania, web page : <www.arbitrazas.lt>.

Geographical origin of the Parties (International Cases) in 2020



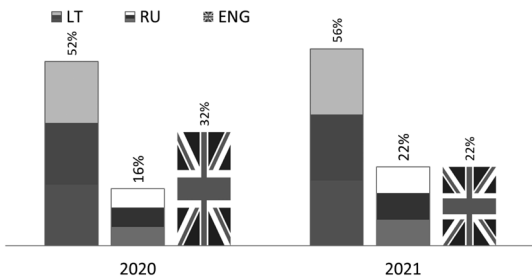
Multiparty Arbitration: 11 % of cases included more than two parties in 2021, compared to 20 % in 2020. It spread to 2 cases that included three parties and 1 case - five parties.

3. LANGUAGE

Official languages of the VCCA are Lithuanian, English and Russian.

In 2021, there has been an a slight increase of cases in Russian compared to 2020 (by 6 %). Indeed, 56 % of the cases in 2021 were conducted in Lithuanian and remaining part - in English and in Russian (each 22 %).

The language of the arbitration proceedings, %



4. PLACE OF ARBITRATION

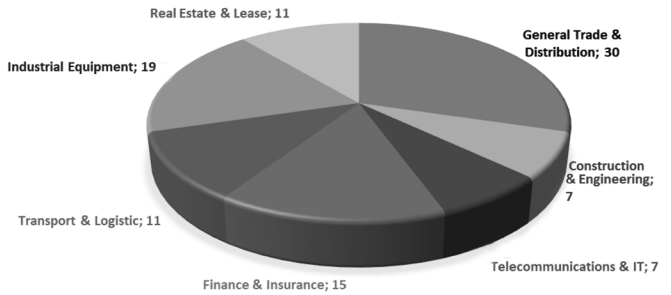
Vilnius as place of arbitration is a steady trend. Out of 27 cases in 2021, 26 cases (e.i. 96 %) have been initiated having the Vilnius indicated as place of arbitration in arbitration agreement compared to 84 % of cases in 2021. Finally in remaining part of cases Vilnius was established as the place of arbitration by Arbitral Tribunal. Interestingly that in 2021 no other Lithuanian

cities were chosen for arbitration by the Parties compared to the previous years: Šiauliai - 1 case in 2018 and Kaunas – 1 case in 2017.

5. NATURE OF THE DISPUTE

In 2021, the percentage of the cases from general trade and distribution was consistently decreasing, constituting 30 % in comparison to 40 % in 2019 and 48 % in 2020. More visible economic sectors in 2021: 19 % - related to industrial equipment, 15 % - finance and insurance, 11 % -to real estate and lease; 11 % - to transport and

Nature of Disputes in 2021 (ECONOMIC SECTORS),% of cases

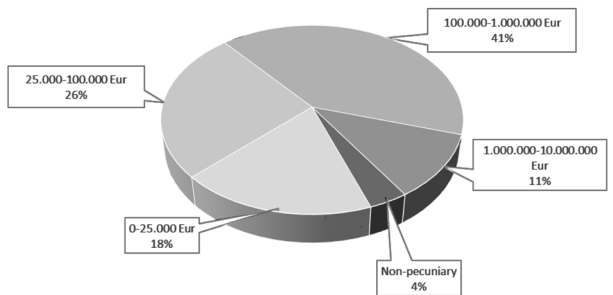


logistic, 7 %-to construction and 7% -telecommunications and IT. In comparison to 2020, disputes from the latter sector returned to its usual rates.

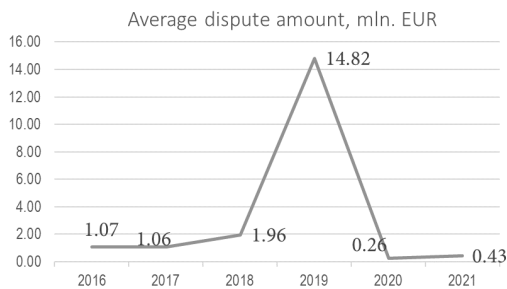
6. AMOUNT IN DISPUTE

The average dispute amount has increased from 0,26 mln. EUR in 2020 to 0,43 mln. EUR in 2021.

AMOUNT IN DISPUTE IN 2021, EUR



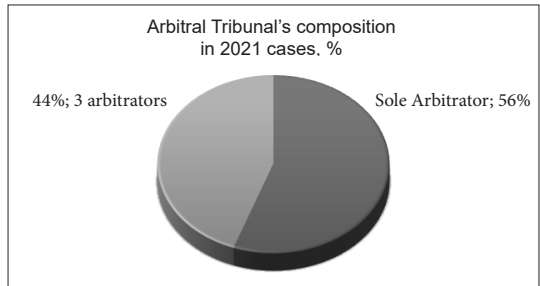
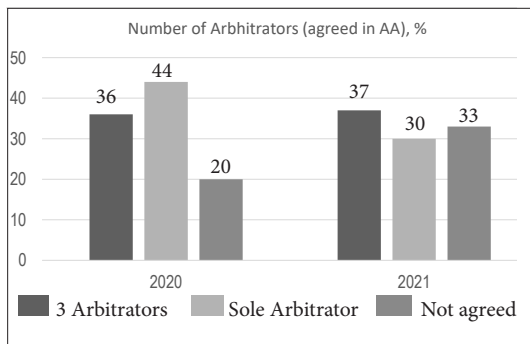
Amount in Dispute, EUR (2021)	Cases, %
0-25.000	18 %
25.000-100.000	26 %
100.000-1.000.000	41 %
1.000.000-10.000.000	11 %
10.000.000-100.000.000	0 %
>100.000.000	0 %
Non-pecuniary	4 %



7. ARBITRAL TRIBUNAL

7.1. COMPOSITION

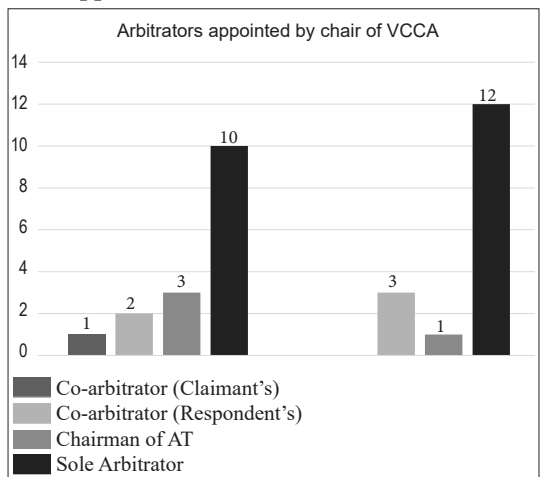
In 2021 the arbitration clauses contained express parties' agreement on the number of arbitrators: in 37 % of the cases - Arbitral Tribunal composed of three arbitrators, and 30 % of the cases - of a sole arbitrator. Remaining - 33 % of cases - had no express parties' agreement as to the number of arbitrators. Consequently, 56 % of cases in 2021 were decided by Arbitral Tribunal



composed of a sole arbitrator compared to 72 % in 2020, 44 % - composed of three arbitrators, compared to 28 % in 2020. The trend curve has changed its direction towards more frequent selection of Arbitral Tribunal composed of three arbitrators compared to 2020, but still the most of the cases are decided by sole arbitrator.

7.2. APPOINTMENTS

Under the Rules of Arbitration² of the VCCA (Article 17) the Chair of the VCCA has the right to appoint arbitrator in some circumstances, for instance, when a party or parties or two arbitrators fail to appoint arbitrator, or the emergency arbitrator have to be appointed (Article 2 of Annex No.1³ of the Rules of Arbitration of the VCCA). The number of appointments by the Chair of VCCA in 2021 remained the same as in 2020 - 16 appointments per year. However the distribution is different: 12 sole arbitrators were appointed in 2021 (10 in 2020), 3 arbitra-



² Rules of Arbitration of the Vilnius Court of Commercial Arbitration in force from 1 January 2021, available at <<http://www.arbitrazas.lt/arbitrazo-reglamentas.htm>>.

³ Ibidem.

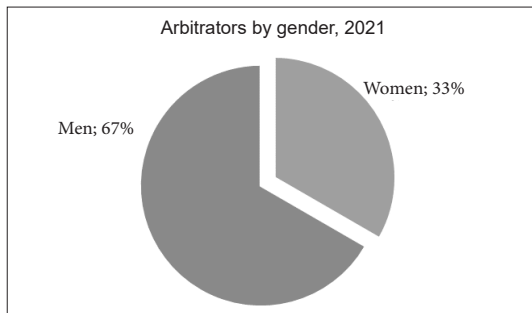
tors from the respondents side (2 in 2020), 1 chairman of the Arbitral Tribunal (3 in 2020), no appointments from the claimants side (1 in 2020). No emergency arbitrator was appointed in 2019-2021 compared to 1 such appointment in 2018.

Three foreign arbitrators were appointed by the Chair of VCCA in 2021 compared to two such appointments in 2020.

7.3. WOMEN IN ARBITRATION

In 2021, 33 % of Arbitrators were women compared to 61 % in 2020 and 35 % in 2019. 44 % of the Arbitrators appointed by the Chair of the VCCA in 2021 were women compared to 69 % of such appointments in 2020 and 50 % in 2019.

Arbitrators by gender	2019	2020	2021
Women	14	23	16
Out of them appointed by VCCA	6	11	7
Men	26	15	32

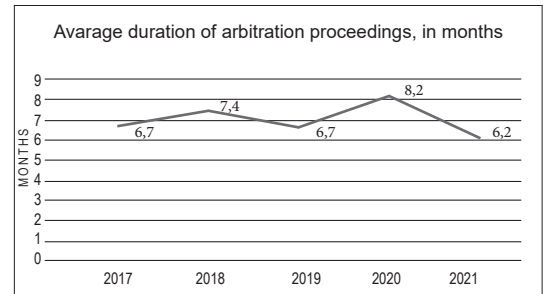


7.4. CHALLENGES AND REPLACEMENTS OR ARBITRATORS

Two requests for challenges of Arbitrators and two objections to the party's appointments were received in 2021. One arbitrator's challenge was rejected and one arbitrator was recalled by the parties, other two objections resulted in new appointments by the parties.

8. AVERAGE DURATION OF VCCA PROCEEDINGS IN 2021

In 2021 an arbitration procedure administered under the VCCA Rules of Arbitration lasted in average **6,2 months** from initiation of the case until rendering an award, compared to 8,2 months in 2020.

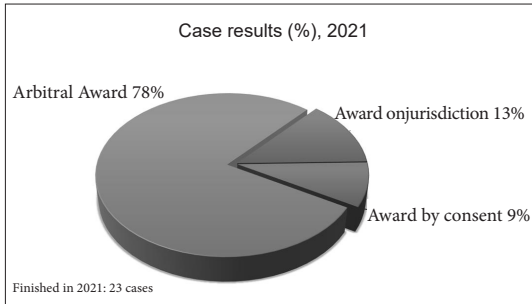


From the initiation of the case to the constitution of the Arbitral Tribunal and transmission of the case to arbitrators, it takes in average 2,6 months. This period varies depending on the duration and success of service of notice of arbitration to the respondent(s), due to delays in provision for the arbitration fees by the party(ies) as well due to challenges raised to the arbitrators nominated by the parties, etc.

Under the Rules of Arbitration of the VCCA (Article 22 (1)) the case file shall be transmitted to the Arbitral Tribunal upon constitution of the Arbitral Tribunal and the payment by the parties of the determined arbitration fees. Article 42 (1) provides for the time limit of resolution of the dispute by rendering an arbitral award not later within six months following the transmission of the case file to the Arbitral Tribunal. The average duration from transmission of the case file to the Arbitral Tribunal to rendered award was even shorter in 2021 – 3,6 months compared to 5,6 months in 2020.

In view of complexity of the case and also in event of international commercial arbitration the procedural time limits may be extended pursuant to Article 8 of the said rules. In practice 6 months time limit is extended due to the fact

that, with the Parties' consent, Arbitral Tribunals bifurcate the case and/or establish procedural timetables exceeding – and thus extending – the six months deadline provided in the Arbitration Rules of the VCCA.



In conclusion the positive trends may be underlined in 2021 such as shortening average duration of the arbitration proceedings, further optimizing the number of arbitrators of Arbitral Tribunal, that leads to savings of parties' incurred costs and time, and balancing role of the VCCA in representation of the gender in constitution of the Arbitral Tribunals. It can be stated with certainty that the VCCA Information System (ARBIS)⁴ introduced in 2017 was appreciated by users, showed positive results and contributed to better management of arbitration cases online especially during the pandemic COVID-19 period.

⁴ The Vilnius Court of Commercial Arbitration Information System (ARBIS), available at <www.arbis.lt> .