

Vilnius Court of Commercial Arbitration: 2022 statistical report

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INTRODUCTORY NOTE

This report provides a statistical overview of arbitration and mediation in the Vilnius Court of Commercial Arbitration (VCCA)¹ for the year 2022 and the evolution in comparison with past year(s).

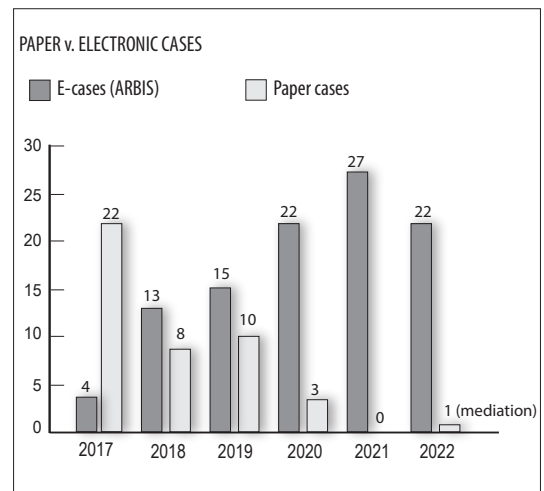
In this report, you will find information about proceedings administered by the VCCA such as the number of new cases, origin of the parties, amounts in disputes, the language and place of arbitration, nature of the dispute by economic sectors, the constitution of Arbitral Tribunals and challenges of arbitrators and average duration of proceedings at the VCCA in 2022.

The 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

22 new arbitration cases were filed in the VCCA during 2022. In the middle of 2017 the VCCA has introduced the Vilnius Court of Commercial Arbitration Information System, known as ARBIS, that is dedicated to the management of arbitration cases online. During the recent period a complete transition from paper-case format to the e-case, administered via ARBIS, has taken place - all new arbitration cases during 2021-2022 were filed via ARBIS, that further contributes to the climate change mitigating initiatives.

Mediation: in 2022 the VCCA has also received 1 request for the mediation under the VCCA Mediation Rules (2014), in which the settlement agreement was reached by the Parties, subsequently confirmed by arbitral award.



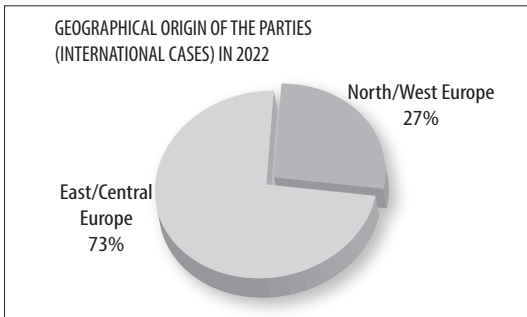
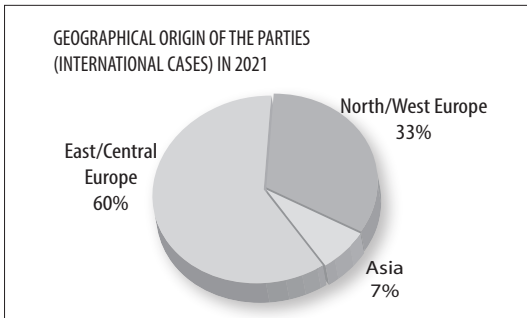
2. PARTIES

In 2022, 50 % of the arbitration cases were introduced between at least one Lithuanian and an International Party, 50 % 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: all of the International Parties in 2022 came from the Europe. It spread 73 % from the Eastern/Central Europe and 27 % from the Northern/Western Europe.

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

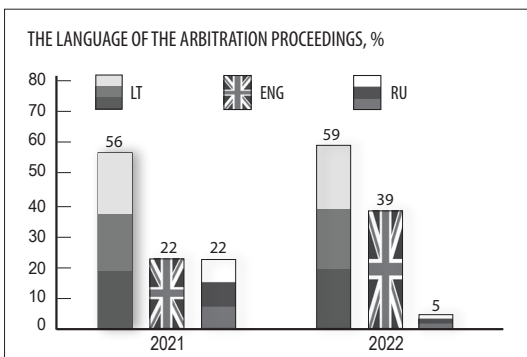


Multiparty Arbitration: 23 % of cases included more than two parties in 2022, compared to 11 % in 2021. It spread to 4 cases that included three Parties and 1 case - four Parties.

3. LANGUAGE

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

In 2022, there has been a decrease of cases in Russian compared to 2021. Indeed, 59 % of the cases in 2022 were conducted in Lithuanian, 36 % - in English and remaining part in Russian (5 %).

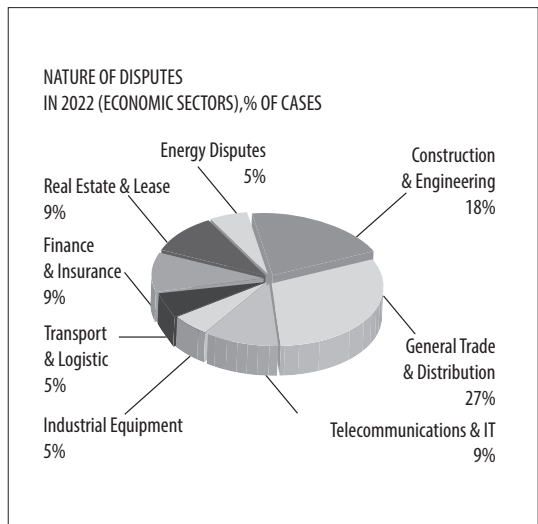


4. PLACE OF ARBITRATION

Vilnius as place of arbitration is a steady trend. In 2022, 100% cases have been initiated having Vilnius indicated as place of arbitration in arbitration agreement or Vilnius was established as the place of arbitration by the Arbitral Tribunal.

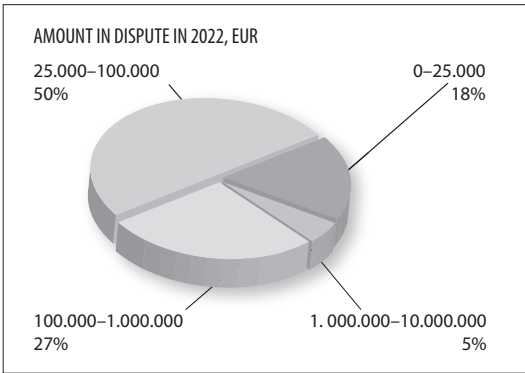
5. NATURE OF THE DISPUTE

In 2022, the percentage of the cases from general trade and distribution was decreasing, constituting 27 % in comparison to 48 % in 2020 and 30 % in 2021. More visible economic sectors in 2022: 18% construction and engineering, 9 % - telecommunications and IT, 9 % - finance and insurance, 9 % - real estate and lease; others – energy, industrial equipment, transport and logistic (each 5%).

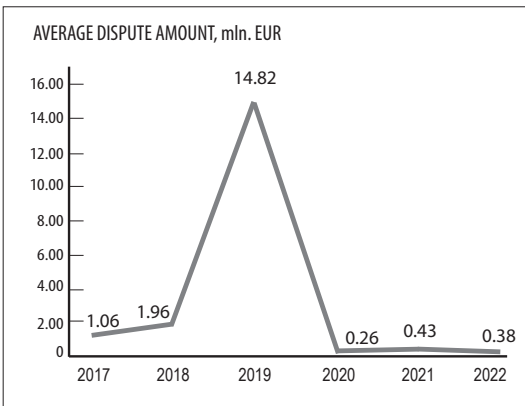


6. AMOUNT IN DISPUTE

The percentage of the arbitration cases in 2022 by amount in dispute spread to 50 % cases with amount in dispute falling between [EUR 25.000 – EUR 100.000]; 27 % - [EUR 100.000 – EUR 1.000.000]; 18 % - small cases up to EUR 25.000 and 5 % - bigger cases [EUR 1 mln. – EUR 10 mln.].

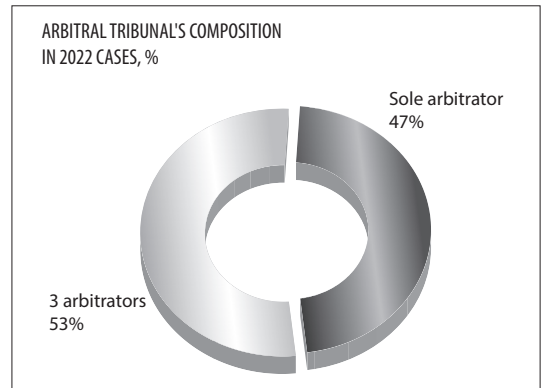


The average amount in dispute has decreased from EUR 0,43 mln. in 2021 to EUR 0,38 mln. in 2022.



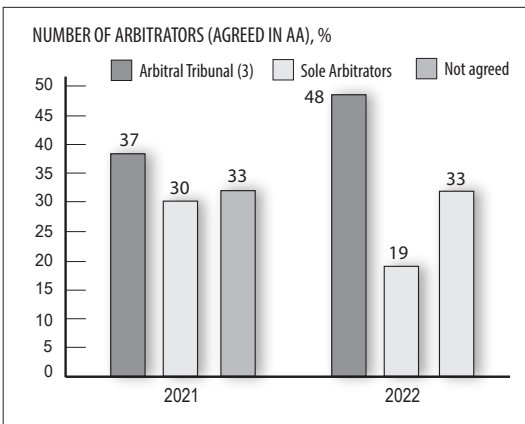
In 2022 the arbitration clauses contained express parties' agreement on the number of arbitrators: in 48 % of the cases - Arbitral Tribunal composed of three arbitrators (in 2021 - 37 %), and 19 % of the cases - of a sole arbitrator (in 2021 - 30 %). Remaining - 33 % of the cases - had no express parties' agreement as to the number of arbitrators (in 2021 - 33%). Consequently, 47 % of cases in 2022 were decided by Arbitral Tribunal composed of a sole arbitrator compared to 56 % in 2021, and 53 % - composed of three arbitrators, compared to 44 % in 2021.

The trend has changed its direction towards more frequent selection of Arbitral Tribunal composed of three arbitrators (both in arbitration agreement and in fact) compared to 2021.



7. ARBITRAL TRIBUNAL

7.1. COMPOSITION



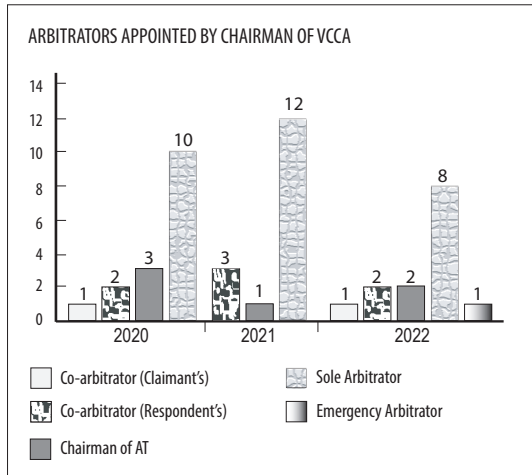
7.2 APPOINTMENTS

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 the 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 the VCCA in 2022 was 14 appointments in comparison to 16 appointments per year in 2020 and 2021. However the distribution is different: 8 sole arbitrators were appointed in 2022 (10 in 2020, 12 in 2021), 1 arbitrators from

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.

the claimants side (1 in 2020, no in 2021), 2 arbitrators from the respondents side (2 in 2020, 3 in 2021), 2 chairmen of the Arbitral Tribunal (3 in 2020, 1 in 2021), 1 emergency arbitrator (no in 2020 and 2021).

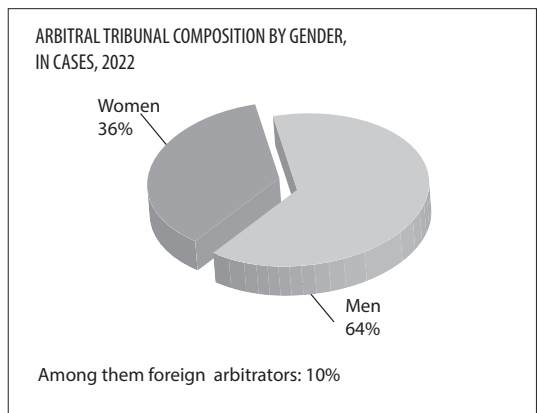


No foreign arbitrators were appointed by the Chair of the VCCA in 2022 compared to two such appointments in 2020 and 3 in 2021. However 3 foreign arbitrators were appointed by the parties and arbitrators in 2022.

7.3. WOMEN IN ARBITRATION

In 2022, 36 % of arbitrators were women compared to 33 % in 2021. 57 % of the arbitrators appointed by the Chair of the VCCA in 2022 were women compared to 44 % of such appointments in 2021.

Arbitrators by gender	2020	2021	2022
Women	23	16	14
Out of them appointed by VCCA	11	7	8
Men	15	32	25

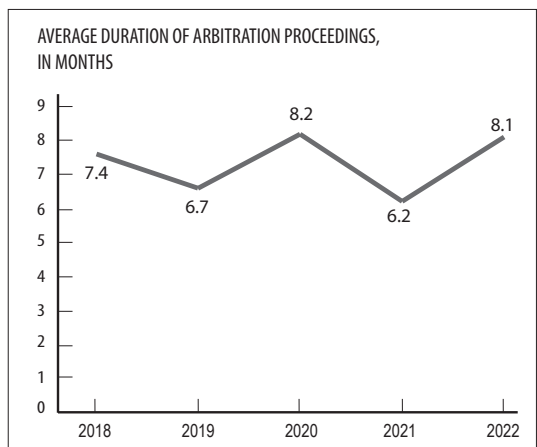


7.4. CHALLENGES AND REPLACEMENTS OF ARBITRATORS

One objection to the party's appointment and/or request for challenge of arbitrator was received in 2022, that resulted in new appointment by the party, in comparison to 2 objections and 2 request for challenge in 2021.

8. AVERAGE DURATION OF THE VCCA PROCEEDINGS IN 2022

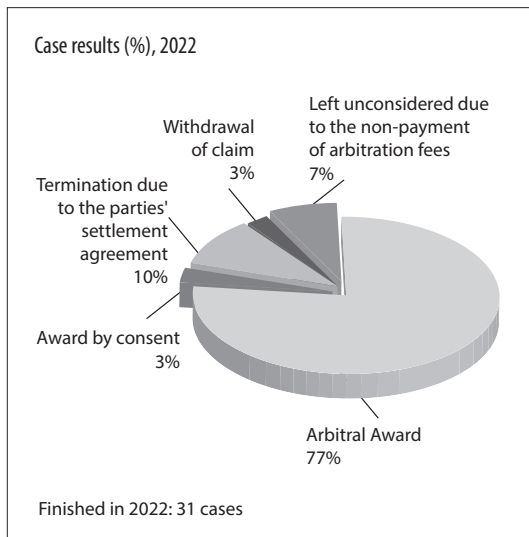
In 2022 an arbitration procedure administered under the VCCA Rules of Arbitration lasted in average **8,1 months** from initiation of the case until rendering an award (25 cases – 5,6 months, 5 cases – 14,5 months, 1 case - 37,4 month), compared to 6,2 months in 2021.



From the initiation of the case to the constitution of the Arbitral Tribunal and transmission

of the case to arbitrators, it takes in average 2,1 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 **5,4 months** in 2022.



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.

CONCLUSION

To summarize, the positive trends may be underlined in 2022 such as prevalent e-case form for arbitration, increasing diversity by economic sectors, better gender representation in composition of the Arbitral Tribunal, continuous balancing role of the VCCA in representation of the gender throughout constitution of the Arbitral Tribunals, gradually increasing appointments of foreign arbitrators, and relatively stable average duration of the arbitration proceedings despite deviations in some more complex cases.

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 during the pandemic COVID-19 period and afterwards.

Having in mind VCCA's experience for more than 20 years in Lithuania and Baltics, this report demonstrates the continuous work and stability of the VCCA as credible and solid arbitral institution both nationally and internationally.

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