

**SOPA Arbitration Rules
(As amended on 7th March, 2024)**

- 1) These Rules shall be known as “SOPA Arbitration Rules”.
- 2) In these Rules, unless the context otherwise requires:
 - a) “Act” means the “Arbitration and Conciliation Act, 1996, as amended from time to time.
 - b) “Arbitration Agreement” means an agreement as defined in Section 7 of the Act.
 - c) “Arbitration Panel” means the Panel of Arbitrators constituted under rule 4(a).
 - d) “Arbitral Tribunal” or “Tribunal” means an Arbitral Tribunal appointed under these Rules.
 - e) “Association” or “SOPA” means The Soybean Processors Association of India, Indore.
 - f) “Chairman” and “Deputy Chairman” means the Chairman and Deputy Chairman respectively of The Soybean Processors Association of India, Indore.
 - g) “The Executive Director” means the paid Executive Director of the Association, having whatever designation.
 - h) “Party” means a party to an Arbitration Agreement under which a dispute has been brought to SOPA for arbitration.
- 3) These Rules shall be deemed to be a part of every commercial contract involving soybean and/or soybean products, if the commercial contract carries a clause to the effect that any dispute/differences arising out of or under the contract shall be referred to SOPA for Arbitration in accordance with SOPA Arbitration Rules, provided, however, that the parties may vary any of these Rules between themselves, by mutual agreement in writing.
- 4) Arbitration Panel:
 - a) The Executive Committee (EC) of the Association shall constitute an Arbitration Panel (hereinafter referred to as “Panel”) of not less than 10 and not more than 20 persons, each of whom shall be an individual, with a minimum 10 years of experience in agriculture commodity trade and whom the EC considers to be competent to arbitrate a dispute and the EC shall have the authority to make such changes in the Panel, as it deems fit, from time to time.

Provided that the nomination of any person to the Panel and any changes in the Panel shall be made in a meeting of the EC formally called, in which constitution of a Panel of Arbitrators or changes in the Panel, is a specific agenda.

Provided further that a person practicing law or working for a professional law firm shall not be appointed to the Panel.
 - b) Appointment of arbitrators to hear and decide upon a dispute shall be restricted to persons nominated on the Panel of Arbitrators under rule 4(a).
 - c) An Arbitrator once appointed to hear a case shall, unless otherwise disqualified under these Rules, continue to act as an Arbitrator till the case is finally decided, even if he does not continue to be member of the Arbitration Panel.
- 5) The provisions of the Arbitration and Conciliation Act 1996 and any statutory amendment, modification or re-enactment thereof for the time being in force, shall apply to every arbitration under these Rules, save insofar as such provisions are expressly modified by, or are inconsistent with, these Rules.

- 6) The Arbitration proceedings shall be conducted at the headquarter of SOPA or at any other place, as may be decided by the Arbitral Tribunal. The Arbitral Tribunal may, at its sole discretion, decide to conduct the hearing through video conferencing.
- 7) The cost relating to travel, boarding and lodging of the Arbitrators appointed by each party shall be reimbursed by SOPA and borne by the respective parties. Such cost relating to Presiding Arbitrator and the SOPA Secretariat staff, if any, shall be shared equally between the parties. In case of the Sole Arbitrator, the cost will be equally borne by both the parties.
- 8) Composition of Arbitral Tribunal :
 - a) An Arbitral Tribunal shall consist of three arbitrators appointed under Rule 8(b) or a Sole Arbitrator appointed under Rule 9(a).
 - b) Subject to the provisions and the time limits prescribed under these Rules, each party shall appoint one arbitrator. The two arbitrators appointed by the parties, within 10 days of receipt of request from SOPA, shall jointly appoint the third arbitrator who shall act as the Presiding Arbitrator.
 - c) If an arbitrator, after consenting to act in a reference, neglects, recuses himself or refuses to act, or is incapable of acting or becomes unavailable, or is disqualified under these Rules, the party which appointed him, shall appoint a new arbitrator from the Panel in his place, within 5 days of receiving the request to do so from the Association.
 - d) If the Presiding Arbitrator, after consenting to act in a reference, neglects, recuses himself or refuses to act, or is incapable of acting or becomes unavailable, or is disqualified under these Rules, the two arbitrators appointed by the parties shall jointly appoint a new Presiding Arbitrator from the Panel in his place, within 5 days of receiving the request to do so from the Association.
 - e) Except for cases submitted to a Sole Arbitrator, if a party fails to appoint an arbitrator, either originally, or by way of substitution as mentioned in rule 8(c), or the two arbitrators appointed by the parties fail to appoint a third arbitrator, either originally or by way of substitution as mentioned in rule 8(d), Chairman of SOPA shall appoint an arbitrator so not appointed, within 10 days of receiving a request from SOPA. If the chairman is a party to the dispute, then the Deputy Chairman will appoint the arbitrator(s).
 - f) SOPA Chairman and Deputy Chairman shall not be appointed as an Arbitrator in any new case during the tenure of their office. However, they can continue to act as an Arbitrator in any cases where they were appointed before assuming office at SOPA.
- 9) Arbitral Tribunal with a Sole Arbitrator:
 - a) The parties to a dispute may agree to have the dispute presented and decided by a single arbitrator, to be appointed by mutual consent of the parties and the sole arbitrator so appointed to the case, shall form the Arbitral Tribunal.
 - b) In case a dispute is submitted to a Sole Arbitrator as per Rule 9(a) and the Sole Arbitrator neglects or refuses to act, or is incapable of acting or becomes unavailable, or is disqualified under these Rules, the parties to the dispute shall appoint another Sole Arbitrator by mutual consent.
 - c) If the parties fail to appoint another Sole Arbitrator, they may either agree for appointment of the Sole Arbitrator by Chairman-SOPA or decide to appoint separate Arbitrators by each party, as per Rule 8(a), and the two arbitrators so appointed shall appoint the third Arbitrator to constitute the Arbitral Tribunal.

- d) A sole arbitrator, once appointed by both the parties, cannot be changed/substituted at the instance of only one party.
- 10) Every member of an Arbitral Tribunal, or the Sole Arbitrator, appointed to hear a case shall give a declaration in writing to SOPA, that there are no circumstances, such as the existence, either direct or indirect, in the past three years or presently, of relationship with or interest in any of the parties or in relation to the subject-matter in dispute, whether financial, business, professional or other kind, which is likely to raise justifiable doubts as to his independence or impartiality.
- 11) In case an arbitrator fails to give the declaration as per Rule 10, within 5 days of receiving the request from SOPA, his appointment shall be considered invalid and a substitute arbitrator shall be appointed in his place, as prescribed under these Rules.
- 12) A party can challenge the appointment or continuation of an arbitrator, if circumstances exist that give rise to justifiable doubts as to his independence or impartiality, within 15 days after becoming aware of the constitution of the Arbitral Tribunal or after becoming aware of such circumstances, by sending to the Arbitral Tribunal a written statement of the reasons for the challenge.
- 13) On being challenged –
- a) The arbitrator challenged can either withdraw from his office voluntarily, or
 - b) The Arbitral Tribunal will accept the challenge and ask the party who appointed him to appoint another arbitrator in his place, or
 - c) The Arbitral Tribunal will reject the challenge, with reasons to be given in writing, and continue the arbitral proceedings and make an arbitral award.
- 14) Submission of Claim
- a) The claimant shall -
 - i) within 45 days of the date of default, send the dispute for arbitration to SOPA, along with five copies of statement of claim and supporting documents and send one copy to the respondent.
 - ii) Appoint an arbitrator, obtain his consent and send the same to SOPA with the claim papers.
 - b) All applications to SOPA for arbitration shall be accompanied by –
 - i) *Prima facie* evidence that the parties have entered into a contract which is subject to SOPA Arbitration Rules, and
 - ii) Payment of appropriate fees and charges, as per these Rules.
 - c) On receipt of the application for arbitration, SOPA shall, within 5 days, register the case for arbitration and call upon the respondent, in writing, to appoint an arbitrator and send his statement of defence and supporting documents to SOPA.
 - d) The respondent shall, within 20 days or such extended period as may be permitted on a written request, but not exceeding a total of 45 days of being called upon to do so, appoint an arbitrator and send the statement of defence and counterclaim, if any, along with the name and consent of the Arbitrator to SOPA, with five copies.
 - e) If the respondent fails to send his defence statement and / or appoint an arbitrator within the stipulated time, the case will be heard ex-parte.
 - f) On receipt of the statement of defence and name of the arbitrator from the respondent, SOPA shall request the two arbitrators appointed by the parties to appoint the third arbitrator, as per rule 8(b).

15) No party shall have the right to revoke the appointment of an Arbitrator so appointed by him.

16) Arbitration fees and costs:

- a) The claimant (including counter claimant) shall, along with the claim/counter claim, pay the following fees/charges to the association, plus applicable GST, in advance by bank transfer:

i) Arbitration fees

S. No.	Claim Amount	Arbitration Fees
1.	Upto Rs. 2 crores	1% of the claim amount, subject to a minimum of Rs. 10,000/-
2.	Between Rs. 2 crores to Rs. 5 crores	Rs. 2 lakhs + 0.75% of claim exceeding Rs. 2 crores
3.	Between Rs. 5 crores to Rs.10 crores	Rs. 4.25 lakhs + 0.5% of claim exceeding Rs. 5 crores
4.	Between Rs.10 crores to Rs.20 crores	Rs. 6.75 lakhs + 0.2% of claim exceeding Rs. 10 crores
5.	Above Rs. 20 crores	Rs. 8.75 lakhs + 0.1% of claim exceeding Rs. 20 crores

ii) Administrative charges Rs. 10,000/- .

iii) Honorarium to be paid to Arbitrators

Rs. 45,000/- @ Minimum Rs. 15000/- per Arbitrator

If, during the course of arbitration, any party desires to enhance its claim, additional fee shall be paid. No such enhanced claim will be entertained till the additional fee has been deposited.

- b) Notwithstanding anything contained in Rule 16(a)(iii), the Arbitral Tribunal may reasonably reduce or enhance the honorarium to be paid to the arbitrators and also decide the manner in which the same is to be shared between the parties.
- c) The Arbitral Tribunal may, at any time, direct any of the parties to pay the Association such other costs, expenses and other charges as may be deemed proper.
- d) The Arbitral Tribunal may direct by whom and in what manner legal consultation and related costs are to be borne in situations where the Tribunal, in the course of arbitration proceedings, avails of legal consultation.

17) All Awards shall be reasoned and shall be made in writing, signed by all the members of the Arbitral Tribunal, giving the award. In arbitral proceedings with more than one Arbitrator, in case of an Award, which is not unanimous, the award given by majority of Arbitrators shall prevail and the dissenting Arbitrator shall give a separate award signed by him. The majority award given by the arbitrators or an award given by a Sole Arbitrator shall be final and binding on the parties thereto.

18) An award on agreed terms or on a settlement between the parties need not state any reasons.

19) The Executive Director or an officer of the Association nominated by him, in consultation with the Tribunal, shall fix suitable time, date and place for hearing of the reference and shall convey it in writing to the parties.

- 20) SOPA shall keep the records of all Arbitration cases decided under these Rules and also the Awards made thereunder, at least for a period of 5 (five) years from the date of award. In case any party informs SOPA that the award is under the consideration of any court, records of such an award shall be retained by SOPA beyond the period of 5 years.
- 21) The Executive Director or an officer of the Association nominated by him shall have authority to receive payment of all costs, charges, fees, deposits and other expenses, to take charge of all documents and papers relating to the reference and generally to do all such things and take all such steps as may be necessary to assist the Tribunal in execution and discharge of its functions.
- 22) Within 30 (thirty) days from the receipt of the award, –
- a) a party may, with notice to the other party, apply to the Arbitral Tribunal requesting to correct any computation, clerical or typographical errors or any other errors of a similar nature occurring in the award.
 - b) The Arbitral Tribunal, on receipt of such application may either (i) reject the said request or (ii) rectify the award to the extent necessary and issue the corrected award or (iii) issue an additional award with such rectification.
- 23) Powers of Arbitral Tribunal :
- a) The Arbitral Tribunal shall have the power to examine the parties and witnesses on solemn affirmation or oath or otherwise, to call for relevant books, papers and documents in possession or power of the parties and either to return them or retain the same against acknowledgement.
 - b) The Tribunal shall have the power to make an interim award or awards and to direct the parties during the proceedings to do all such things, as the Tribunal may deem necessary for deciding the case.
 - c) The Arbitral Tribunal shall have the power to impose such reasonable cost on any of the parties as it thinks fit and pass any other order in the dispute at the time of giving the final award.
- 24) A person representing any party shall submit an authority letter of the party duly signed by a Director/Authorised Representative for doing so, on behalf of the party, mentioning such person's status and relationship with the party.
- 25) No party to a reference shall, without the express permission of the Arbitral Tribunal, be entitled to appear by counsel, attorney, advocate or pleader. Provided, however, that when one party is so permitted, similar liberty shall be given to the other party.
- 26) The Arbitral Tribunal may adjourn hearing(s) from time to time, either on its own instance or at the request of a party or both parties, if satisfied with the reason/s assigned by the requesting party / parties for an adjournment.
- 27) The Arbitral Tribunal shall proceed with the reference and make an award ex-parte, in the absence of any party who, inspite of having been given due notice/s and reasonable time, refuses or neglects to submit any documents or evidence and/or attend the hearings without any good reason for such an absence/neglect, to the satisfaction of the Tribunal.

- 28) All awards shall be in writing, on an official form issued by the Executive Director of the Association, signed by all the arbitrators or by the Sole Arbitrator, and duly stamped, and attested by the Executive Director of the Association.
- 29) The Executive Director shall send a copy of the Award, duly signed by the Arbitrators and attested by him, to the parties concerned. In case any payment of the costs, charges, fees and expenses is due to the Association, the Executive Director shall inform the party concerned to take away the award upon payment of fees and expenses. The Association will have lien on the Award for any costs, charges, fee and expenses of the Arbitration.
- 30) In the event of the dispute referred to the Association for arbitration being settled amicably between the parties concerned, before commencement of the arbitration proceedings, the claimant shall inform the Association in writing, on receipt of which, the Association shall refund to the claimant the honorarium for arbitrators and 50% of the arbitration fee paid by the claimant.
- 31) If the arbitrators are required to appear in any court of law for any matter relating to the arbitration proceeding or award delivered by them, the cost, charges and expenses for the same shall be paid by the Association and recovered from the parties as directed by the tribunal.
- 32) In case a party to a dispute wishes to file the award in a court, either for its enforcement or for challenging the award, the Association will provide a copy of the award on payment of any dues, stamp duty and other taxes, as applicable.
- 33) All the documents, records and papers submitted during the course of Arbitration will be the property of SOPA, who will also have the sole right to publish/quote case law/abstract of the same.
- 34) The territorial jurisdiction for all legal disputes against SOPA or SOPA arbitrators shall be of the Courts of Law at Indore alone.
- 35) In case a counter claim or additional claim is filed between the same parties, then the same Arbitral Tribunal would continue to arbitrate the case.
- 36) All Arbitration cases pending before SOPA under the erstwhile SOPA Arbitration Rules existing prior to these amendments, shall be disposed of by the same Arbitral Tribunals constituted in those cases, irrespective of whether or not the arbitrators thereof in the respective Arbitral Tribunals are members of the present SOPA Arbitration Panel constituted under Rule 4(a) of these Rules.
- 37) These Amended Rules shall also apply to the pending arbitration cases to the extent that they are not expressly in conflict with the erstwhile Arbitration Rules in force before coming into force of these Rules.
- 38) These Amended Rules shall also apply to all arbitration cases referred to SOPA after coming into force of these Rules, irrespective of the date of contract or the date of default.