Key Features of the Istanbul Arbitration Centre
Arbitration Rules

by CANDAN YASAN TEPETAŞ*

ABSTRACT

After several years of reflection and hard work, the Istanbul Arbitration Centre (ISTAC) was established in 2015 and launched its Arbitration Rules in the same year. In an attempt to become a desirable forum for dispute resolution, ISTAC introduces a modern and efficient set of rules reflecting international arbitration practice. Having had a promising start, the Centre places Turkey in a strong position to become an arbitration hub in the region. This article aims at analysing the key features of the ISTAC Arbitration Rules in light of arbitration rules of leading institutions.

I. INTRODUCTION

Pursuant to the framework of the Strategy and Action Plan for Istanbul International Financial Centre which aims at transforming Istanbul into a global financial hub, ISTAC was established on 1 January 2015 by the Law No. 6570.²

Located in Istanbul, the geographic crossroads of Europe, Asia, Africa and the Middle East, ISTAC has become fully operational after releasing its set of arbitration and mediation rules on 26 October 2015.³ As an independent, impartial, autonomous and modern institution ISTAC provides efficient dispute resolution services for both domestic and foreign parties.

The Centre registered its first arbitration case on 18 December 2015 and, after a period of one and half years, the number of cases received by ISTAC has reached to

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1 The Strategy and Action Plan for Istanbul International Financial Centre (IFC-ISTANBUL), October 2009 was published in the Official Gazette numbered 27364 and dated 2 October 2009. In fact, the second priority described in this Strategy and Action Plan is the establishment of an independent and autonomous institutional arbitration centre which will be able to compete on an international scale.


The promising start for a young arbitration centre is reinforced by the frequent incorporation of ISTAC’s arbitration clause into several agreements, including the Istanbul’s Third Airport Financing Agreement and the Water Supply Project to the Turkish Republic of Northern Cyprus. Besides, a Government Circular was published on 19 November 2016 in order to encourage public bodies to incorporate ISTAC arbitration clause in their domestic and international contracts.

The Law No. 6570 regulates only the structural organization of ISTAC and, attributes legal personality to the Centre subject to private law provisions. With respect to the corporate structure, ISTAC is composed of the General Assembly, Board of Directors, National and International Boards of Arbitration, Advisory Board, Auditor, and the General Secretariat.

Pursuant to Articles 12 and 13 of the Law No. 6570 and the ISTAC Arbitration Rules, arbitration proceedings before ISTAC are solely administered by the Boards of Arbitration and the Secretariat. As for the International Board of Arbitration, the Board is composed of the Chairman of the Centre, Ziya Akınç, the Secretary General, and three prominent and leading arbitration practitioners - Jan Paulsson, Bernard Hanotiau and Hamid Gharavi. Turning back to the National Board of Arbitration, besides the Chairman of the Centre and the Secretary General, highly respected arbitration practitioners, Sabih Arkan, Atilla Altop and Cemile Demir Gökyayla serve as members of the Board.

II. DISTINCTIVE FEATURES OF THE ISTAC ARBITRATION RULES

a) Set of Modern Rules Mirroring International Arbitration Practice

The ISTAC Arbitration Rules were drafted to address the main needs and expectations of the parties regarding the resolution of commercial disputes in a fair, expeditious manner.

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7 Article 2 of the Law No. 6570.

8 Article 12 of the Law No. 6570. The ISTAC Boards of Arbitration are equivalent to a court of arbitration set out under similar institutional arbitration rules. Although the existence of two separate courts of arbitration is not a common occurrence among other arbitration institutions, this choice followed by the Law No. 6570 presents considerable advantages in terms of domestic and international disputes: see O. Çetinkaya, ‘The Rise of Arbitration in Turkey’, first published in the IBA Arbitration Committee Newsletter (August 2016), but also available at <https://www.morogluarseven.com/news/rise-arbitration-turkey-2>.

9 Article 5 of the Law No. 6570.


In that respect, ISTAC provides modern, easily understandable, internationally accepted and efficient arbitration rules which practitioners are familiar with.\textsuperscript{14} The fact that the ISTAC Arbitration Rules are broadly similar to other leading institutional arbitration rules creates an ease of application. Equally, the Rules implement an institutional arbitration procedure which can compete on an international level.\textsuperscript{15} Moreover, ISTAC offers innovative solutions to Turkish arbitration law, including the introduction of fast track arbitration (expedited procedure), emergency arbitrator, and a procedural timetable which will be further discussed below.

b) Flexibility In The Incorporation Of The Rules

In parallel with Article 19(1) of the UNCITRAL Model Law on International Commercial Arbitration, under Article 8 of the Turkish International Arbitration Law (‘IAL’)\textsuperscript{16} and Article 424 of the Turkish Civil Procedural Code (‘CPC’),\textsuperscript{17} parties are entitled to agree on the procedural rules to be applied by the arbitrators in conducting the arbitration proceedings. For a dispute to be resolved in accordance with the ISTAC Arbitration

\begin{itemize}
\item \textsuperscript{11} Z. Akıncı, \textit{Milletlerarası Tahkim}, (İstanbul: Vedat Kitapçılık, 2016), 432 et seq.
\item \textsuperscript{13} C. Yasan, ‘ISTAC Tahkim Kuralları Uyarınca Seri Tahkim Yargılaması (Fast Track Arbitration)’, \textit{Milletlerarası Özel Hukukta Güncel Konular Sempozyumu} (Ankara: Seçkin Yayınevi, 2016), 357.
\item \textsuperscript{15} H. E. Erdem, \textit{İstanbul Arbitration Center}.
\item \textsuperscript{17} Law numbered 6100 and dated 12 January 2011, published in the Official Gazette numbered 27836 and dated 4 February 2011.
\end{itemize}
Rules, the parties need to agree on such issue.\textsuperscript{18}

There are no prescriptive formulations or statements in the Rules for this purpose. Parties may refer to ISTAC in their arbitration agreement by adopting the easiest terms and abbreviations. In fact, under Article 2(2) of the Rules, it is clearly established that the parties can refer to the institution as ‘ITM’, ‘ISTAC’, or by any other reference which may be interpreted to mean that the ISTAC Arbitration Rules have been chosen. A related point to consider here is the interpretation of parties’ will in an extensive and constructive manner.\textsuperscript{19}

Alternatively, parties may prefer to use the ISTAC Model Clause which reads as follows: ‘\textit{any disputes arising out of, or in connection with the present contract shall be finally settled through arbitration under the Istanbul Arbitration Centre Arbitration Rules}'.\textsuperscript{20}

The Model Clause also allows the parties to amend the clause with their choice of the seat of the arbitration, the language of the arbitration, the number of arbitrators, the applicable law to the merits of the dispute and, to exclude the application of the ISTAC Emergency Arbitrator Rules.\textsuperscript{21} If any of these points is not agreed upon by the parties and, is included in the arbitration clause, the issue will be resolved in accordance with the Rules.

Although parties enjoy broad freedom to draft their own arbitration clause without being obliged to use the ISTAC Model Clause, it is critically important that they have a valid arbitration agreement which expresses parties’ clear undertaking that the dispute shall be finally resolved by arbitration under the ISTAC Arbitration Rules. Ideally, parties are recommended to use the Model Clause and to make changes to it if necessary to avoid any ambiguities with respect to the validity of the arbitration agreement and, to ensure the enforceability of the award.\textsuperscript{22}

c) Role of the ISTAC Boards of Arbitration

The ISTAC Boards of Arbitration are autonomous bodies responsible for the administration of the resolution of disputes in accordance with the Rules.\textsuperscript{23} The Rules

\begin{itemize}
  \item Article 2(1) of the ISTAC Arbitration Rules.
  \item Akıncı, \textit{Milletlerarası Tahkim}, 437.
  \item The English version of the ISTAC Model Clause is available at <https://istac.org.tr/en/dispute-resolution/arbitration/model-arbitration-clause/>.
  \item The following changes can be made to the ISTAC Model Clause under the Rules:
    \begin{itemize}
      \item The Emergency Arbitrator Rules shall not apply.
      \item The place of the arbitration shall be (City/Country).
      \item The language of the arbitration shall be (…).
      \item The number of the arbitrators shall be (…).
      \item The law applicable to the merits of the dispute shall be (…).
    \end{itemize}
  \item Article 1(2) of the ISTAC Arbitration Rules and Article 3 of its Appendix-2 on the Structure and Functional Procedures of the ISTAC Board of Arbitration and the Secretariat.
\end{itemize}
clearly state that the Boards do not themselves resolve disputes.\textsuperscript{24}

With regard to the administration of the arbitration proceedings, the Boards have several duties and responsibilities regulated in the Rules, such as the determination of the number of arbitrators in cases where it has not been agreed on by the parties; appointment of the arbitrator(s) not chosen by the parties or by the co-arbitrators; replacement of the arbitrator(s); consolidation of two or more arbitrations pending under the Rules; determination of the advance on costs; or the extension of the time limit for the issuance of the award. In fact, these functions typical of a court of arbitration can be usually found in most of the institutional arbitration rules.

However, the ISTAC Arbitration Rules do not confer any power on the Boards in respect of:

• the approval / confirmation of the arbitrator(s) designated by the parties;\textsuperscript{25}
• the \textit{prima facie} examination of the existence, validity or scope of the arbitration agreement;\textsuperscript{26} and,
• the review / scrutiny of the award.\textsuperscript{27}

These limitations on the duties and responsibilities of the ISTAC Boards of Arbitration\textsuperscript{28} ensure the independence and impartiality of the Centre without hindering the effectiveness of institutional arbitration. The idea behind this intentional approach is to prevent any intervention to the arbitration proceedings and the arbitral award itself.\textsuperscript{29} Furthermore, the lack of the \textit{prima facie} review of jurisdiction by the Boards might also be considered in line with judicial economy\textsuperscript{30} since the last word to rule on its own jurisdiction belongs in any case to an arbitral tribunal\textsuperscript{31} pursuant to the principle of

\textsuperscript{24} Article 1(2) the ISTAC Arbitration Rules and Article 3(3) of its Appendix-2.

\textsuperscript{25} For instance, as prescribed under Article 5 of the Swiss Rules; Article 13 of the ICC Rules; Article 17 of the DIS Rules; Article 9(2) of the DIAC Arbitration Rules; Article 5 (c) of the LCIA Arbitration Rules; Articles. 14(5) and 15(3) of the Rules of Arbitration of the Istanbul Chamber of Commerce ('ICOC Rules').

\textsuperscript{26} For instance, as set out under Articles 6(3) and 6(4) of the ICC Rules; Article 6 of the DIAC Arbitration Rules; and Articles 9(0) and 10(0) of the SCC Rules.


\textsuperscript{28} For more detail, see C. Demir Gökyayla, 'İstanbul Tahkim Merkezi Tahkim Kuralları Uyarınca Divannın Yetki ve Görevleri', \textit{Milletlerarası Özel Hukukta Güncel Konular Sempozyumu}, (Ankara: Seçkin Yayınevi, 2016), 344-352.

\textsuperscript{29} Demir Gökyayla, İstanbul Tahkim Merkezi, 349, 351-352.

\textsuperscript{30} The principle of judicial economy which is explicitly stipulated in Article 20 of the Rules means that the parties and the arbitral tribunal should make every effort to ensure that the proceedings are conducted in an expeditious and cost-effective manner, taking the value and the nature of the dispute into consideration, see Akıncı, \textit{Milletlerarası Tahkim}, 462.

\textsuperscript{31} The ISTAC Arbitration Rules use the terms ‘sole arbitrator’ to refer to a single arbitrator, and ‘arbitral tribunal’ for a panel consisting more than one arbitrator provided that this is an uneven number. See the definitions set out under Article 3(1) of the Rules. In this article the term ‘arbitral tribunal’ is used to refer to both a sole arbitrator and a panel of arbitrators.
competence-competence.\textsuperscript{32}

On the other hand, one may also question whether it would be more effective to leave some of the Board’s less critical duties to the President of the Board, or to the Secretariat as the 2013 Rules of Arbitration of the Singapore International Arbitration Centre (SIAC Rules) have done.\textsuperscript{33} It is probably prudent to say that ISTAC needs to handle more cases as a newly established institution before deciding whether to adopt such an approach.

d) Greater Degree of Party Autonomy

The ISTAC Arbitration Rules offer parties a greater degree of party autonomy over the arbitration proceedings. Wills of the parties should be respected to the greatest extent possible in the application of the Rules.\textsuperscript{34}

To begin with, a significant number of provisions are not mandatory as they indicate that they shall apply ‘unless otherwise agreed by the parties’, including, \textit{inter alia}, Article 11(3) on the consolidation of two or more arbitrations that are pending under the Rules; Article 14(3) on the method of appointment of the third arbitrator; Article 21 on confidentiality; and Article 23 on the seat of the arbitration.\textsuperscript{35} The parties’ agreement takes precedence over ISTAC’s default provisions. Moreover, parties are also free to determine the rules governing the procedure,\textsuperscript{36} the language of the arbitration\textsuperscript{37} and the applicable law to the merits of the case.\textsuperscript{38} In addition, as a further expression of party autonomy, the Rules concerning the emergency arbitrator and fast track arbitration procedure allow the parties to deviate therefrom\textsuperscript{39} as well as enabling them to opt out of such procedures should they wish to do so.

Secondly, in respect of the selection of arbitrators by the parties; the designation of the third arbitrator by the co-arbitrators; and the appointment of arbitrators by the Board of Arbitration ISTAC does not offer a list of arbitrators whether compulsory or not. Accordingly, the parties may freely choose any qualified and desired person to serve as an arbitrator as long as he/she is impartial and independent as provided under Article

\textsuperscript{32} Demir Gökyayla, İstanbul Tahkim Merkezi, 351.

\textsuperscript{33} For instance, as set out under Articles 2(5), 28(1) and 29(5) of the SIAC Rules in respect of the extension of time limits, or as prescribed under Article 30(2) of the SIAC Rules as for the advance on costs.

\textsuperscript{34} Akıncı, \textit{Milletlerarası Tahkim}, 437.

\textsuperscript{35} In this respect, parties should take note that failing their agreement, Article 23 of the Rules provide for Istanbul as the default seat of the arbitration, similar to what has been provided under Article 16(2) of the LCIA Arbitration Rules. Nonetheless, under Article 15(A) of the Turkish International Arbitration Law, parties whose domicile are not in Turkey are entitled to exclude the jurisdiction of Turkish courts with respect to the applications to set aside the arbitral award.

\textsuperscript{36} Article 22(1) of the ISTAC Arbitration Rules.

\textsuperscript{37} Article 24 of the ISTAC Arbitration Rules.

\textsuperscript{38} Article 25 of the ISTAC Arbitration Rules.

\textsuperscript{39} Article 31 of the ISTAC Arbitration Rules; Article 1 of the ISTAC Emergency Arbitrator Rules (Appendix-1) and, Article 1 of the ISTAC Fast Track Arbitration Rules.
12 of the Rules. As for the number of arbitrators, the parties are also free to determine
the number of arbitrators, even under the ISTAC Fast Track Arbitration Rules, provided that they agree on an odd number. Other than exceptional circumstances, caution should be exercised when deciding on a tribunal consisting of more than three arbitrators.

Thirdly, the Rules allow the parties to select the most suitable method to initiate
the arbitration. In this respect, the ISTAC Arbitration Rules offer two options:

1. The claimant may commence the arbitration by submitting a Request for Arbitration or, alternatively,

2. The claimant may initiate the arbitration by a full statement of claim and supporting documents including all relevant facts and evidence. Doing so will be in the claimant’s advantage and ensure a faster arbitration. In this scenario, the respondent, within 30 days, may submit either its Statement of Defence or choose to submit only its Answer to Request for Arbitration. Thus, in line with the principle of equal treatment of parties, the option offered to the claimant is also provided to the respondent.

This alternative procedure contributes to the flexibility and effectiveness of arbitration and allows the parties to accelerate the proceedings. The provisions with respect to the Request for Arbitration and Answer to the Request are applicable by analogy to cases where the arbitration is initiated by a Statement of Claim and followed

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40 For more detail, see Akıncı, *Milletlerarası Təhləkim*, 442–443; Demir Gökyayla, *İstanbul Tahkim Merkezi*, 345; cf. Article 4(9) of the ISTAC Rules on Structure and Functional Procedures of Board of Arbitration and Secretariat (Appendix-2).

41 Article 3(1) of the ISTAC Fast Track Arbitration Rules.

42 Article 13(1) of the ISTAC Arbitration Rules. Where the parties have not agreed on the number of the arbitrators, the Rules still allow some flexibility. Article 13(2) states that in such a case, taking into account particular circumstances of the case especially the amount in the dispute and the complexity of the case, the ISTAC Board of Arbitration may decide that the dispute be resolved by a sole arbitrator or by a three member tribunal, see Akıncı, *Milletlerarası Təhləkim*, 444. A similar approach can be found in Article 5(8) of the LCIA Arbitration Rules.


44 The commencement of an arbitration is considered as a significant step, especially with respect to time bars and limitation periods. For more detail, see N. Blackaby & C. Partasides et al., *Redfern and Hunter on International Arbitration*, 6th edition, (Oxford University Press, 2015), 230; Lew & Mistelis, *Comparative International Commercial Arbitration*, 505–511.

45 The required content of a Request for Arbitration is described under Article 7(2) of the ISTAC Arbitration Rules in a similar manner to other leading institutional arbitration rules. In brief, the claimant should include the necessary information regarding the parties’ identities, arbitration agreement, the dispute and its claims, see Akıncı, *Milletlerarası Təhləkim*, 450; cf Born, *International Arbitration*, para. 22.

46 Article 7(7) of the ISTAC Arbitration Rules. Neither the ICC Rules, nor the LCIA Arbitration Rules provide such a method for the commencement of arbitration. However, the SIAC Rules present this option in its Article 3(2).


48 Article 7(7) of the ISTAC Arbitration Rules.
by a Statement of Defence.⁴⁹ For instance, when the respondent opts to submit a Statement of Defence, this statement should include the respondent’s objections to the existence, validity, content, scope and application of the arbitration agreement.⁵⁰ Failing that, the respondent will no longer have the right to object to the jurisdiction of the arbitral tribunal later in the proceedings.⁵¹

Fourthly, a terms of reference is not mandatory under the ISTAC Arbitration Rules. Article 26 of the Rules clearly points out that ‘unless otherwise agreed by the parties’, the arbitral tribunal shall establish a terms of reference in light of the parties’ most recent submissions. Although the terms of reference remains a valuable tool for many reasons,⁵² the ISTAC Arbitration Rules do not require it as a bureaucratic feature, or an institutional must-do. In light of the particular circumstances of a case, if the establishment of the terms of reference would be unnecessary or impose delays accompanied by additional costs, it may be more appropriate not to have it at all. Having said that, the Rules include a mandatory requirement for a procedural timetable for the conduct of the arbitration proceedings.⁵³ The issues related to the procedural timetable will be examined below.

Lastly, in accordance with Article 43(1) of the ISTAC Arbitration Rules, the parties can agree to modify the time limits set out in the Rules, either within the arbitration agreement or after the dispute has arisen. For instance, they may wish to reduce or extend the time limit set out under Article 14(3) for the designation of the third arbitrator by co-arbitrators or the time limit prescribed under Article 26(3) for the submission of the signed terms of reference to the Secretariat. However, bearing in mind that ISTAC has also introduced fast track arbitration rules, parties should agree to shorten time limits only if particular circumstances require so and their adjustments do not impose unrealistic time limits leading to uncertainties in the arbitral process.⁵⁴

c) Introducing New Concepts to Turkish Law

The ISTAC Arbitration Rules provide popular and helpful tools to further efficiency and cost-effectiveness in arbitration practice. In this respect, the Rules has introduced the fast track procedure (expedited procedure), the emergency arbitrator procedure, and the mandatory requirement for a procedural timetable.

Keeping in line with the recent trends in arbitration, ISTAC has developed a separate set of fast track arbitration rules especially to provide a solution for lengthy

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⁴⁹ Article 7(8) of the ISTAC Arbitration Rules.
⁵⁰ This is the result of the application of Article 8(2)(d) by analogy, see Akıncı, Milletlerarası Tahkim, 453.
⁵¹ Article 9(1) of the ISTAC Arbitration Rules.
⁵³ Article 27 of the ISTAC Arbitration Rules.
litigation proceedings in small-scale disputes before state courts. In principle, the ISTAC Fast Track Arbitration Rules apply automatically to any case where the total amount in dispute does not exceed 300,000 Turkish Liras (approximately US $85,000) on the date the proceedings are initiated. However, the parties may agree otherwise or upon the request of one of the parties, the ISTAC Board of Arbitration may decide otherwise, taking into consideration the nature and complexity of the dispute. On the other hand, even though the amount in dispute is above this threshold, the parties may still agree on the application of the Fast Track Arbitration Rules.

Notable features of the ISTAC Fast Track Arbitration Rules are as follows:

- unless otherwise agreed by the parties, the Rules require the dispute to be resolved by a sole arbitrator;
- the Rules set out a simplified but accelerated procedure with consistently shortened timelimits;
- arbitration commences with the filing of a statement of claim, followed by a statement of defence;
- the Rules provide for a document-only procedure, but the possibility to hold a hearing is still maintained;
- the Rules require the award to be rendered within three months from the transmission of the case file to the arbitrator, but extensions may be granted.

The emergency arbitrator procedure is considered as an established feature of the international arbitration practice. Under the ISTAC Arbitration Rules, a party wishing to benefit from an interim measure even before the commencement of the arbitration may apply for the appointment of an emergency arbitrator. To ensure an effective application of this procedure, the Rules clearly state that the ISTAC Emergency Arbitrator Rules shall apply automatically, unless the parties expressly exclude their application. Even though this procedure may be used for any type of dispute, it is particularly effective

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55 Articles 1(1) and 1(2) of the ISTAC Fast Track Arbitration Rules. Regarding the scope of application, the ISTAC Fast Track Arbitration Rules took guidance from the Swiss Rules, and the SIAC Rules but preferred to impose a lower threshold since these Rules were designed for domestic cases in the first place.

56 Article 1(3) of the ISTAC Fast Track Arbitration Rules.

57 Article 1(1) of the ISTAC Fast Track Arbitration Rules. However, this option should only be used if the nature of the dispute and the particular circumstances of the case require doing so, see Lew & Mistelis, *Comparative International Commercial Arbitration*, 549-550; Gaillard & Savage, *Fouchard Gaillard Goldman*, para. 1248.


59 Under the ‘standard’ ISTAC Arbitration Rules, the arbitral tribunal shall render the award within six months (Article 3(6) of the Rules).


61 Article 3(1) of the ISTAC Arbitration Rules and Article 1(1) of the ISTAC Emergency Arbitrator Rules (Appendix-1). In line with Article 29(7) of the ICC Rules, under Article 1(9) of the ISTAC Emergency Arbitrator Rules, a party is not prevented from seeking national courts’ assistance for an interim measure before or after the appointment of the emergency arbitrator, see Akıncı, *Milletlerarası Tahrir*, 466.
in cases where a party needs to obtain an urgent relief for protecting trade secrets,\textsuperscript{62} or preventing the transfer of shares to a third party.

The President of the Board of Arbitration is responsible for appointing the emergency arbitrator within two days from the receipt of the application by the Secretariat.\textsuperscript{63} Taking into consideration the nature and particular circumstances of the application, the emergency arbitrator shall grant the interim measures he/she deems fit within seven days after receiving the application.\textsuperscript{64} Emergency arbitrator’s decisions are binding on the parties.\textsuperscript{65} However, upon request of a party or \textit{ex officio}, an arbitral tribunal can modify or terminate the decision granted by the emergency arbitrator.\textsuperscript{66}

The Rules also require the arbitral tribunal to set a procedural timetable for the proceedings. This mandatory obligation is similarly imposed by the ISTAC Fast Track Arbitration Rules.\textsuperscript{67} Unlike the terms of reference, parties cannot exclude the establishment of a procedural timetable by agreement. It is for the arbitral tribunal to prepare a timetable after consulting the parties.\textsuperscript{68} This is only an obligation to consult and the tribunal does not need parties’ approval.\textsuperscript{69}

As the preparation of a procedural timetable is a relatively new instrument for Turkish domestic arbitration practice, Article 27(1) of the ISTAC Arbitration Rules only addresses the basic content to be included in the timetable, such as the date of the submission of pleadings, the date of the hearing, and the dates of other procedural issues which the arbitral tribunal deems appropriate. Needless to say, these are merely provided to give an idea of the points which shall be covered in a procedural timetable.\textsuperscript{70}

d) Competitive Costs and Fees Scales

In comparison to other leading arbitral institutions, ISTAC provides for a cost-effective dispute resolution mechanism. The Rules stipulate that the fees of the arbitrators and ISTAC administrative costs shall be fixed by the Boards, in accordance with the ISTAC Rules on Costs and Fees Scales (Appendix-3).\textsuperscript{71} It is worth noting that the Centre does not offer a separate costs and fees structure for the fast track arbitration procedure. Thus, the fees of arbitrators and administrative costs for fast track proceedings shall be fixed pursuant to the scale provided in the ISTAC Rules on Costs and Fees Scales (Appendix-3).


\textsuperscript{63} Article 3(1) of the ISTAC Emergency Arbitrator Rules (Appendix-1).

\textsuperscript{64} Articles 7(1) and 7(2) of the ISTAC Emergency Arbitrator Rules (Appendix-1).

\textsuperscript{65} Article 7(4) of the ISTAC Emergency Arbitrator Rules (Appendix-1).

\textsuperscript{66} Article 7(7) of the ISTAC Emergency Arbitrator Rules (Appendix-1).

\textsuperscript{67} Article 4 of the ISTAC Fast Track Arbitration Rules.

\textsuperscript{68} Article 27(1) of the ISTAC Arbitration Rules.

\textsuperscript{69} Akıncı, \textit{Milletlerarası Tahrir}, 458.

\textsuperscript{70} For more detail, see Born, \textit{International Commercial Arbitration}, 2240-2241.

\textsuperscript{71} Article 41(2)(a) of the ISTAC Arbitration Rules and Article 4 of the ISTAC Rules on Costs and Fees Scales (Appendix-3).
Pursuant to the Rules, when the claimant submits its Request for Arbitration, he/she shall deposit the registration fee which is currently 300 Turkish Liras (approximately US $85). In contrast to other leading arbitration institutions, this constitutes an extremely affordable filing fee.

In fact, ISTAC offers a relatively low fee structure in terms of administrative costs. Especially after the amendment to the scales of administrative costs which is effective as of 18 April 2017, the administrative costs for ISTAC arbitration have been lowered for larger disputes. In respect of the fees of arbitrators, ISTAC aims to provide a reasonable fee rate which is comparable to other established institutions in order to attract qualified arbitrators.

Overall, ISTAC introduces a reasonable cost and fee structure in comparison to Turkish commercial courts. Taking into consideration the lengthy procedures in local courts, ISTAC especially aims to be an attraction point for domestic disputes. The table provided below illustrates a comparison of the fees of Turkish commercial courts with ISTAC’s costs including the sole arbitrator’s fee, administrative costs and registration fee:

<table>
<thead>
<tr>
<th>Amount in Dispute</th>
<th>Turkish Commercial Courts</th>
<th>ISTAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRY 100,000,000</td>
<td>TRY 6.831.000</td>
<td>TRY 589.800</td>
</tr>
<tr>
<td>(approx. US $28,340,000)</td>
<td>(approx. US $1,935,905)</td>
<td>(approx. US $167,150)</td>
</tr>
<tr>
<td>TRY 50,000,000</td>
<td>TRY 3.415.500</td>
<td>TRY 499.800</td>
</tr>
<tr>
<td>(approx. US $14,165,000)</td>
<td>(approx. US $967,611)</td>
<td>(approx. US $141,643)</td>
</tr>
<tr>
<td>TRY 10,000,000</td>
<td>TRY 683.100</td>
<td>TRY 259.800</td>
</tr>
<tr>
<td>(approx. US $2,832,000)</td>
<td>(approx. US $193,522)</td>
<td>(approx. US $73,627)</td>
</tr>
<tr>
<td>TRY 5,000,000</td>
<td>TRY 341.548</td>
<td>TRY 194.800</td>
</tr>
<tr>
<td>(approx. US $1,416,500)</td>
<td>(approx. US $96,795)</td>
<td>(approx. US $55,206)</td>
</tr>
<tr>
<td>TRY 1,000,000</td>
<td>TRY 71.980</td>
<td>TRY 54.800</td>
</tr>
<tr>
<td>(approx. US $283,300)</td>
<td>(approx. US $20,400)</td>
<td>(approx. US $15,530)</td>
</tr>
<tr>
<td>TRY 300,000</td>
<td>TRY 20.492</td>
<td>TRY 19.800</td>
</tr>
<tr>
<td>(approx. US $85,000)</td>
<td>(approx. US $5,807)</td>
<td>(approx. US $5,611)</td>
</tr>
</tbody>
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72 Article 7(3) of the ISTAC Arbitration Rules and Article 3(i) of the ISTAC Rules on Costs and Fees Scales (Appendix-3).
73 Article 7(4) of the ISTAC Rules on Costs and Fees Scales (Appendix-3).
74 Akinci, Milletlerarası Tahkim, 433.
III. CONCLUSION

Turkey has taken many significant steps to become an arbitration friendly jurisdiction.\(^{75}\) The establishment of ISTAC will also play a significant role in the development of international arbitration in Turkey.\(^{76}\)

The ISTAC Arbitration Rules, complying with international standards, establish a modern and well-designed procedure. The Rules also address the needs of the parties and practitioners in terms of flexibility, time and cost-effectiveness for the resolution of commercial disputes.

As an independent and autonomous institution, ISTAC will fill an important gap in the region as the crossroads between the Middle East, North Africa and Europe. The successful start of the institution with the registration of eleven arbitration cases in total—six of which are international with one non-Turkish party heralds a significant indication for a bright future for the Centre.

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