

**CHAMBER OF NATIONAL AND INTERNATIONAL
ARBITRATION OF MILAN**

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2006
FACTS AND FIGURES



**CAMERA
DI COMMERCIO
*di Milano***

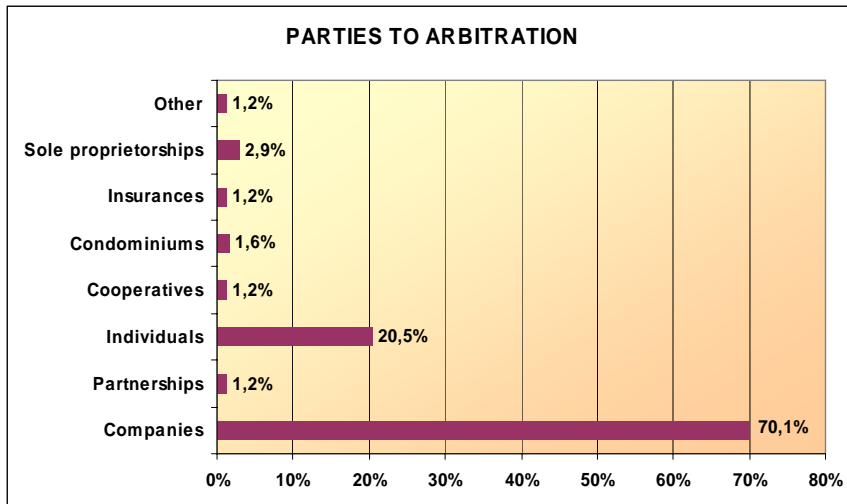
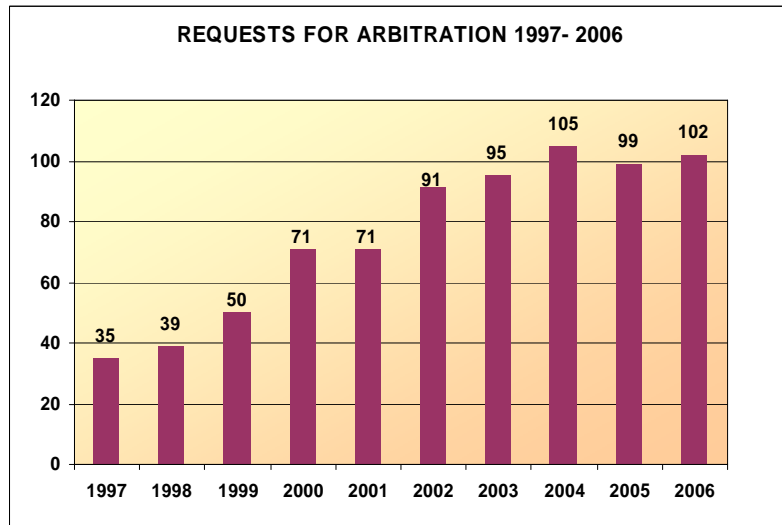
2006 ACTIVITY REPORT

The Chamber of Arbitration of Milan, a special branch of the local Chamber of Commerce, provides alternative methods to settle commercial disputes in a quick and effective way for companies, professionals and consumers.

In 2006 the number of cases handled by the Chamber was **473** including requests for arbitration and mediation, appointments of arbitrators and on-line mediation disputes.

ARBITRATION www.arbitrato.com

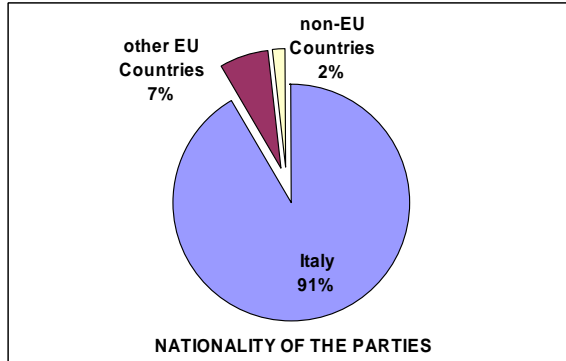
102 new requests for arbitration were filed in 2006. 45 arbitration proceedings were concluded with a final award, 41 were settled and 13 were dismissed because the advance payments requested by the Secretariat were not paid.



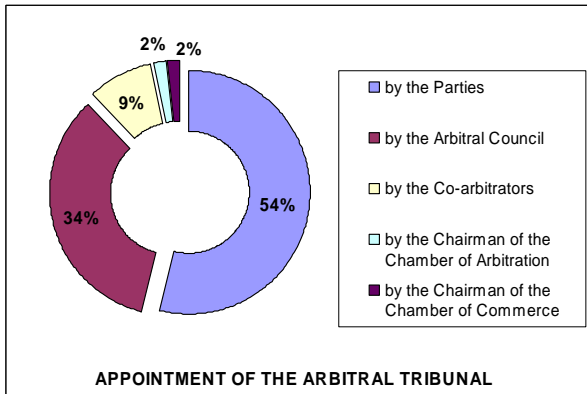
244 parties were involved in arbitration: 171 companies were leading the list (70.1%), and 50 individuals followed (20.5%). Results confirm that arbitration is an effective way to solve business disputes.



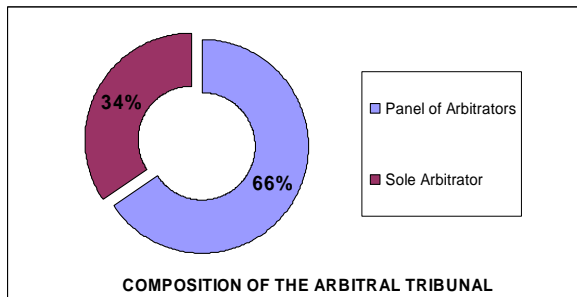
As far as **nationality** is concerned, parties came from 13 different countries. Specifically, in 91% of the cases parties were from Italy, and in 7% from other EU Countries, while only in 2% from non-EU Countries. Finally, the number of foreign parties involved in arbitration is experiencing a slow but steady growth.



The principle of parties' autonomy played a key-role, as pointed out by the fact that the parties directly appointed the arbitrators in 54% of the cases (that is to say, 100 arbitrators out of **186**).

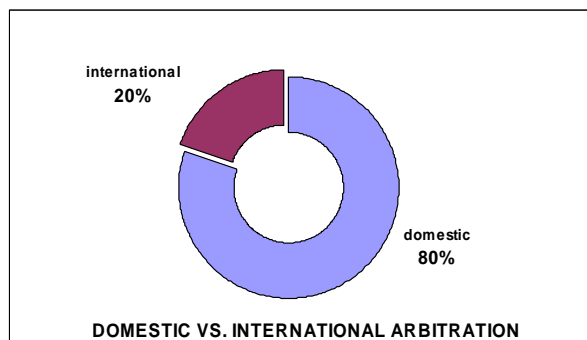


Meanwhile, the Arbitral Council of the Chamber appointed 64 arbitrators (34%), and 16 were appointed by the co-arbitrators (9%). Only in few cases (6), the Chairman of the Chamber of Commerce and the Chairman of the Chamber of Arbitration acted as appointing authorities in *ad hoc* arbitral proceedings.



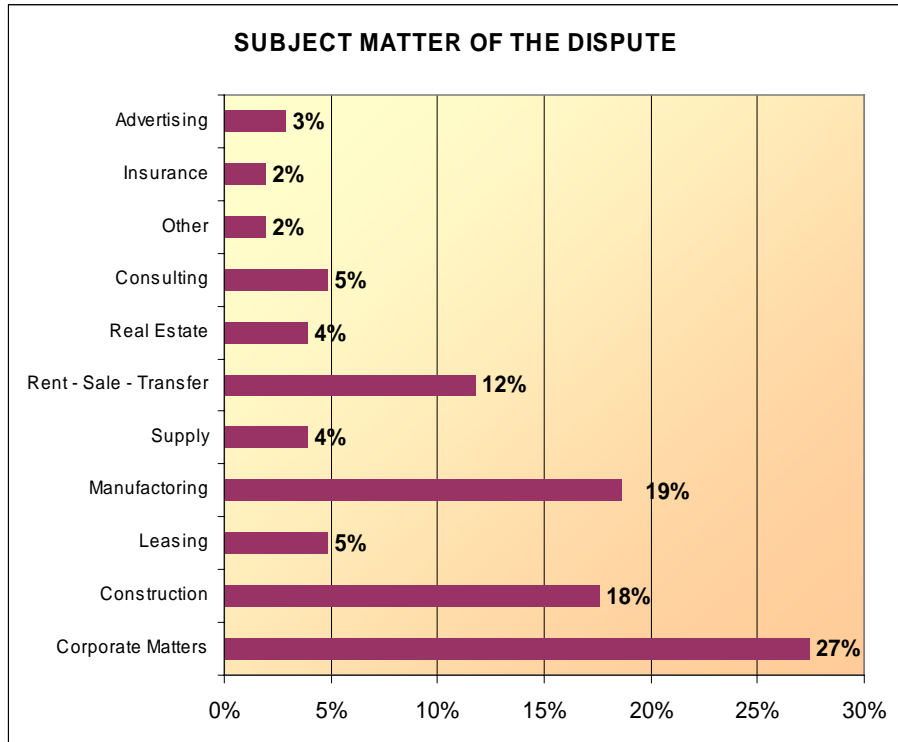
Sole arbitrators were outnumbered by panels consisting of **three members** (34% vs. 66%). Nevertheless, cost effective considerations increasingly lead the parties to opt for a sole arbitrator.

Milan was the **seat** of the arbitration in most of cases (92%), while other places throughout Italy were selected in the rest of the cases. However, 20% of the proceedings were international as they involved foreign parties.

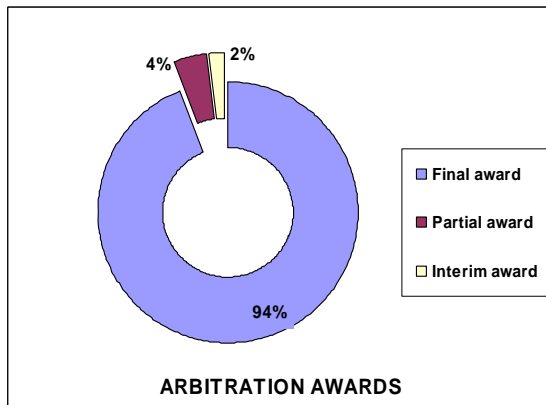


Arbitrations mainly concerned **corporate matters** (27%), manufacturing (19%) and construction (18%).

In 2006 the average **value** of the disputes was € 11.030.084,86. However, most cases averaged between € 50.000 and € 1.000.000.



A very positive figure comes from the **length** of the proceedings: **11,7 months**. The average duration was shorter when the dispute was settled (7,5 months), while slightly longer when a final award was rendered (15,8 months).



In 2006, 45 final **awards** were rendered, further to 2 partial award and an interim one.

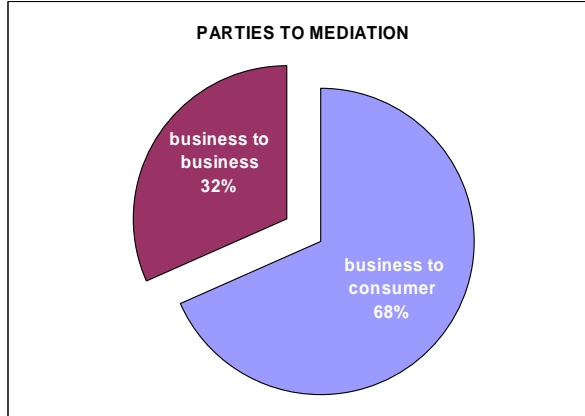
The Secretariat examined 48 draft awards before the Arbitral Tribunal's signature, in order to indicate to the arbitrators any non-compliance with the applicable formal requirements. The Secretariat highlighted gaps, such as an incomplete or missing indication of the payment of the arbitration costs, of the place of the arbitration or of the date and venue of rendering the award. This cooperation between the Secretariat and the arbitrators draws attention to the active and effective role of the Chamber in support of parties and counsels when administering the proceedings.

Finally, statistics show that - in average - more than three years elapse from the drafting of the contract containing an arbitration clause to the filing of the request for arbitration.

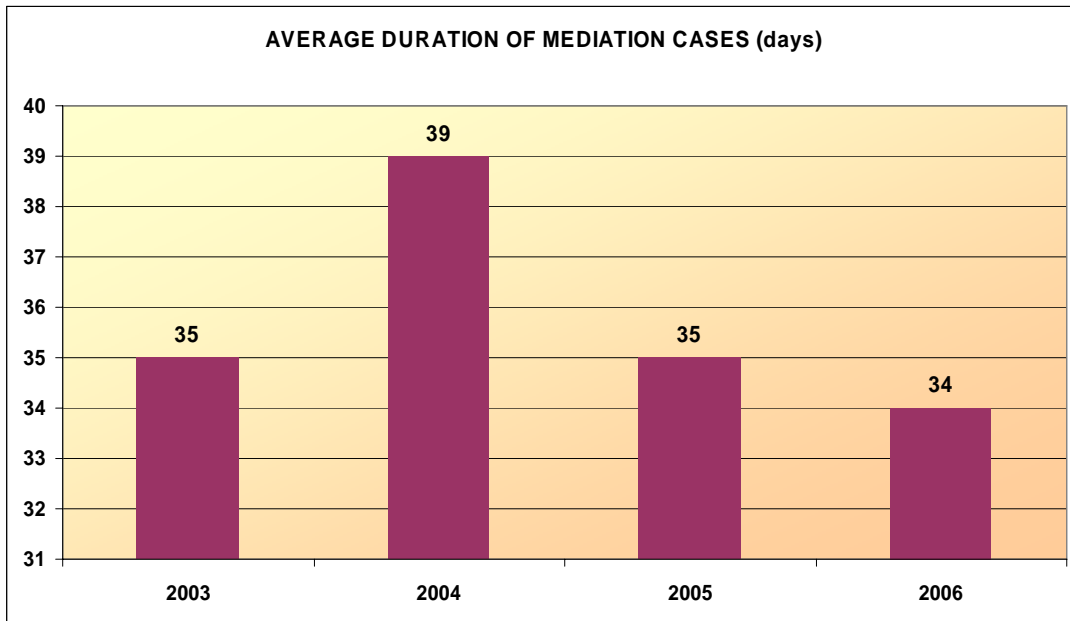


MEDIATION
www.conciliazione.com

320 new requests were filed in 2006. Such a result confirms a growing interest in mediation as a flexible and alternative tool to settle disputes, widely used by **consumers** (219 cases) and increasingly appreciated by **companies** (101 cases).



Rapidity remains a key factor when describing mediation, as well as one of the main reasons why parties choose it. In 2006 the average duration of mediation cases was **34 days** (from the filing of the request to the meeting when the dispute was settled).

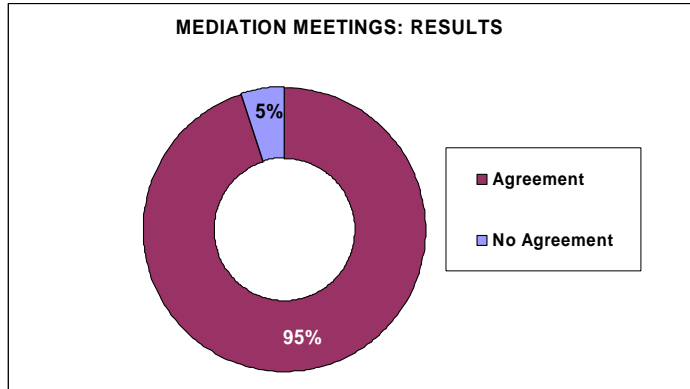


The average **value** of the disputes was € 128.000,00 (three times higher than in 2005). When consumers were parties to mediation the average value of the disputes was € 20.125,00, while in cases involving companies it increased up to € 364.800,00.

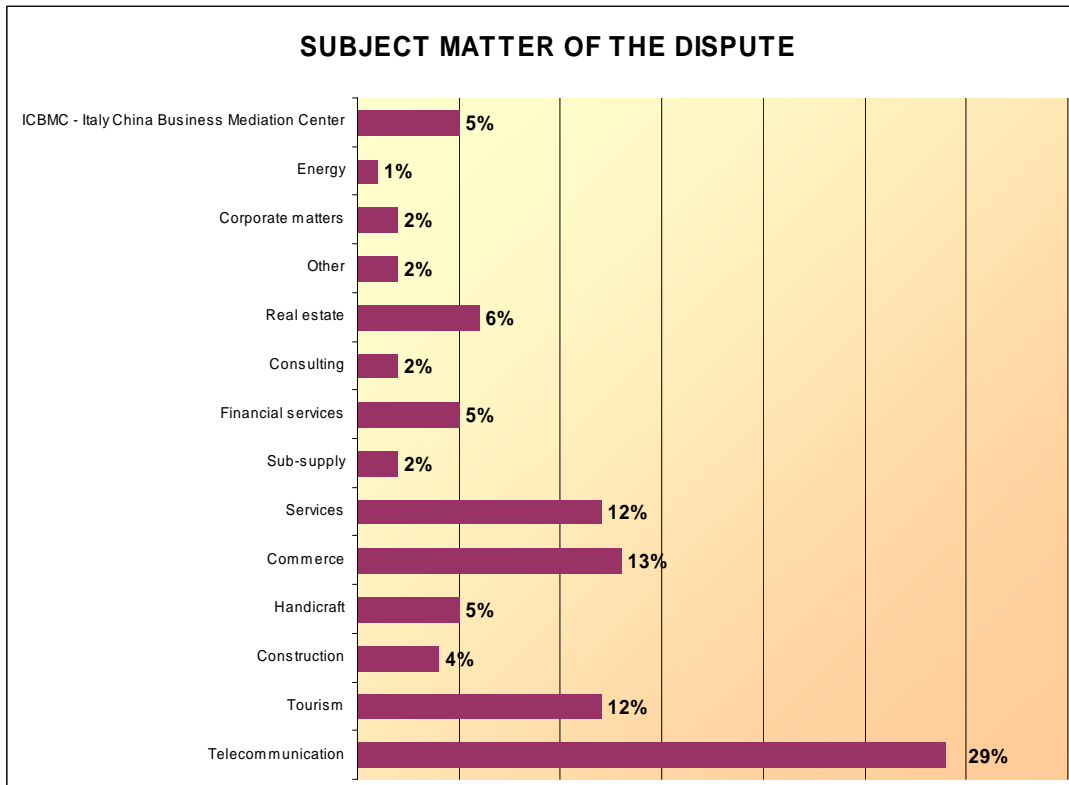
37 mediation **meetings** took place in 2006. In this regard, it must be considered that most of the requests for mediation were filed in the end of the year, consequently the meetings are expected to be scheduled in 2007, and cannot be listed in 2006 statistics.



Furthermore, in 14% of the cases the parties directly found an agreement before any meeting: here, the Mediation Service of the Chamber assisted the parties to re-establish negotiation before setting in motion any proceedings. It is relevant to point out that, when a meeting took place, parties found an **agreement** in 95% of the cases.



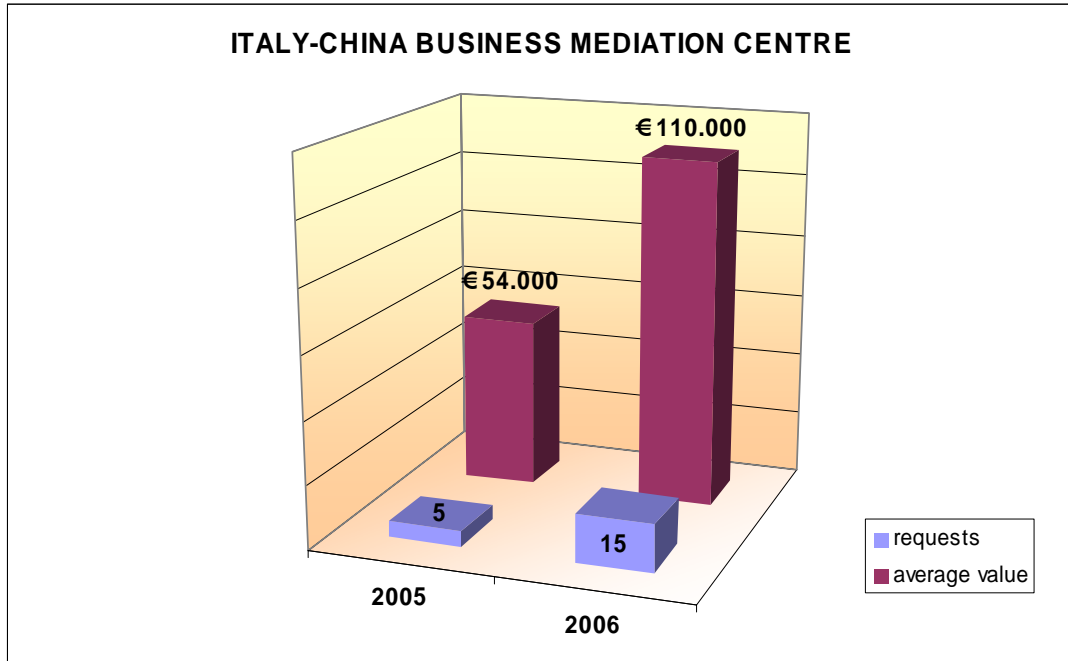
The **matters** in dispute most frequently concerned telecommunication, commerce, services and tourism.



In February 2006 the Chamber launched its new **Mediation Service in Monza**, a division of the Chamber of Commerce. Along 2006, 58 requests for mediation were filed and 8 meetings took place. All the meetings but one succeeded, and the parties reached an agreement.



2006 was the second year of full activity for the **Italy-China Business Mediation Centre**. The Centre registered a remarkable increase of the number of requests (15). Furthermore, the average value of the dispute doubled in 2006 and reached € 110.000,00. All the meetings took place in Beijing and were conducted in English. Parties reached an agreement in 25% of the cases. Yet, the parties directly settled their disputes in 37,5% of the cases: the Centre did not schedule any meeting but facilitated the parties' negotiation.



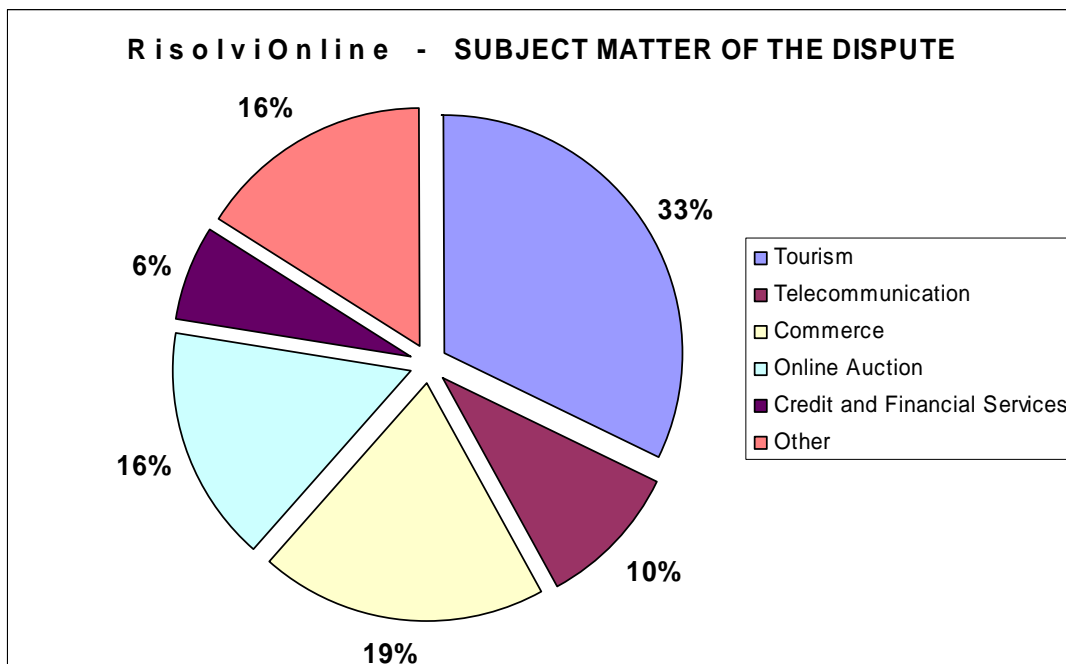
Disputes mainly dealt with cases where delivered goods were not paid, or goods were non in conformity with the EU requirements, joint-ventures dissolutions or trademark infringements.

The Chamber of Arbitration of Milan cooperates with the **Milan State Court of Appeal** and other institutional organizations to promote mediation among citizens, companies and professionals. Such a cooperation finally lead to a new project called **Progetto Conciliamo** www.progettoconciliamo.it. The project is already operative and effective. It is supervised by a committee (CISCON – Comitato delle Istituzioni per lo sviluppo della Conciliazione) which has is temporary headquarter at the Chamber's premises.



RISOLVIONLINE
www.risolvionline.com

In 2006 **31** new requests were filed to the on-line mediation service of the Chamber of Arbitration of Milan: this is an impressive result when compared to 2005 (23 requests). Disputes mainly involved consumers. Consequently, the average **value** of the cases was € 3.000,00 (slightly higher than in 2005 when it was € 2.500,00). Actually, just one meeting took place, but the activity of the Chamber helped the parties to reach an agreement in other five cases, without scheduling any on-line meeting.



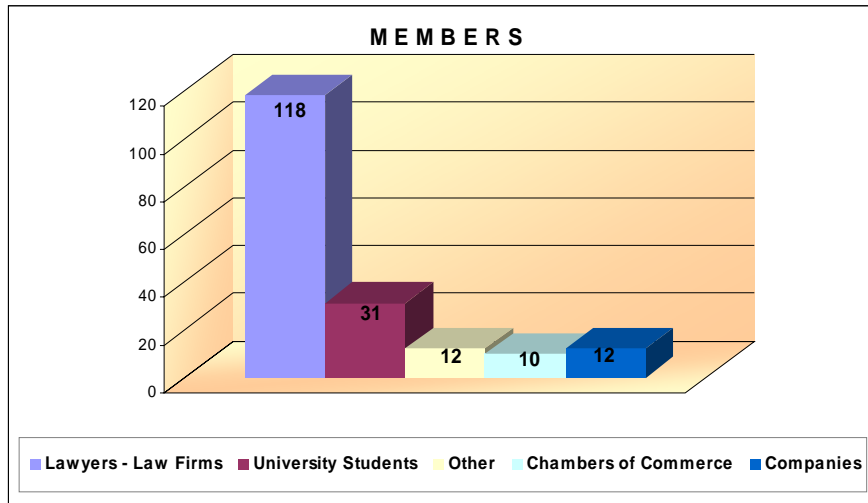
Disputes most frequently concerned tourism and commercial **matters**.



DOCUMENTATION AND STUDIES CENTRE FOR ADR
www.centrostudiadr.com

The Centre manages a library focused on ADR which is open to the public through membership.

Members can easily conduct their research thanks to a wide collection of national and international book, journals, conference papers and CD-Roms.



In 2006, **183** new members subscribed and they visited the library over two hundred times.

INTERNATIONAL DEPARTMENT

The Chamber of Arbitration of Milan promotes its ADR services internationally by different kind of activities.

In this regard, specific projects were developed throughout selected geographical areas in order to strengthen relationship and increase commercial connection in support of Italian and foreign companies. These projects were directed to the **Mediterranean basin** and the **Balkans**. Hence, 16 international events were attended or co-organized to promote the use of ADR.

The Chamber of Arbitration of Milan organises **training events** and **workshops** on ADR. Especially, in 2006 the Chamber run its 4th edition of a training course on arbitration: participants attended a three months course where eminent arbitrators lectured, constantly referring to practical issues as well as analysing general principles. Furthermore, the Chamber joined the organization of the so called “Mediation week” set by the Union of the Italian Chambers of Commerce.

It can be mentioned that representatives of the Chamber joined many national and international events (110) as speakers, thus supporting the spreading of ADR techniques. Also, over a thousand of new contacts were addressed to the Chamber by e-mails, phone calls and visits. This confirms a great interest in the Chamber's activity and it can be considered a positive result for the general growing and developing of ADR.

