

ITOTAM Updated Its Arbitrator Fee Schedule and Administrative Cost Schedule.

Development

The Istanbul Chamber of Commerce Arbitration Center ("ITOTAM"), a prestigious arbitration center established in 1979 and frequently preferred in Turkey, has announced the revision of its arbitrator fee schedule and administrative cost schedule effective as of April 17, 2024. Alongside the adjustments in the fee schedules, the relevant provisions of the ITOTAM Arbitration Rules ("**Rules**") and their appendices, last revised in 2021, have been amended to align with the tariff changes.

Key Revisions

The most notable amendments in the fee schedules include (i) the introduction of a minimum threshold for arbitrator fees and (ii) an increase in the lower limit for applications under the Expedited Arbitration Rules. The changes made and reflected in the Rules can be summarized as follows:

- According to Article 38 of the Rules, the maximum limit for total claims required for applying the Expedited Arbitration Rules has been raised from TRY 500,000 to TRY 2,000,000. This alteration has also been incorporated into Article 1 of the Expedited Arbitration Rules.
- Prior to the revision, Article 2 of the Regulation on Arbitration Costs did not specify any minimum threshold for arbitrator fees. However, following the revision, a minimum threshold of TRY 5,000 has been established for arbitrator fees, and it has been clarified that these fees are net amounts, exempt from all taxes and financial obligations.
- The application fee, regulated under Article 12 of the Regulation on Arbitration Costs, has been increased from TRY 400 to TRY 1,500, and the administrative cost advance has been raised from TRY 500 to TRY 1,000.
- While the administrative costs, including the application fee, were previously set at TRY 400 under Article 7 of the Expedited Arbitration Rules, the recent amendment has adjusted the application fee to TRY 1,500, and it has been specified

that the administrative cost advance will also be calculated according to the Regulation on Arbitration Costs.

- Changes to Article 6 of the Emergency Arbitration Rules have elevated the application fee from TRY 750 to TRY 2,000 and the emergency arbitrator fee from TRY 25,000 to TRY 50,000.
- In addition to the modifications concerning arbitration expenses, revisions have been made to the Mediation Cost and Fee Schedule, with the application fee increased from TRY 100 to TRY 500 and administrative costs raised from TRY 200 to TRY 500.

Conclusion

Recent adjustments to the ITOTAM Arbitration Rules have resulted in significant modifications to the arbitrator fee schedule and administrative cost schedule. The inflationary conditions in Turkey and the depreciation of the Turkish lira against foreign currencies have led to increases in items such as application fees and administrative expenses. Furthermore, the introduction of a minimum threshold for arbitrator fees represents a crucial improvement, particularly for the effective resolution of disputes involving foreign currencies and streamlining the appointment of foreign arbitrators. While these adjustments may initially appear to escalate arbitration costs, considering the quality of the judicial process and the potential for fair decision-making, they are expected to yield positive outcomes in terms of cost-effectiveness.

Moreover, additional regulations, such as excluding taxes from arbitrator fees, enhance Turkey's attractiveness as an international arbitration center and facilitate the selection of foreign arbitrators, thereby promoting the preference for Turkish arbitration institutions in cases involving foreign law. These developments reinforce ITOTAM's position as a favored center in the global arbitration landscape and signify a significant stride towards aligning with international standards.

You can access all the changes under the Rules from [here](#). (*Available in both Turkish and English.*)

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