

**MEXICO CITY NATIONAL CHAMBER OF
COMMERCE
ARBITRATION RULES FOR SMALL CLAIMS**

SECTION I. INTRODUCTORY RULES

Article 1

Scope of application

1. It is understood that the disputes shall be solved in accordance with these Rules, without prejudice of the modifications which might be agreed upon by the parties, when they have agreed that their disputes related to a contractual or non-contractual relationship:

a) Be submitted to the small claims arbitration of the Mexico City National Chamber of Commerce (CANACO), or use expressions showing their intention to submit the dispute to CANACO small claims arbitration; or

b) Be submitted to CANACO arbitration or use expressions showing their intention to submit the dispute to CANACO arbitration, and the amount is lower than 124,860 UDIS.

2. Should a difference on the amount of the dispute exist, the Secretary General's Office shall determine whether the CANACO Arbitration Rules (Arbitration Rules) or the CANACO Arbitration Rules for Small Claims (ABC Rules) are applicable.

Article 2

Powers of the Secretary General's Office

1. The Secretary General's Office shall have the powers that the Arbitration Rules and the Bylaws of the Mediation and Arbitration Commission (Bylaws) grant to the Mediation and Arbitration Commission (Commission).

2. When considered convenient, the Secretary General's Office may consult the Commission.

Article 3

Applicability of the Arbitration Rules

These ABC Rules contain special provisions for small claim arbitrations. In all those matters not provided for herein, the Arbitration Rules shall apply.

Article 4

Notice of arbitration

1. The notice of the arbitration shall include the following:

a) Express mention that the dispute be referred to arbitration;

b) The name and addresses of the parties;

- c) A reference to the arbitration clause which is invoked;
- d) A reference to the contract or to the juridical relationship to which the dispute has arisen or to which the dispute is related;
- e) The general nature of the claim and the indication of the amount involved, if any;
- f) The relief or remedy sought;
- g) A proposal related to the appointment of the sole arbitrator;
- c) The statement of claim referred to in Article 10.

Article 5
Representation and assistance

During the arbitration proceedings, the parties may not be assisted or represented by attorneys.

SECTION II. COMPOSITION OF THE ARBITRAL TRIBUNAL

Article 6
Sole Arbitrator

1. The arbitral tribunal shall be integrated by a sole arbitrator.

Article 7
Appointment of the sole arbitrator

1. The sole arbitrator shall be appointed by the General Secretary's Office.
2. The General Secretary's Office shall appoint the sole arbitrator, as soon as possible. In making the appointment, the General Secretary's Office shall proceed in accordance with the system established hereunder, unless both parties agree not to use the list-procedure or if the General Secretary's Office itself discretionally decides that the use of the list-procedure is not appropriate for the case:
 - a) The General Secretary's Office shall communicate to both parties an identical list containing at least three names.
 - b) Within five days after the receipt of this list, each party may return the list to the General Secretary's Office, after having deleted the name or names to which he objects and number the remaining names on the list in the order of this preference;
 - c) After the expiration of the above period of time, the General Secretary's Office shall appoint the sole arbitrator from among the names approved in the lists returned to it and in accordance with the order of preference indicated by the parties;
 - d) The General Secretary's Office may, at its own discretion, use any other procedure to appoint the sole arbitrator.

Article 8

Any party may promote the challenge of an arbitrator, within the three days following the notice of appointment of said arbitrator, or within three days following the date on which he learned about the circumstances stated in Article 12 of the Arbitration Rules.

SECTION III. ARBITRAL PROCEEDINGS

Article 9

Decision on documents

1. The proceedings shall be substantiated on a document basis, unless in special circumstances the arbitrator, after listening to the parties, considers it justified that other evidence may be submitted.

Article 10

Statement of claim

1. The statement of claim shall be accompanied by:

a) A copy of the contract or, if any, of the document having caused the extra-contractual relationship and of the agreement to arbitrate, if this is not contained in the contract.

b) The evidence on which it is based, which may only be documentary. The witnesses' statements and the expert's reports shall only be received if produced in writing.

2. The statement of claim must contain the following:

a) The name and the addresses of the parties;

b) Statement of the facts supporting the claim;

c) The points at issue;

d) The relief or remedy sought.

Article 11

Statement of defense and counterclaim

1. Within a ten-day term, the Respondent shall communicate its statement of defense in writing to the General Secretary's Office and to Claimant, and the counterclaim, if any, to which the Claimant must reply within a ten-day term.

2. The reply and the counterclaim, if any, shall adjust to the requirements established for the statement of claim by Article 10.

Article 12

Hearing

1. Once having received the memorials referred to in the preceding paragraphs, the arbitrator shall determine whether the parties may submit additional memorials and shall call a hearing, establishing the day, time and place.

2. The hearing must be carried out within the shortest term possible, considering the circumstances of the case.

3. In the hearing, the arbitrator shall listen to the parties. No evidence other than the documentary evidence shall be received, unless under special circumstances and after listening to the parties, the arbitrator considers it justified that it is received. However, the parties may submit testimonies and expert opinions in writing.

4. The parties may agree that the hearing is not held and that the arbitrator resolves based on the memorials and documents submitted by the parties.

5. When considered it appropriate, the arbitrator may invite the parties to waive the hearing.

SECTION IV. AWARD

Article 13 Award

1. The day following the hearing, the arbitrator shall render the award in writing and shall deliver it to the General Secretary's Office for it to notify same.
2. The award shall not contain reasons.
3. The award must distinguish the main decision, and that on the interests and on the costs.

Transitory

SOLE.

Unless otherwise agreed by the parties:

- I. The provisions of these Rules shall become effective 30 days after its approval by the Mexico City National Chamber of Commerce Board of Directors, and its publication by means of the Internet page of its Mediation and Arbitration Center.
- II. The arbitral proceedings in process on the date of entry into effect of these Rules shall continue to be governed by the provisions in force at the time of commencement of those proceedings.

ANNEX

SCHEDULE FOR CALCULATING THE COST OF SMALL CLAIM ARBITRATIONS

Amount the dispute	Cost of the Arbitration*
Up to 100,000	5,000.00
100,000 to 200,000	5,000+2.5% of the surplus of the lower limit
200,000 to 300,000	7,500+3.5% of the surplus of the lower limit
300,000 to 400,000	11,000+4% of the surplus of the lower limit
400,000 to 500,000	15,000+6% of the surplus of the lower limit

* The amounts are in Mexican pesos and do not include the Value Added Tax.

* The arbitration cost includes the administrative expenses and the arbitrator's fee.

* For claims in foreign currency or investment units the rate of exchange shall be applied at the time the advanced payments are requested and at the time the final cost of the arbitration is fixed. The rate of exchange and the UDIS's value shall be the ones published by the Bank of Mexico (Banco de México) on the Federal Gazette (Diario Oficial de la Federación).

* Amounts may vary, at Commission's discretion, according to the general characteristics of the corresponding arbitral procedure.