
An over view of FOSFA (Federation of Oils, Seeds and Fats Associations Limited) International Arbitrations

Federation of Oils, Seeds and Fats Associations Limited (FOSFA) is an association of various companies, firms, traders & organizations who are into the business of certain commodities. The above said Institution in addition to the other works and services of an association of its members, it also administers arbitrations and arbitration appeals, if the parties to a contract designate FOSFA as the administering arbitral institution. Many of the international commodity disputes are handled by FOSFA. The following are the salient features of arbitration under FOSFA Rules.

Seat of Arbitration: In any International Arbitration seat of Arbitration is important because seat determines the procedural law and the supervising courts. FOSFA does not entertain or administer International arbitrations in other seats of the world and hence the permanent seat of arbitration for FOSFA arbitrations is London. UK.

FOSFA Arbitration Rules: FOSFA arbitrations are governed by “FOSFA Rules of Arbitration and Appeals”, “the Guide to arbitrations and appeals” and the Arbitration Act, 1996 of UK. The said rules provide for a two-tier arbitration process. The 2nd level is an appeal arising out of the order, which is handled by the appeal panel members of FOSFA. After exhausting both the levels parties may choose challenge the award before the UK Courts under the Arbitration Act, 1996.

Fees of Arbitration: FOSFA has fee schedule which prescribes, a very less expensive cost of arbitration. In the first level a party should deposit a maximum of 5000 GBP and in the Appeal, level a party should deposit a maximum of 10000 GBP as Arbitration costs. This fee schedule is not prescribed based on the quantum of dispute, like other major international arbitral institutions. The final



fee is assessed by the arbitrators based on the time spent in an arbitration, by the arbitrator. FOSFA closely monitors the fee claims of the arbitrators.

Different Types of Arbitrations: FOSFA Rules provide for three types of arbitrations namely Two tier arbitration for regular matters, Single tier arbitration for small cases and brokerage disputes. In Single tier arbitrations, sole arbitrator shall be appointed by FOSFA and there is no appeal maintainable under FOSFA Rules.

Legal Representation of Parties: FOSFA Rules allow parties to represent their cases before the Arbitral tribunal. Even the law officers of the company can represent the Company before the arbitral tribunal but Private Legal Practitioners are not allowed to represent the case before the tribunal.

Panel of Arbitrators: FOSFA has a panel of arbitrators with experience in commodity trade. They are also trained in International Commodity Trade and parties should choose their nominee only from that panel. There are two panels one for the first tier arbitration and the second is for Appeals.