

# International Arbitration with Russians in London: a Case Study

## [ Kalmneft v Glencore ]

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### 1. Introduction

Worldwide perception is that legal proceedings are slanted, however slightly, in favour of the “home team” i.e. the entity in whose jurisdiction the proceedings are taking place; further, there are jurisdictions in respect of which international perception is of clear bias, not mere slant. Whether such perceptions are accurate or not in any given instance is often irrelevant, the existence of the perception overriding objective considerations. One example is the widespread perception in developing countries and emerging economies that international arbitration is wholly slanted in favour of West European and US business. Such perception certainly exists in Russia (amongst others) and this article addresses a case, *AOOT Kalmneft v Glencore International SA and AW Berkeley*, in the English High Court arising out of an international arbitration held in London. In his judgement, the highly-regarded Colman J inter alia summarised English judicial policy regarding foreign litigants, particularly those inexperienced in international commerce in general and international arbitration in particular, involved in English Court proceedings.

The case also addresses a significant jurisdictional issue common in respect of Russian and other companies and provides valuable guidance on sections of the Arbitration Act 1996 covering the arbitrator’s powers, extensions of time, removal of the arbitrator and challenges to awards, including particularly significant clarification of the scope of s.67. This article will cover the implications for the Act itself only briefly.

### 2. The Facts

#### 2.1. The Agreements

In March 1998, Kalmneft agreed (the “KB Agreement”) to supply crude oil to, and Glencore agreed

(the “GB Agreement”) to purchase oil from, an Irish company, Briarwise International Ltd (“Briarwise”); the three companies entered into a “Prepayment Agreement” which provided for English law and arbitration in London and under which Glencore advanced US\$8,506,329.79 (part cash and part equipment supply) to Kalmneft/Briarwise as prepayment in respect of oil deliveries. Kalmneft and Briarwise unconditionally undertook to deliver the oil in full before 31<sup>st</sup> December 2000 and, if any prepayment and/or interest remained then outstanding, Kalmneft and Briarwise were obliged to repay (in cash, net of the value of oil deliveries) the balance to Glencore. The advances (plus accrued interest) became immediately repayable in full if at any time either Kalmneft or Briarwise were in breach of the Prepayment Agreement or of any other agreement with Glencore.

No oil had been delivered to Glencore by end-February 1999 so Glencore served notice of default on Kalmneft and Briarwise. By 30<sup>th</sup> September 2000 interest had accrued to the extent of US\$3,702,728.29. No deliveries of oil were made during 1999 or subsequently.

Central to the whole dispute was that the Prepayment Agreement had been signed over the official corporate stamp of Kalmneft by its then First Deputy General Director, Daginov, who held a power of attorney empowering him to bind Kalmneft. Kalmneft subsequently asserted that it had been the victim of a fraud perpetrated by Daginov, admitting knowledge of the KB and GB Agreements but denying knowledge that Daginov had entered into the Prepayment Agreement. Kalmneft claimed to believe that Briarwise was Glencore’s associated company and argued that it had never become party to the Prepayment Agreement, that it was accordingly not bound by the arbitration clause and that it was not only not liable for amounts due under that agreement, but also was not obliged to take part in the arbitration.

## 2.2. The Arbitration

In January 2000, Glencore alleged breach of contract and called for the appointment of an Arbitrator and, absent any response from Kalmneft, it applied to the Court for appointment. Kalmneft subsequently responded that the Arbitration Court of Kalmykia had already ruled the Prepayment Agreement invalid *inter alia* because the arbitration agreement contained “numerous flaws” and because criminal proceedings had been commenced against Daginov and it argued that the arbitration proceedings in London should be terminated because the Kalmykian Court’s invalidity ruling meant that no award by a foreign tribunal would be recognised or enforced there.

The Court appointed Mr Berkeley sole Arbitrator and he subsequently issued directions, *inter alia* regarding submission of Statements of Case and Defence, that there was to be no disclosure of documents other than those disclosed with the Statements and that, unless either party requested a hearing, he would proceed documents-only. Kalmneft responded by referring to the various proceedings before the Kalmykian Court, asserting that it had not received the prepayment and that Briarwise had failed to deliver any oil and that it was for Briarwise, not itself, to repay Glencore, that the Court had no jurisdiction because the events had taken place in Russia, and that if Kalmneft did not participate in the arbitration, the award would not be “in accordance with international requirements”. The Arbitrator then gave Glencore 14 days to comment and also stated “It is clear that Kalmneft is submitting that I have no jurisdiction in this matter. I have [statutory] power to rule on the question of my jurisdiction. In the event that I should decide ... to make such a ruling, I would remind Kalmneft of its right to take legal advice and it, or its lawyers, may make further written submissions ... [on] jurisdiction not later than [the end of the 14-day period].”

Glencore submitted its Statement of Case and, separately, a detailed response to Kalmneft’s jurisdictional arguments, stating, *inter alia*, that although the Kalmykian Court had ruled the Prepayment Agreement invalid, it had done so without reference either to any evidence or to the relevant procedural laws; that any challenge to the Arbitrator’s jurisdiction could only be determined by the Arbitrator or by the Court; and that Kalmneft’s objections to the Court’s jurisdiction were without foundation. Kalmneft made no submission within the 14 days so the Arbitrator wrote to both parties stating that, although Kalmneft had said that it had

evidence and explanations as to its case on jurisdiction, it had so far produced no documents, no evidence and no coherent legal argument, concluding that it was his duty under the Act to give Kalmneft an opportunity to make its case on jurisdiction and for him to rule on jurisdiction in exercise of his statutory powers. He thereupon ordered that Kalmneft submit, within a further 14 days, its written arguments (with supporting documents) on jurisdiction and that Glencore should thereafter have a further 14 days to reply (also with supporting documents) to such arguments. In addition, he offered to hold an oral hearing on jurisdiction if either party so requested and stated that If Kalmneft did not make submissions with its 14-day period, he would proceed forthwith to issue an award on jurisdiction.

Kalmneft responded that, *inter alia*: (i) the Kalmykian Court had already decided that Briarwise should pay US\$7,189,504 to Kalmneft and that the KB Contract should be cancelled; (ii) given that Briarwise had ceased to exist, there was no ground for London jurisdiction; (iii) criminal proceedings had been started against Daginov and others; (iv) the Prepayment Agreement did not contain an arbitration clause requiring all disputes to be resolved on an *ad hoc* basis; finally, (v) the Prepayment Agreement was invalid under Kalmneft’s statutes and under the Russian Federal Joint Stock Companies Act. Kalmneft made no request for an oral hearing and submitted no documents.

Glencore responded, *inter alia*: (i) the arbitration agreement was governed by English law, and its validity fell to be determined by English conflicts rules therefore by the law by which such agreement would have been governed if it were binding, therefore by English law; (ii) Kalmneft’s receipt (or otherwise) of the prepayment was irrelevant to jurisdiction; (iii) UK statute provided that a foreign company could contract through any person who, in accordance with the laws of its country of incorporation, was acting under the authority, express or implied, of that company; Daginov had had express or implied authority to enter into the Prepayment Agreement by reason of Kalmneft’s power of attorney, its Articles of Association and applicable provisions of the Russian Civil Code; (iv) in any event Kalmneft had ratified Daginov’s authority by accepting equipment and services supplied as the non-cash element of the prepayment. Glencore did not request an oral hearing.

The Arbitrator then issued his award on jurisdiction (the “Ruling”): per Colman J, “in an impressive

and carefully reasoned analysis he concluded that he had jurisdiction because Daginov did have authority to enter into the arbitration agreement and that agreement was therefore valid and binding on Kalmneft". He also issued directions for service of Kalmneft's Defence within 21 days. Kalmneft rejected the Ruling and failed to submit its Defence, repeating that any award the Arbitrator might make in its and Briarwise's absence would be unenforceable in Russia but it did not indicate any intention to make any further submissions, or adduce more written evidence, or to attend any hearing on jurisdiction. The Arbitrator then issued a peremptory order that Kalmneft must serve its Defence within 14 days, failing which he would proceed to his award but, in response to Kalmneft's request, ordered that a meeting of the parties with him should take place and suspended the peremptory order for six weeks. At last, 10 weeks after the Ruling, Kalmneft instructed English solicitors and the proposed meeting was postponed. Four weeks later (on 5<sup>th</sup> March 2001) the Solicitors wrote to the Arbitrator asking whether, in view of the Ruling, Kalmneft could still contend that it was not bound by the Pre-payment Agreement, stating that Kalmneft would be asking for an order for disclosure of Glencore's documents before defence but making no objection to jurisdiction.

### 2.3. The High Court Proceedings

Kalmneft, through its Solicitors, made three separate applications to the Court in relation to the Ruling:

- (i) on 12<sup>th</sup> March 2001 it applied under s.67 to have the Ruling set aside on the ground that the Arbitrator had no jurisdiction, submitting that there was evidence to suggest that there was no binding agreement between Kalmneft and Glencore;
- (ii) on 27<sup>th</sup> March it applied under s.24 to remove the Arbitrator on the ground that he had failed properly to conduct the proceedings;
- (iii) on 4<sup>th</sup> April it applied under s.68 to set aside the Ruling on the two-part ground of serious irregularity affecting the proceedings and the substantial injustice thereby caused to it, alleging that the Arbitrator had failed to comply with s.33 inasmuch as he had failed to act fairly and impartially as between the parties in not giving Kalmneft a reasonable opportunity of putting its case or of dealing with that of its opponent.

All three applications were made long outside the statutory time limits so there were also secondary applications for extensions of those limits.

### 3. The Law (1) – Extensions of Time

Kalmneft's s.67 and s.68 applications were respectively 11 and 14 weeks out of time. S.80(5) governs extensions of the statutory 28-day limits and provides (in part) "... the Rules of Court relating to ... the extending ... of periods, and the consequences of not taking a step within the period prescribed by the rules, apply ...". The applicable Rule of Court provides: "Except where these Rules provide otherwise, the Court may ... (a) extend or shorten the time for compliance with any rule, practice direction or court order even if an application for extension is made after the time for compliance has expired." The effect of s.80(5) is to introduce the CPR's broad discretion into applications for the extension of time in respect of ss.67, 68 and 69. Colman J had to identify the discretionary criteria applicable to such applications under the Act and, in assessing them he had to consider that the Act differed from the CPR in important and fundamental respects: typically, the twin principles of party autonomy and finality of awards which pervaded the Act restricted the supervisory role of the court and minimised its interventions. This was clearly demonstrated in s.68 itself where, in addition to requiring "serious irregularity" to justify a challenge, such must have caused substantial injustice to the applicant. Further, the relatively short period of time for making an application for relief under ss.67, 68 and 69 reflected the principle of finality. S.1(1) referred to "... fair resolution of disputes ... without unnecessary delay ..." and this reference to 'unnecessary delay' was relevant in identifying the applicable discretionary criteria. The necessity for avoidance of delay in Court proceedings is given in the Commercial Court Guide which states, inter alia, "[in] arbitration matters it is the particular duty of the Court to see that court proceedings are not a cause of delay".

### 3. The Law (2) – Policy Implications and Foreign Parties

Colman J stated that, in identifying the applicable criteria in respect of extensions of time, it was also

important to consider that London arbitration was widely chosen in international commerce because of the availability of experienced Arbitrators and appropriate professional advisers functioning in a well-defined juridical regime where Court intervention is minimal and where there was highly limited scope for a respondent with a poor case either (a) to delay the making of an award or (b) to interfere with its finality. Considerable weight therefore had to be attached to avoiding delay in the arbitration, both before and after an interim or final award. If the Court was perceived internationally to be generous in extending time limits, users might well look for less intrusive arbitral venues; this was a public policy factor which had to be considered.

In contrast, given the wide international spectrum of users of London arbitration, it had to be recognised that parties might be located in very different jurisdictions and might have minimal experience of international or of London arbitration. When such parties became involved, their conduct might differ from that of experienced international traders and it would be wrong not to make some allowance for this in considering, *inter alia*, failure to comply with time limits. The following considerations were likely to be material:

- (i) the length of the delay;
- (ii) whether, in permitting the time limit to expire and the subsequent delay to occur, the party had been acting reasonably in all the circumstances;
- (iii) whether the respondent to the application or the Arbitrator caused or contributed to the delay;
- (iv) whether that respondent would by reason of the delay suffer irremediable prejudice in addition to the mere loss of time if the application were permitted to proceed;
- (v) whether the arbitration had continued during the period of delay and, if so, what impact there might be on the progress of the arbitration or the costs incurred in respect of the determination of the application by the Court;
- (vi) the strength of the application;
- (vii) whether in the broadest sense it would be unfair to the applicant for it to be denied the opportunity of having the application determined.

The relative weight to be given to these considerations in the discretionary balance in any given case was likely to be influenced by the general

considerations relating to international arbitration referred to above.

Any foreign party was entitled to ignore a London arbitration if it believed the Arbitrator to be outwith jurisdiction, relying either on a s.67 challenge or on challenging any attempt to enforce any Award in its own or some other jurisdiction. In the enforcement proceedings it would normally be open to a party who had taken no part in the arbitration to assert that it was not bound by the award. However, since the Act provided procedural mechanisms for a foreign party to test the Arbitrators' jurisdiction, it was necessary that it fully complied with them.

## 4. The Decision (1): Application of Relevant Principles on Extension of Time

The delays in the present case had been very considerable: had Kalmneft had any reasonable excuse? One of the main reasons for Kalmneft's failure to act timeously had been its failure to take English law advice for more than a year after Glencore had initiated the arbitration although the latter had advised Kalmneft to instruct English solicitors early in the proceedings; in addition, the Arbitrator had given similar advice (refer above). Kalmneft had not satisfactorily explained its having ignored that advice, perhaps wrongly assuming that (a) the Prepayment Agreement was invalid and (b) that the Russian courts had or would ultimately reach this conclusion and that (c) any London award would be unenforceable in Kalmykia.

Colman J concluded that Kalmneft had failed to show any reasonable excuse for its non-compliance with the statutory time limits; it had had numerous opportunities to take English law advice and its failure to have done so was not merely an understandable consequence of inexperience in international arbitration, it was wholly unreasonable. However inexperienced a foreign corporation was as to how to conduct an arbitration, it should have been quite obvious to it, at least on reading Glencore's submission on jurisdiction, that it urgently needed advice. Furthermore, Kalmneft's Solicitors had failed to act with appropriate urgency, taking four weeks to contact the Arbitrator as to the implications of his Ruling and only after receiving his reply issuing the s.67 application.

#### 4. The Decision (2): Challenge to Ruling on Jurisdiction (s.67)

Kalmneft's Solicitor had asserted that the Arbitrator had not given it an opportunity to reply to Glencore's submissions before making his Ruling, arguing that, in his finding that Daginov had authority to enter into the arbitration agreement, he had decided both the validity of the arbitration agreement and the Prepayment Agreement. Kalmneft had sought the setting aside of the Ruling insofar as it concerned the validity of the arbitration agreement so that the issue could be dealt with by the Arbitrator in his award on the merits; in addition, it had had arguable defences to Glencore's claim, including fraud and Glencore's possible involvement therein, but had not been able to plead those defences in full so that justice required that Kalmneft be permitted to plead defences both on jurisdiction and on the merits. Finally, even if the plea of fraud against Glencore was dropped, Kalmneft would still have arguable defences based on Daginov's authority. Kalmneft invited the Court either to set aside the Ruling to permit the Arbitrator to determine, at a single hearing, the interrelated issues of whether Kalmneft was bound by the Prepayment Agreement and whether it was bound by the arbitration agreement or to adjourn the s.67 application and give directions as to the exchange of further evidence prior to a later hearing by the Court. It also submitted that there was on the evidence so far adduced at least an arguable case that it was not bound by the arbitration agreement due to Daginov's fraud.

Colman J trenchantly dismissed these submissions as misuse of s.67. First, Kalmneft was attempting to use s.67 to challenge the Arbitrator's underlying decision to rule on his own jurisdiction by way of a preliminary award, not his conclusion, whereas the Arbitrator had the power to decide either to rule on the matter in an award on jurisdiction or to postpone such ruling until his award on the merits. Second, s.67 did not permit challenge to that decision but permitted instead challenges **only** to either (a) the Arbitrator's ruling as to jurisdiction or (b) to his award on the merits on the ground that he did not have jurisdiction; once an Arbitrator has decided to rule on his own jurisdiction, the only function of s.67 was to challenge the Arbitrator's conclusion either that he had jurisdiction or that he did not. Above all, the Court had no power to set aside a ruling that the Arbitrator had jurisdiction on the grounds that it would be better if he reconsidered the matter in the light of more evidence that might be available at a hear-

ing on the merits. Third, the evidence filed in support of the s.67 application had failed to support Kalmneft's arguments either that the Court should set aside the Ruling because it was wrong or that the Court should first give directions relating to the evidence to be adduced at a subsequent hearing by the Court of a jurisdictional challenge.

Colman J concluded that, for these reasons, the s.67 application was bound to fail on the evidence on which it had been based and, even had it been brought within time, it would have been struck out. In consequence, it was unnecessary to investigate any other considerations relevant to the exercise of the Court's discretion to extend time. On the grounds already considered, namely the extent and the absence of a reasonable excuse for delay and the intrinsic weakness of the application, the application for extension of time had to be refused, for such grounds necessarily outweighed or disposed of all other criteria.

#### 4. The Decision (3): Serious Irregularity (s.68)

Kalmneft's s.68 application had been 14 weeks out of time and three weeks after its s.67 one; Colman J found that Kalmneft's reasons for the additional three weeks' delay were "incomprehensible" and failed to justify that additional delay, let alone the preceding 11-week delay; Kalmneft had not acted reasonably in allowing either the lapsing of the 28 days or the subsequent delay.

Kalmneft had submitted that in breach of s.33 the Arbitrator had failed to give it an adequate opportunity to present its jurisdictional challenge and had failed to give it any opportunity to reply to Glencore's submissions on jurisdiction, 'serious irregularity' arising in that he:

- (1) had decided to determine his own jurisdiction as a preliminary point notwithstanding that it involved ruling on Daginov's authority; and
- (2) had issued his Ruling without giving it a reasonable opportunity to put forward submissions or adduce evidence in response to Glencore, having previously failed to make it clear that its response to his procedural order (refer above) would be its only opportunity to plead its case on jurisdiction.

In respect of (1), Kalmneft had submitted that the Arbitrator should have either: (a) held over any

issues that related both to jurisdiction and to the merits for decision in an award on the merits; or (b) identified those issues that related both to jurisdiction and to the merits and determined those issues as preliminary issues having given both parties full opportunity to argue those issues; or (c) suggested that the issue of jurisdiction be submitted to the Court. Kalmneft submitted that his failure to do so had amounted to a serious irregularity in as much as it was contrary to his duty in that his decision had caused substantial injustice to Kalmneft by forcing it to pursue as a preliminary point its whole case that Daginov had acted without authority.

Colman J observed that, in international arbitration, it was common for jurisdiction and liability to be disputed on the ground that there was no binding contract or agreement to arbitrate between the parties and that, in England, when an Arbitrator was confronted by this situation, he had to consider how his statutory duties should be complied with. That decision necessarily had to take into account not only all the factual circumstances, such as the nature of the evidence likely to be relevant and what procedure would be best suited to it in the interests of both parties, but also the availability of recourse to the Court by the party against whom he decided the jurisdiction issue by reason of the right to challenge either a preliminary ruling on jurisdiction or a final award on the merits which involved the assumption of jurisdiction where it was asserted that none existed. The mere fact that the Arbitrator had adopted a course which might involve the issue of his jurisdiction being first determined by him and then all over again by the Court could not, in isolation, be used as a basis for an allegation of breach of his s.33 duty. It was clear that an Arbitrator was entitled to take the view that it would be more efficient in time and cost to rule on his own jurisdiction at the outset, even if that involved deciding whether there was a binding arbitration agreement and even if his decision on that matter gave rise to a conclusion in respect of a major issue on the merits of the underlying claim in the arbitration. Kalmneft's argument that, in all those cases where those issues were or nearly were co-extensive, the Arbitrator should be excluded from determining his own jurisdiction was unsustainable: provided that he had satisfied himself that such a course was efficient and fair to all parties, the Arbitrator should not be deterred from taking that course solely because the issues on jurisdiction and liability were co-extensive.

Further, s.68 intervention should be invoked only in a clear case of serious irregularity and the Court should not interfere with an Arbitrator's discretion as to his exercise of jurisdiction unless it was clear that in so exercising he had ignored the relevant facts and his s.33 duty. His decision could not be characterised as a serious irregularity unless it was one which no reasonable Arbitrator could have made having regard to his duties under s.33; this was not the case in the present circumstances. This high threshold for Court intervention had long been recognised as appropriately preserving the finality of awards.

Kalmneft's second assertion of 'serious irregularity' arose from its claimed lack of opportunity to present its case on jurisdiction, the applicable procedural order neither giving it reasonable time nor making it clear that the Arbitrator would proceed to his Ruling immediately after receiving Glencore's submission. Colman J dismissed this assertion since Kalmneft could have asked for more time but had failed to do so and could have requested a hearing limited to the question of jurisdiction and it had been quite clear that if neither party so requested that would be the end of the presentation of their respective cases prior to the Ruling. The order had obviously meant that, if a party wanted an oral hearing, it had to request it when it made its written submissions.

Concluding, Colman J stated that, while any assertion of 'serious irregularity' faced insurmountable obstacles, an even greater one faced any s.68 application in that Kalmneft also had to demonstrate substantial injustice. If deprived of the opportunity to make further submissions, it had to demonstrate how it would probably have used that opportunity and, if it had no further material submissions to make and no further material evidence to present, it would be unable to establish substantial injustice. Further, the substantiality of any injustice on that account had to be tested against the availability of the facility for challenging the ruling on jurisdiction under s.67: even if an Arbitrator had made a ruling on the basis of incomplete evidence, it was always open to the losing party to challenge that ruling in Court under s.67, for which purpose it could adduce additional evidence and argument. Kalmneft had presented nothing as to whether or how it would have availed itself of a further opportunity to put forward further submissions or further evidence or whether it would have requested an oral hearing; in contrast, following its receipt of the Ruling, it had never complained that it had been deprived

of any further opportunity to do so. There was therefore no case at all on substantial injustice attributable to the lack of opportunity to submit further evidence or to attend an oral hearing, nor was there any evidence of substantial injustice due to the alleged failure of the Arbitrator under s.33.

Colman J concluded that, even if an extension of time for the s.68 application was granted, there was no realistic prospect of that application succeeding. Accordingly, taking into account the extent of the delay, the lack of a satisfactory explanation for it and the intrinsic weakness of the application, here should be no extension of time; the other criteria were incapable of outweighing these considerations.

#### **4. The Decision (4) – Removal of the Arbitrator (s.24)**

Kalmneft's removal application had been based on the Arbitrator's allegedly having failed to conduct the proceedings properly and that as a result substantial injustice had been caused. The Act refers to "failed .. properly to conduct the proceedings" but does not define this, but it was clear that there must be some form of serious irregularity as defined under s.68(2). The evidence relied upon in support of the s.24 application was the same as that relied upon in support of the already-dismissed s.68 application although, even if it had been established that serious irregularity had been made out, Colman J would not have ordered the removal of the Arbitrator since such was a step which should be taken only if the serious irregularity was such that it could reasonably be concluded that there was a serious risk that the Arbitrator's future conduct of the proceedings would not be in accordance with his duties under s.33. That had to be the test in cases such as this where there was no suggestion "that circumstances exist that give rise to justifiable doubts as to his impartiality". In the present case there was no evidence that there would be a serious risk of the Arbitrator failing to comply with his duties

under s.33 or that substantial injustice would thereby be caused to Kalmneft. The s.24 application therefore failed.

#### **5. Comment/Concluding Remarks**

Since the Act is silent on dealing with foreign parties, whether recalcitrant, inexperienced, uncomprehending or otherwise, Colman J's summary of the factors to be considered is undoubtedly valuable; in brief, good practical advice would appear to be that the Arbitrator should encourage such parties to instruct English Solicitors.

S.67 has been widely perceived as a licence both for losers to muddy the waters with jurisdictional arguments and for the Court to intervene; Colman J shows that neither is the case and his robust analysis will both undoubtedly inhibit spurious jurisdictional challenges in the future and will send a firmly non-interventionist message to the international arbitral community.

While allegations of fraud can lead to significant complications in arbitral proceedings, in this instance the allegation had a clear and simple solution in English law and, in any event, were never substantiated by Kalmneft hence did not muddy these waters.

Is London arbitration appropriate for complex international contracts whether oil or otherwise? On the evidence of this case, the answer must be 'yes' since the Arbitrator, the Court and the Act have all been very much alive to the curious circumstances and the 'London system' has not been shown to carry any weaknesses with the Court robustly backing the Arbitrator's use of his discretion.

Finally and reassuringly, given recent 'bad press' for arbitrators, this Arbitrator charted a firm yet wholly fair course in difficult circumstances and the meticulous way on which the proceedings were conducted should provide an object lesson to aspiring international arbitrators.