



Russian Arbitration Center

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Institute
of Modern
Arbitration

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Case No. [PI9937-22]

**ARBITRAL AWARD
on agreed terms**

14 September 2022

Claimant: [Claimant]

Respondent: [Respondent]

Arbitral Tribunal: Putrya Konstantin Evgenyevich as a sole arbitrator

Assistant to the Arbitral Tribunal: Drobyshevskaya Margarita Sergeevna

Seat of arbitration - Moscow, Russian Federation

Language of Arbitration: Russian

English Text: RAC – Ekaterina Petrenko

Proofreading: RAC – Elizaveta Mikaelyan

I. CONTENTS

I.	CONTENTS	2
II.	CASE SUMMARY	3
III.	COURSE OF ARBITRATION	5
A.	COMMENCEMENT OF ARBITRATION	5
B.	CONSTITUTION OF THE ARBITRAL TRIBUNAL	6
B.	PROCEDURAL SCHEDULE.....	6
Г.	THE PARTIES' STEPS TO RESOLVE THE DISPUTE	9
IV.	REASONING OF THE AWARD	11
A.	JURISDICTION OF THE ARBITRAL TRIBUNAL.....	11
Б.	AMICABLE SETTLEMENT OF THE DISPUTE	13
V.	ALLOCATION OF ARBITRATION FEE.....	16
VI.	OPERATIVE PART OF THE AWARD	17

II. CASE SUMMARY

- 1 The Arbitral Tribunal, comprising Putrya Konstantin Evgenyevich (hereinafter – **Arbitral Tribunal, Sole arbitrator Putrya K.E.**) heard the claims of

[Claimant] ([Claimant], [OGRN], [INN], [address]) (hereinafter – **Claimant, Client**) to

[Respondent] ([Respondent], [OGRN], [INN], [address]) (hereinafter – **Respondent, Forwarding agent**)

on recovery of forfeit under framework contract for transport forwarding services related to the international transportation and delivery of [cargo] from seaport [A], Russian Federation, to [B], Republic of Turkey, No. [No] of [2021] (hereinafter – **Contract**), amounting to USD 20,649.35 at the exchange rate of the Bank of Russia on the payment date (hereinafter – **Claim**).

- 2 The Russian Arbitration Center at the Russian Institute of Modern Arbitration (hereinafter – **RAC**) administered the dispute according to the Parties' agreement in Clause 24 of the Contract. The dispute was heard under the RAC Arbitration Rules as amended on 1 November 2021 (hereinafter – **Arbitration Rules**) in the standard procedure according to the Law of the Russian Federation "On International Commercial Arbitration" of 7 July 1993 No. 5338-1 (hereinafter – **Law on ICA**).

- 3 The Parties have handled the case through the following duly authorized representatives:

3.1 The Claimant's representatives:

[Name], representative by power of attorney No. [No] of 12 October 2021, valid until 31 December 2022 (hereinafter – **Claimant's representative [Name]**);

[Name], representative by power of attorney No. [No] of 26 April 2022, valid until 31 December 2023 (hereinafter – **Claimant's representative [Name]**);

[Name], representative by power of attorney No. [No] of 12 October 2021, valid until 31 December 2022 (hereinafter – **Claimant's representative [Name]**).

3.2 The Respondent's representative:

[Name], General Director, specified in the Uniform State Register of Legal Entities (hereinafter – **Respondent's representative [Name]**).

- 4 During the arbitration, the Parties' representatives were invited to join the Online Arbitration System of the RAC (hereinafter – **OAS**),¹ and upon confirming their powers:

4.1 on 16 June 2022, the Claimant's representative [Name] ([email]) gained access to the OAS through filing the Claim;

4.2 on 20 June 2022, the Respondent's representative [Name] was invited to join the OAS at the e-mail address [e-mail]. As of the date of this Award, he has not availed himself of this opportunity;

¹ Pursuant to Paragraph 6 of Article 5 of the Arbitration Rules, all documents of the present arbitration shall be uploaded to the OAS.

- 4.3 on 20 June 2022, an invitation to join the OAS was sent to the Claimant's representative [Name] to the e-mail address [e-mail]. On the same day, she uploaded a document confirming her powers to the OAS and was granted access;
- 4.4 on 20 June 2022, an invitation to join the OAS was sent to the Claimant's representative [Name] to the e-mail address [e-mail]. On 12 July 2022, she uploaded a document confirming her powers to the OAS and was granted access;
- 4.5 other Parties' representatives did not take advantage of the opportunity to join the OAS.

III. COURSE OF ARBITRATION

A. COMMENCEMENT OF ARBITRATION

- 5 On 16 June 2022, the RAC received via email and OAS a Request for Arbitration from the Claimant against the Respondent, seeking the recovery of a USD 20,649.35 forfeit under the Contract. In the Request, the Claimant alleged the following (§§ 5.1 – 5.18 of the Award).

[confidential since the Parties have entered into a settlement agreement].

5.18 Thus, the Claimant requested to recover from the Respondent the ruble equivalent of USD 20,649.35 at the exchange rate of the Bank of Russia on the payment date.

- 6 On 20 June 2022, under Paragraph 2 of Article 9 of the Arbitration Rules, the RAC Executive Administrator notified² the Parties of the commencement of the arbitration. The Executive Administrator informed the Parties about the date of commencement of the arbitration – 16 June 2022, the number assigned to the arbitration – [No], and also preliminarily determined:

- seat of arbitration: the Russian Federation; and
- arbitration rules: rules of international commercial arbitration of the Arbitration Rules. According to Paragraph 3 of Article 1 of the Law of the Russian Federation of 7 July 1993 No. 5338-I “On International Commercial Arbitration”, disputes of the parties arising out of civil law relationships in the course of carrying out foreign trade and other types of international economic relations may be referred to international commercial arbitration by agreement of the parties, if any place where a substantial part of the obligations out of the relationship of the parties is to be performed is located abroad.

It follows from Subclauses 1(13) and 1(21) of Clause 1.1 of the Contract that “Framework Contract for the Route means this Contract, as well as each framework contract for the transport forwarding services related to the transportation of cargo along the Route, concluded as a result of the Procurement with each Alternative Forwarding agent on terms similar to the terms of this Contract”, and “Route means the route of transportation of the Cargo from the Dispatch Point to the Destination Point”.

Pursuant to Subclause 1(19) of Clause. 1.1 of the Contract, “Destination Point means the Republic of Turkey, [confidential] warehouse designated by the Client [Claimant] for delivery and acceptance of the Goods by the Client”.

Thus, the dispute falls under international commercial arbitration because the Republic of Turkey is the place where a substantial part of the obligations arising from the Parties’ relations are performed.

- 7 On the same day, the RAC Executive Administrator sent the Parties a notice on the commencement of the arbitration, with a rectified error in the case number, where she stated the correct number assigned to the arbitration – [PI9937-22].³

² On 20 June 2022, Notice on Commencement of Arbitration (Ref. No. 156/22 of 20 June 2022) was uploaded to the OAS and sent to the Parties by e-mail ([e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]).

³ Notice of Commencement of Arbitration (Ref. No. 157/22 of 20 June 2022) was, on 20 June 2022, uploaded to the OAS, sent to the Parties by e-mail ([e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]).

5. CONSTITUTION OF THE ARBITRAL TRIBUNAL

- 8 Before the commencement of arbitration, the Parties did not agree on the manner of constitution of the arbitral tribunal. According to Paragraph 1 of Article 15 of the Arbitration Rules, a sole arbitrator resolves the dispute if the claim value is under USD 500,000 for international commercial arbitration, unless the Parties agree otherwise. On 30 June 2022, under Paragraph 2 of Article 15 of the Arbitration Rules, the RAC Board appointed Putrya Konstantin Evgenyevich as the sole arbitrator. On 4 July 2022, the case was transferred to the Arbitral Tribunal.
- 9 On 5 July 2022, the RAC Executive Administrator notified⁴ the Parties of the constitution of the Arbitral Tribunal and the appointment of the assistant to the Arbitral Tribunal. Margarita Sergeevna Drobyshchinskaya, RAC Case Counsel (hereinafter – **Assistant to the Arbitral Tribunal**), was appointed as the Assistant. The arbitrator’s declaration of 5 July 2022 and CV were attached to the notice, as well as the declaration of the Assistant to the Arbitral Tribunal of 5 July 2022 and CV.
- 10 During the arbitration, the Parties did not challenge the Arbitral Tribunal or the Assistant to the Arbitral Tribunal.

B. PROCEDURAL SCHEDULE

- 11 On 11 July 2022, the Arbitral Tribunal issued⁵ Procedural Order No. 1 (hereinafter – **PO No. 1**).
- 11.1 In PO No. 1, the Arbitral Tribunal ordered that:
- The Parties shall discuss the potential for an amicable settlement of the dispute and inform the Arbitral Tribunal about the outcome. The Tribunal clarified that, if necessary, the Parties may be given additional time and/or place to discuss this matter. If the Parties resolve the dispute during the arbitration, including by a settlement agreement, the Arbitral Tribunal shall, at the Parties’ request, adopt an arbitral award on the terms agreed upon by the Parties under Article 52 of the Arbitration Rules.
 - Each Party shall, no later than 15 July 2022, inform the Arbitral Tribunal of its remarks, proposals, or comments on the draft Procedural Schedule attached to the Order or inform about its agreement within the specified time limit.

mail)) and, on 21 June 2022, sent by the Russian Post to the addresses specified in the Uniform State Register of Legal Entities and the Contract (Tracking Nos. [No], [No], [No]).

4 Notice of Constitution of the Arbitral Tribunal and Appointment of Assistant to the Arbitral Tribunal (Ref. No. 175/22 of 5 July 2022) was, on 5 March 2022, uploaded to the OAS, sent to the Parties by e-mail ([e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]) and, on 6 July 2022, sent by the Russian Post to the addresses specified in the Uniform State Register of Legal Entities and the Contract (Tracking Nos. [No], [No]). On 20 July 2022, Notice of Constitution of the Arbitral Tribunal and Appointment of Assistant to the Arbitral Tribunal (Ref. No. 175/22 of 5 July 2022) was re-sent to the Claimant by the Russian Post to the address specified in the Uniform State Register of Legal Entities due to an error made by the Russian Post in sending the letter (Tracking No. [No]).

5 Procedural Order No. 1 was, on 11 July 2022, uploaded to the OAS, sent to the Parties by e-mail ([e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]) and, on 12 July 2022, sent by Russian Post to the addresses indicated in the Uniform State Register of Legal Entities (Tracking Nos. [No], [No], [No]). On 20 July 2022, Procedural Order No. 1 was re-sent to the Claimant by the Russian Post to the address specified in the Uniform State Register of Legal Entities due to an error made by the Russian Post in sending the letter (Tracking No. [No]).

- The Parties are invited to comment on whether they intend to participate in the hearing through videoconferencing (hereinafter – **VC**) or resolve the dispute based on written documents only.
- The Parties’ attention is drawn to the necessity of complying with the document exchange order outlined in Article 5 of the Arbitration Rules and joining the OAS.
- The Parties’ attention is drawn to the fact that when sending documents the addresses of the Parties specified in clauses 3—4 of the draft Procedural Schedule shall be used. If a Party considers the specified addresses to be outdated but fails to submit its objections or additions regarding their use no later than 15 July 2022, it shall bear all negative consequences, including the risk of non-receipt of documents at the outdated addresses.

11.2 A draft Procedural Schedule was attached to Procedural Order No. 1, where the Arbitral Tribunal proposed, among other, the following time limits for the document exchange:

1.	First stage of document exchange	Date of submission of the Request for Arbitration	16 June 2022
2.		Date of submission of the Answer to the Request for Arbitration	25 July 2022 (time limit extended on the initiative of the Arbitral Tribunal under Paragraph 4 of Article 6 of the Arbitration Rules)
3.	Second stage of document exchange	Time limit for submission of the Claim	no later than 10 August 2022
4.		Time limit for submission of the Response	no later than 9 September 2022
5.	* In case of a counterclaim	Time limit for submission of the Counterclaim	no later than 9 September 2022
6.		Time limit for submission of the Response to the Counterclaim	no later than 10 October 2022
7.	Time limits for submission of additional written submissions and evidence		for the Claimant – no later than 1 November 2022
			for the Respondent – no later than 1 November 2022

8.	Date and place of the hearing	<p>21 November 2022, 10:00 Moscow time</p> <p>1) in the RAC premises at 119017, Moscow, Kadashevskaya embankment, 14, bldg. 3, floor 3 and/or</p> <p>2) with VC or</p> <p>3) on the basis of written documents only, without a hearing</p>
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12 On 14 July 2022, the Claimant sent an email:

- confirming its agreement with the proposed procedural schedule;
- proposing to hold a hearing at the RAC premises at 119017, Moscow, Kadashevskaya embankment, 14, bldg. 3, floor 3;
- inviting the Respondent to pay the forfeit of USD 20,649.35 at the exchange rate of the Central Bank of Russia on the payment date as part of the pre-trial dispute resolution procedure.

13 On 15 July 2022, the Respondent sent two letters to the Arbitral Tribunal and the Claimant. In the letter to the Arbitral Tribunal, the Respondent informed that it had received the Claimant's written request of 14 July 2022, reviewed it, and accepted the Claimant's proposal for an amicable settlement of the dispute. The Respondent stated that it had sent the Claimant a proposal for an amicable settlement of the dispute by negotiating a settlement agreement by 1 September 2022. In the letter to the Claimant, the Respondent informed that it accepted the Claimant's proposal on the amicable settlement of the dispute, offered the Claimant to start discussing the settlement, and expressed readiness to send to the Claimant by 1 August 2022 a draft settlement agreement with a debt repayment schedule for the discussion and submission to the RAC by 1 September 2022. In addition, the Respondent proposed the Claimant to inform the RAC that additional time to prepare and negotiate the draft settlement agreement is needed.

14 The Respondent did not comment on other issues raised in PO No. 1 within the specified time limit.

15 On 18 July 2022, the Claimant sent an e-mail:

- confirming its consent to the pre-trial settlement of the dispute;
- informing that the Claimant accepts the Respondent's proposal to receive a draft settlement agreement with a repayment schedule of the disputed debt by 1 August 2022;
- informing that the Claimant is ready to discuss the draft document proposed by the Respondent and, if an agreement is reached by 1 September 2022, to submit the agreed draft to the Arbitral Tribunal.

16 On 19 July 2022, the Arbitral Tribunal issued⁶ Procedural Order No. 2, ordering that:

⁶ On 19 July 2022, Procedural Order No. 2 was uploaded to the OAS, sent to the Parties by e-mail ([e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]; [e-mail]) and by the Russian Post to the addresses specified in the Uniform State Register of Legal Entities (Tracking Nos. [No], [No], [No]).

1. The Parties shall take measures to settle the dispute amicably.
2. The Respondent shall submit a draft settlement agreement with the repayment schedule of the disputed debt to the Claimant no later than 1 August 2022 inclusive.
3. If the Parties agree to settle the dispute amicably, they shall submit the draft settlement agreement with the repayment schedule of the disputed debt to the Arbitral Tribunal no later than 1 September 2022 inclusive.
4. If the Parties are unable to reach a settlement agreement at any time before the expiration of the time limits set in Paragraphs 2 and 3 above, each Party shall immediately inform the Arbitral Tribunal of such an outcome.
5. The Parties are informed that, if an amicable settlement cannot be reached, and, to make an arbitral award within a reasonable period, the draft Procedural Schedule of 11 July 2022 will be amended taking into account the opinion of the Parties and the initial time limits for dispute resolution under the Arbitration Rules.

F. THE PARTIES' STEPS TO RESOLVE THE DISPUTE

- 17 On 16 August 2022, the Claimant emailed and uploaded to the OAS a letter stating that on 12 August 2022, the Claimant and the Respondent entered into an agreement acknowledging the disputed forfeit and prescribing the manner of its payment (hereinafter – **Agreement**). On the same day, the Respondent made the first payment in fulfillment of the Agreement. In the letter, the Claimant requested that an arbitral award be made on the agreed terms. The Agreement and the payment order of 12 August 2022 No. [No] were attached to the letter and uploaded to the OAS.
- 18 On 19 August 2022, the Arbitral Tribunal sent an e-mail to the Parties stating that, for the avoidance of doubt and taking into account Paragraph 1 of Article 52 of the Arbitration Rules regarding issuance of an award on agreed terms at the request of the Parties, it invites the Respondent to comment on the Claimant's letter of 16 August 2022 and to confirm the Claimant's request to make an award on agreed terms according to the Agreement. The Arbitral Tribunal requested that one original copy of the Agreement signed by the Parties be sent to the RAC.
- 19 On 26 August 2022, the Claimant informed the Arbitral Tribunal by e-mail, attaching the payment order and confirmation of receipt of payment, that the Respondent had transferred to the Claimant RUB 250,364.70, equivalent to USD 4,129.87 at the exchange rate of the Central Bank of the Russian Federation on the payment date, according to the terms of the Agreement and its repayment schedule.
- 20 In response, the Arbitral Tribunal re-sent to the Parties an e-mail of 26 August 2022, stating that the Respondent had not agreed with the Claimant's request for an award on agreed terms, nor had it submitted an independent request for such an award. The Tribunal invited the Respondent to confirm, no later than 31 August 2022 inclusive, the Claimant's request, as set out in the e-mail of 16 August 2022, for an award on agreed terms according to the signed Agreement submitted by the Parties.
- 21 On the same day, the Respondent, by e-mail of 26 August 2022, acceded to the Claimant's request, as set out in the e-mail of 16 August 2022, for an award on the agreed terms according to the signed Agreement submitted by the Parties. The Respondent also submitted a motion to that effect, attaching a copy of the Agreement, and a copy of payment order No. [No] of 12 August 2022.

- 22 On 2 September 2022, the Respondent sent an e-mail containing payment order No. [No] of 1 September 2022.
- 23 On the same day, the Claimant sent an e-mail indicating that, in compliance with the Agreement, the Respondent had transferred RUB 248,777.59, equivalent to USD 4,129.87 at the exchange rate of the Central Bank of the Russian Federation on the payment date. The Claimant confirmed receipt of the funds and attached a copy of the payment order of 1 September 2022.
- 24 The Arbitral Tribunal has verified the Parties' powers to conclude the Agreement. The powers of the Claimant's representative [Name], who signed the Agreement and sent a request for an award on agreed terms by e-mail of 26 August 2022, is confirmed by power of attorney No. [No] of 12 October 2021.
- 25 The powers of the signatory of the Agreement on the part of the Respondent and the request for an arbitral award on agreed terms as the Respondent's General Director, [Name], is confirmed by information from the Uniform State Register of Legal Entities.

IV. REASONING OF THE AWARD

A. JURISDICTION OF THE ARBITRAL TRIBUNAL

- 26 Pursuant to Paragraph 1 of Article 22 of the Arbitration Rules, the Parties may, at their discretion, agree on the seat of arbitration or the procedure for its determination. Absent such agreement, the seat of arbitration shall be determined by the Arbitral Tribunal.
- 27 In the present case, the Parties have not agreed on the seat of arbitration or the procedure for its determination. Pursuant to Paragraph 1 of Article 20 of the Law of the Russian Federation on ICA and Paragraph 1 of Article 22 of the Arbitration Rules, absent such agreement, the Arbitral Tribunal shall determine the seat of arbitration taking into account the circumstances of the case and the convenience of the Parties. Given that both Parties are legal entities under Russian law, part of their relations concern the territory of Russia, and the Agreement submitted by the Parties was concluded in Moscow, the Arbitral Tribunal determines that the seat of arbitration is the Russian Federation, Moscow, where the RAC is located.
- 28 Under Paragraph 6 of Article 23 of the Arbitration Rules, the law applicable to the arbitration procedure is the law of the seat of arbitration, i.e. the law of the Russian Federation.
- 29 The Arbitral Tribunal has found that the Parties did not agree on the applicable substantive law in the Contract. Considering that both Parties are legal entities under Russian law, part of their relations concern the territory of Russia, and the Contract was concluded in [confidential], the Arbitral Tribunal determines that the substantive law applicable to the disputed legal relations is the law of the Russian Federation.
- 30 The Parties have entered into an arbitration agreement, concluded in the form of the amended (supplemented) version of the general recommended arbitration clause of the RAC, which is contained in Clause 24 of the Contract. In particular, the clause provides that any dispute, controversy, or claim arising out of and in connection with the Contract, including those related to its breach, conclusion, amendment, termination, or invalidity, shall be settled by arbitration administered by the Russian Arbitration Center at the Autonomous Non-Profit Organization “Russian Institute of Modern Arbitration” in accordance with the Arbitration Rules. The Parties assume the obligation to voluntarily execute the arbitral award (Clause 24.4 of the Contract), and the award resulting from the arbitration shall be final for the Parties and shall not be set aside (Clause 24.5 of the Contract). Thus, the Arbitral Tribunal concludes that the arbitration agreement in the form of the arbitration clause complies with Article 7 of the Law on ICA.
- 31 The Respondent has not objected to the Arbitral Tribunal’s jurisdiction to hear the present case nor to the RAC’s competence to administer the dispute. Moreover, the Respondent submitted the Agreement and a request for an award on terms agreed by the Parties to the Arbitral Tribunal and the RAC. By doing so, the Respondent recognized the jurisdiction of the Arbitral Tribunal to hear the present case and the competence of the RAC to administer the dispute.
- 32 Therefore, the jurisdiction of the Arbitral Tribunal is based on the Parties’ arbitration agreement (Clause 24 of the Contract), their subsequent conduct, the Law on ICA, and the Arbitration Rules.
- 33 The present dispute concerns civil relationships on payment of a forfeit for untimely delivery of cargo outside the territory of the Russian Federation. Considering the subject matter of the dispute and its subjects, the dispute falls under the category of disputes which, in accordance with Part 3 Article 1 of the Law on ICA and Part 1 Article 33 of the Commercial Procedure Code of the Russian Federation, may be heard in arbitration (before the arbitral tribunal). The law of the seat of arbitration does not prohibit the submission of such disputes to arbitration. The dispute is arbitrable under the

law of the seat of arbitration and is covered by a valid and enforceable arbitration agreement in the form of an arbitration clause.

- 34 Given the above and considering that the Parties have not raised a challenge to the Arbitral Tribunal, the Tribunal finds that it was constituted according to the Arbitration Rules, and under Article 83 thereof, the Arbitral Tribunal fully affirms its jurisdiction to hear this dispute.
- 35 The Arbitral Tribunal notes that, given the amicable settlement of the dispute by the Parties, it considers irrelevant the Parties' compliance with the claim letter procedure outlined in Clause 23 of the Contract.

5. AMICABLE SETTLEMENT OF THE DISPUTE

36 The Arbitral Tribunal, based on Article 30 of the Law on ICA and Article 52 of the Arbitration Rules, reviewed the following terms of the Agreement:

Agreement on repayment of forfeit under the framework contract of [2021] No. [No] for transport forwarding services related to the international transportation and delivery of [cargo] from the seaport [A], Russian Federation, to [B], Republic of Turkey

Moscow

12 August 2022

[Claimant], [OGRN], [INN], [KPP], [address], (hereinafter – Client), represented by [position] [Name], acting under power of attorney [No] of 12 October 2021, on the one hand, and

[Respondent], [OGRN], [INN], [KPP], [address], (hereinafter – Forwarding agent), represented by the General Director [Name], acting under the Charter,

jointly – Parties,

taking into account that the Parties are conducting their business under the economic sanctions imposed by the United States of America and foreign states that have sided with it, as well as international organizations, and considering the economic crisis,

have entered into the following Agreement:

1. The Forwarding agent fully acknowledges its debt to the Client for the payment of a forfeit of USD 20,649.35, VAT exclusive, under the framework contract of [2021] No. [No] for transport forwarding services related to international transportation and delivery of [cargo] from the seaport [A], Russian Federation, to [B], Republic of Turkey.
2. The Forwarding agent shall repay the forfeit in monthly installments at the exchange rate of the Central Bank of Russia on the payment date to the Client's current account according to the forfeit repayment schedule approved by the Parties (Annex 1 to the Agreement), which forms an integral part of this Agreement.
3. The Forwarding agent shall have the right to settle the debt early in full or in part.
4. If the Forwarding agent fails to fulfill its obligations under this Agreement for two consecutive months, it shall pay the outstanding debt in full within one month from the date of such delay.
5. This Agreement shall come into force upon signing by the Parties and shall remain in force until the Parties fulfill their obligations in full.
6. This Agreement is made in 3 (three) copies having equal legal force: one for the Client, the second for the Forwarding agent, the third for the Russian Arbitration Center at the Russian Institute of Modern Arbitration.
7. All amendments, additions, annexes to this Agreement shall be made in writing and signed by the Parties.
8. All additions and annexes to this Agreement shall be its integral part.

CLIENT: [Claimant] [INN], [KPP] [OGRN] Location: [address] Postal address: [address] Tel.: Fax: [No] Current account [No] in [bank] Correspondent account No. [No] [BIC] [signature] / [Name]	FORWARDING AGENT: [Respondent] [INN], [KPP] [OGRN] Location: [address] Postal address: [address] Tel.: [No] Current account [No] in [bank] Correspondent account [No] [BIC] [signature, seal] / [Name] General Director
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Annex No. 1
to the Agreement on repayment of forfeit
of 11 August 2022

Forfeit repayment schedule

The Parties have fixed the following schedule of repayment of the forfeit by the Forwarding agent:

Amount in US dollars, VAT exclusive	Payment deadline
4,129.87	by 15 August 2022
4,129.87	by 15 September 2022
4,129.87	by 15 October 2022
4,129.87	by 15 November 2022
4,129.87	by 15 December 2022

CLIENT: [Claimant] [INN], [KPP] [OGRN] Location: [address] Postal address: [address] Tel.: Fax: [No] Current account [No] in [bank] Correspondent account No. [No] [BIC] [signature] / [Name]	FORWARDING AGENT: [Respondent] [INN], [KPP] [OGRN] Location: [address] Postal address: [address] Tel.: Fax: [No] Current account [No] in [bank] Correspondent account No. [No] [BIC] [signature, seal] / [Name]
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37 The Arbitral Tribunal concludes that the terms of the Agreement submitted by the Parties do not contradict the applicable law and do not infringe upon the rights and legitimate interests of third parties. The Agreement is valid, was entered into by the representatives of the Parties authorized to conclude a settlement agreement, and does not exceed the scope of the Parties' arbitration agreement.

- 38 At the same time, on 26 August 2022, the Claimant notified the Arbitral Tribunal that the Respondent had partially fulfilled its obligations under the Agreement on 12 August 2022, i.e. before the issuance of the arbitral award on the agreed terms – the Respondent had paid the debt according to the repayment schedule set out in the Agreement for RUB 250,364.70, equivalent to USD 4,129.87 at the exchange rate of the Central Bank of the Russian Federation on the payment date. It was later confirmed by the Respondent itself in a motion for an award on the agreed terms.
- 39 In this regard, the second line of the repayment schedule in Annex No. 1 to the Agreement, relating to the Respondent's obligation to pay to the Claimant the forfeit of USD 4,129.87, VAT exclusive, by 15 August 2022, has lost its meaning and shall not to be included in the operative part of the arbitral award. The Respondent's outstanding debt to the Claimant under the Agreement amounts to USD 16,519.48 (USD 20,649.35 – USD 4,129.87).
- 40 In light of the above and considering the Parties' motions for an award on the agreed terms, the Arbitral Tribunal, pursuant to Article 40 of the Law on ICA and Article 52 of the Arbitration Rules, renders the present award on the above terms outlined in the Agreement.

V. ALLOCATION OF ARBITRATION FEE

- 42 Pursuant to Subparagraph 2 of Paragraph 1 of Article 17 of the Arbitration Rules, for a claim valued at USD 20,649.35, the arbitration fee has amounted to USD 4,064.93. The Claimant paid the arbitration fee in full amounting to RUB 230,328.69, as confirmed by payment order No. [No] of 16 June 2022.
- 43 Based on Paragraph 2 of Article 8 of the Rules on Arbitration Fees and Arbitration Costs, if arbitration is terminated after the constitution of the Arbitral Tribunal but before the first hearing, the arbitration fee shall be reduced by 50%. Meanwhile, if arbitration is terminated before an award is rendered, the arbitration fee and costs shall, as a general rule, be borne by the Claimant, unless the Parties have agreed on a different allocation (Paragraph 4, Paragraph 7 of the Rules on Arbitration Fees and Arbitration Costs). The Agreement does not include any provisions regarding the arbitration fee and costs, nor have the Parties applied for reimbursement of other costs.
- 44 Therefore, the Arbitral Tribunal concludes that the arbitration fee shall be reduced to USD 2,032.46 and the remaining amount of USD 2,032.47 shall be refunded to the Claimant according to the procedure set out in Paragraph 4 of Article 13 of the Rules, while each Party shall bear its other costs.

VI. OPERATIVE PART OF THE AWARD

45 Based on the above and guided by Articles 50, 52, and 55 of the Arbitration Rules, the Arbitral Tribunal

AWARDS:

1. To render an arbitral award in the dispute between [Claimant] ([OGRN], [INN], [address]) and [Respondent] ([OGRN], [INN], [address]) on the agreed terms outlined in the Agreement of 12 August 2022, and:

- to confirm that [Respondent] fully acknowledges the debt for the payment of a forfeit in favor of [Claimant] for USD 20,649.35, VAT exclusive, under the framework agreement of [2021] No. [No] for the transport forwarding services related to the international transportation and delivery of [cargo] from seaport [A], Russian Federation, to [B], Republic of Turkey.

- to acknowledge that on 12 August 2022, [Respondent] partially paid the forfeit in favor of [Claimant] for USD 4,129.87.

- to acknowledge that on 1 September 2022, [Respondent] partially paid the forfeit in favor of [Claimant] for USD 4,129.87.

- to order [Respondent] to pay the outstanding forfeit in favor of [Claimant] for USD 12,389.61, VAT exclusive, in monthly installments at the exchange rate of the Central Bank of the Russian Federation on the payment date to the current account of [Claimant] according to the following repayment schedule:

Amount in US dollars, VAT exclusive	Payment deadline
4,129.87	by 15 October 2022
4,129.87	by 15 November 2022
4,129.87	by 15 December 2022

- to acknowledge the right of [Respondent] to settle the debt of USD 12,389.61 in favor of [Claimant] early in full or in part.

- in the event of a breach of obligations to pay the debt for USD 12,389.61 according to the repayment schedule for two consecutive months, to order [Respondent] to pay the outstanding debt in full within one month from the date of such delay.

2. To charge the costs of the arbitration fee to [Claimant]; refund to [Claimant] USD 2,032.47, representing 50% of the arbitration fee paid.

46 The arbitral award shall be final for the Parties from the date of its issuance and shall be immediately enforceable. Under Clause 24.5 of the Agreement and Part 1 of Article 34 of the Law on ICA, a final arbitral award shall not be set aside.

47 The present arbitral award is made in three copies, one of which is intended for keeping in the RAC files, one for the Claimant, and one for the Respondent.

Sole Arbitrator

Putrya Konstantin Evgenyevich