

PRESCRIBING GUIDELINES FOR ARBITRATION CASES INVOLVING SMALL CLAIMS BELOW P100,000

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WHEREAS, the Rules of Procedure Governing Construction Arbitration of the Construction Industry Arbitration Commission (CIAC) provide for small claims cases as follows:

“Rule 20 – SMALL CLAIMS

SECTION 20.1 Small Claims – Cases where the claim does not exceed P1 million shall be categorized as a small claim thereby entitled to special procedures of disposition and reduced fees.

20.1.1 A small claims case shall be handled by a sole arbitrator whose fees shall be at a fixed rate of 3% of the claim but not less than P10,000.00 or as may be prescribed by CIAC. The expenses of the sole arbitrator and CIAC staff consisting of actual expenses of travel accommodations and administrative costs for at most two (2) days incurred for hearing if held outside of Metro Manila shall be borne by CIAC.

20.1.2 All prescribed periods under normal procedure shall whenever practicable, be abbreviated to fifty percent (50%) of that required.”

WHEREAS, in the past, aside from the expenses mentioned in Section 20.1.1 above, the arbitrator’s fee for small claims was also borne by the CIAC pursuant to CIAC Resolution No. 09-2002, expanding the use of the CIAC Arbitration Development Fund (ADF) which was established by the Commission in 1996 primarily for the resolution of small claims cases originating from remote areas and the development and promotion of arbitration in the regions;

WHEREAS, the use of the ADF for the payment of the Sole Arbitrator’s fees in small claims cases was discontinued in 2006 due to the absence of an express provision under the revised CIAC Rules for the said fees to be borne by the CIAC as well;

WHEREAS, under the CIAC Table of Fees, parties to small claims cases involving amounts below P100,000 are assessed total arbitration fees of P19,600 per case broken down as follows:

Filing Fee

P 3,600.00

Administrative Fee

6,000.00

Arbitrator’s Fee

10,000.00

Total Fees

P 19,600.00

WHEREAS, in a recent case involving a claim of P18,950 which was filed with the CIAC for arbitration, the claimant had to pay fees higher than the sum in dispute amounting to P19,600;

WHEREAS, the Commission believes that the payment of fees higher than the amount claimed would discourage small claimants from filing their disputes involving amounts below P100,000 and hence, would be inimical to the intent and spirit of the law for the CIAC to cover all construction contract disputes regardless of the amount of claims;

WHEREAS, the Commission, likewise, believes that the hearing for small claims below P100,000 should be limited to one (1) day;

NOW, THEREFORE, THE COMMISSION, after due deliberation in its 132nd Regular Meeting, RESOLVES to prescribe the following guidelines for arbitration cases involving small claims below P100,000:

- Cases filed for arbitration involving small claims below P100,000 shall be handled by a Sole Arbitrator;
- Upon filing of the Request for Arbitration, the following fees shall be paid by the Claimant who may seek reimbursement from Respondent based on the agreed sharing fees in the Terms of Reference:

Filing Fee

P3,600.00

Administrative Fee

6,000.00

TOTAL

P9,600.00

- The Sole Arbitrator's fee shall be 3% of the claim but not less than P10,000.00, and shall be borne by CIAC chargeable against the Arbitration Development Fund (ADF) pursuant to CIAC Resolution No. 09-2002;

- The Sole Arbitrator shall, if necessary, hold a one-day hearing. If the hearing is to be held outside Metro Manila, the expenses of the Sole Arbitrator and CIAC Staff for travel, accommodations and administrative costs shall, likewise, be borne by CIAC chargeable against the ADF; PROVIDED, however that if the hearing exceeds the prescribed limit of one day, the resultant extra cost shall be borne by the Sole Arbitrator and the parties in the following manner: (i) the Sole Arbitrator shall bear his own resultant extra cost, (ii) the parties shall bear their respective resultant extra cost, including that of their respective lawyers and witnesses, and (iii) the resultant extra cost of the CIAC staff shall be borne equally by the claimant and respondent;

- Where the sum in dispute (claims and counterclaims) amounts to P100,000 and above but does not exceed P1 million, the abovesited provisions of Rule 20 on small claims and the pertinent fees for filing, administrative and

arbitrator's fee charged to the parties under the CIAC Table of Fees, shall continue to be applied; and

- The application of these Guidelines including the availment of benefits hereunder, shall in all cases, be subject to the approval of the Commission taking into account the circumstances of the parties and the primary purpose of these Guidelines which is to provide assistance to small claimants/disputants who cannot afford the regular arbitration costs.

This Resolution shall take effect fifteen (15) days after receipt of certified copies thereof by the Office of the National Administrative Register, University of the Philippines Law Center.

UNANIMOUSLY APPROVED.

Adopted: 16 December 2010

THE COMMISSION:

(SGD.) ISAAC S. DAVID

(SGD.) SAMSON C. LAZO

Acting Chairman

Member

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