Republic of the Philippines  
**SUPREME COURT**  
Manila

**EN BANC**

**A.M. No. 07-11-08-SC             September 1, 2009**

**SPECIAL RULES OF COURT ON ALTERNATIVE DISPUTE RESOLUTION**

Acting on the recommendation of the Chairperson of the Sub-Committee on the Rules on Alternative Dispute Resolution submitting for this Court’s consideration and approval the proposed Special Rules of Court on Alternative Dispute Resolution, the Court Resolved to APPROVE the same.

This Rule shall take effect on October 30, 2009 following its publication in three (3) newspapers of general circulation.

September 1, 2009.

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| **REYNATO S. PUNO** Chief Justice | |
| **LEONARDO A. QUISUMBING** Associate Justice | **CONSUELO YNARES-SANTIAGO** Associate Justice |
| **ANTONIO T. CARPIO** Associate Justice | **RENATO C. CORONA** Associate Justice |
| **CONCHITA CARPIO MORALES** Associate Justice | **MINITA V. CHICO-NAZARIO** Associate Justice |
| **PRESBITERO J. VELASCO, JR.** Associate Justice | **ANTONIO EDUARDO B. NACHURA** Associate Justice |
| **TERESITA J. LEONARDO-DE CASTRO** Associate Justice | **ARTURO D. BRION** Associate Justice |
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**SPECIAL RULES OF COURT ON ALTERNATIVE DISPUTE RESOLUTION**

**PART I**  
**GENERAL PROVISIONS AND POLICIES**

**RULE 1: GENERAL PROVISIONS**

**Rule 1.1.** *Subject matter and governing rules*.-The Special Rules of Court on Alternative Dispute Resolution (the "Special ADR Rules") shall apply to and govern the following cases:

a. Relief on the issue of Existence, Validity, or Enforceability of the Arbitration Agreement;

b. Referral to Alternative Dispute Resolution ("ADR");

c. Interim Measures of Protection;

d. Appointment of Arbitrator;

e. Challenge to Appointment of Arbitrator;

f. Termination of Mandate of Arbitrator;

g. Assistance in Taking Evidence;

h. Confirmation, Correction or Vacation of Award in Domestic Arbitration;

i. Recognition and Enforcement or Setting Aside of an Award in International Commercial Arbitration;

j. Recognition and Enforcement of a Foreign Arbitral Award;

k. Confidentiality/Protective Orders; and

l. Deposit and Enforcement of Mediated Settlement Agreements.

**Rule 1.2.** *Nature of the proceedings*.-All proceedings under the Special ADR Rules are special proceedings.

**Rule 1.3.** *Summary proceedings in certain cases*.-The proceedings in the following instances are summary in nature and shall be governed by this provision:

a. Judicial Relief Involving the Issue of Existence, Validity or Enforceability of the Arbitration Agreement;

b. Referral to ADR;

c. Interim Measures of Protection;

d. Appointment of Arbitrator;

e. Challenge to Appointment of Arbitrator;

f. Termination of Mandate of Arbitrator;

g. Assistance in Taking Evidence;

h. Confidentiality/Protective Orders; and

i. Deposit and Enforcement of Mediated Settlement Agreements.

(A) *Service and filing of petition in summary proceedings*.-The petitioner shall serve, either by personal service or courier, a copy of the petition upon the respondent before the filing thereof. Proof of service shall be attached to the petition filed in court.

For personal service, proof of service of the petition consists of the affidavit of the person who effected service, stating the time, place and manner of the service on the respondent. For service by courier, proof of service consists of the signed courier proof of delivery. If service is refused or has failed, the affidavit or delivery receipt must state the circumstances of the attempted service and refusal or failure thereof.

(B) *Notice*.-Except for cases involving Referral to ADR and Confidentiality/Protective Orders made through motions, the court shall, if it finds the petition sufficient in form and substance, send notice to the parties directing them to appear at a particular time and date for the hearing thereof which shall be set no later than five (5) days from the lapse of the period for filing the opposition or comment. The notice to the respondent shall contain a statement allowing him to file a comment or opposition to the petition within fifteen (15) days from receipt of the notice.

The motion filed pursuant to the rules on Referral to ADR or Confidentiality/Protective Orders shall be set for hearing by the movant and contain a notice of hearing that complies with the requirements under Rule 15 of the Rules of Court on motions.

(C) *Summary hearing*. - In all cases, as far as practicable, the summary hearing shall be conducted in one (1) day and only for purposes of clarifying facts.

Except in cases involving Referral to ADR or Confidentiality/Protective Orders made through motions, it shall be the court that sets the petition for hearing within five (5) days from the lapse of the period for filing the opposition or comment.

(D) *Resolution*. - The court shall resolve the matter within a period of thirty (30) days from the day of the hearing.

**Rule 1.4.** *Verification and submissions*. -Any pleading, motion, opposition, comment, defense or claim filed under the Special ADR Rules by the proper party shall be supported by verified statements that the affiant has read the same and that the factual allegations therein are true and correct of his own personal knowledge or based on authentic records and shall contain as annexes the supporting documents.

The annexes to the pleading, motion, opposition, comment, defense or claim filed by the proper party may include a legal brief, duly verified by the lawyer submitting it, stating the pertinent facts, the applicable law and jurisprudence to justify the necessity for the court to rule upon the issue raised.

**Rule 1.5.** *Certification Against Forum Shopping*. - A Certification Against Forum Shopping is one made under oath made by the petitioner or movant: (a) that he has not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of his knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) if he should thereafter learn that the same or similar action or claim has been filed or is pending, he shall report that fact within five (5) days therefrom to the court wherein his aforementioned petition or motion has been filed.

A Certification Against Forum Shopping shall be appended to all initiatory pleadings except a Motion to Refer the Dispute to Alternative Dispute Resolution.

**Rule 1.6.** *Prohibited submissions*. - The following pleadings, motions, or petitions shall not be allowed in the cases governed by the Special ADR Rules and shall not be accepted for filing by the Clerk of Court:

a. Motion to dismiss;

b. Motion for bill of particulars;

c. Motion for new trial or for reopening of trial;

d. Petition for relief from judgment;

e. Motion for extension, except in cases where an ex-parte temporary order of protection has been issued;

f. Rejoinder to reply;

g. Motion to declare a party in default; and

h. Any other pleading specifically disallowed under any provision of the Special ADR Rules.

The court shall *motu proprio* order a pleading/motion that it has determined to be dilatory in nature be expunged from the records.

**Rule 1.7.** *Computation of time*. - In computing any period of time prescribed or allowed by the Special ADR Rules, or by order of the court, or by any applicable statute, the day of the act or event from which the designated period of time begins to run is to be excluded and the date of performance included. If the last day of the period, as thus computed, falls on a Saturday, a Sunday, or a legal holiday in the place where the court sits, the time shall not run until the next working day.

Should an act be done which effectively interrupts the running of the period, the allowable period after such interruption shall start to run on the day after notice of the cessation of the cause thereof.

The day of the act that caused the interruption shall be excluded from the computation of the period.

**Rule 1.8.** *Service and filing of pleadings, motions and other papers in non-summary proceedings*. - The initiatory pleadings shall be filed directly with the court. The court will then cause the initiatory pleading to be served upon the respondent by personal service or courier. Where an action is already pending, pleadings, motions and other papers shall be filed and/or served by the concerned party by personal service or courier. Where courier services are not available, resort to registered mail is allowed.

(A) *Proof of filing*. - The filing of a pleading shall be proved by its existence in the record of the case. If it is not in the record, but is claimed to have been filed personally, the filing shall be proved by the written or stamped acknowledgment of its filing by the clerk of court on a copy of the same; if filed by courier, by the proof of delivery from the courier company.

(B) *Proof of service*. - Proof of personal service shall consist of a written admission by the party served, or the official return of the server, or the affidavit of the party serving, containing a full statement of the date, place and manner of service. If the service is by courier, proof thereof shall consist of an affidavit of the proper person, stating facts showing that the document was deposited with the courier company in a sealed envelope, plainly addressed to the party at his office, if known, otherwise at his residence, with postage fully pre-paid, and with instructions to the courier to immediately provide proof of delivery.

(C) *Filing and service by electronic means and proof thereof*. - Filing and service of pleadings by electronic transmission may be allowed by agreement of the parties approved by the court. If the filing or service of a pleading or motion was done by electronic transmission, proof of filing and service shall be made in accordance with the Rules on Electronic Evidence.

**Rule 1.9.** *No summons*. - In cases covered by the Special ADR Rules, a court acquires authority to act on the petition or motion upon proof of jurisdictional facts, i.e., that the respondent was furnished a copy of the petition and the notice of hearing.

(A) *Proof of service*. - A proof of service of the petition and notice of hearing upon respondent shall be made in writing by the server and shall set forth the manner, place and date of service.

(B) *Burden of proof*. - The burden of showing that a copy of the petition and the notice of hearing were served on the respondent rests on the petitioner.

The technical rules on service of summons do not apply to the proceedings under the Special ADR Rules. In instances where the respondent, whether a natural or a juridical person, was not personally served with a copy of the petition and notice of hearing in the proceedings contemplated in the first paragraph of Rule 1.3 (B), or the motion in proceedings contemplated in the second paragraph of Rule 1.3 (B), the method of service resorted to must be such as to reasonably ensure receipt thereof by the respondent to satisfy the requirement of due process.

**Rule 1.10.** *Contents of petition/motion*. - The initiatory pleading in the form of a verified petition or motion, in the appropriate case where court proceedings have already commenced, shall include the names of the parties, their addresses, the necessary allegations supporting the petition and the relief(s) sought.

**Rule 1.11.** *Definition*. - The following terms shall have the following meanings:

a. "ADR Laws" refers to the whole body of ADR laws in the Philippines.

b. "Appointing Authority" shall mean the person or institution named in the arbitration agreement as the appointing authority; or the regular arbitration institution under whose rule the arbitration is agreed to be conducted. Where the parties have agreed to submit their dispute to institutional arbitration rules, and unless they have agreed to a different procedure, they shall be deemed to have agreed to procedure under such arbitration rules for the selection and appointment of arbitrators. In ad hoc arbitration, the default appointment of arbitrators shall be made by the National President of the Integrated Bar of the Philippines or his duly authorized representative.

c. "Authenticate" means to sign, execute or use a symbol, or encrypt a record in whole or in part, intended to identify the authenticating party and to adopt, accept or establish the authenticity of a record or term.

d. "Foreign Arbitral Award" is one made in a country other than the Philippines.

e. "Legal Brief" is a written legal argument submitted to a court, outlining the facts derived from the factual statements in the witness’s statements of fact and citing the legal authorities relied upon by a party in a case submitted in connection with petitions, counter-petitions (i.e., petitions to vacate or to set aside and/or to correct/modify in opposition to petitions to confirm or to recognize and enforce, or petitions to confirm or to recognize and enforce in opposition to petitions to vacate or set aside and/or correct/modify), motions, evidentiary issues and other matters that arise during the course of a case. The legal brief shall state the applicable law and the relevant jurisprudence and the legal arguments in support of a party’s position in the case.

f. "Verification" shall mean a certification under oath by a party or a person who has authority to act for a party that he has read the pleading/motion, and that he certifies to the truth of the facts stated therein on the basis of his own personal knowledge or authentic documents in his possession. When made by a lawyer, verification shall mean a statement under oath by a lawyer signing a pleading/motion for delivery to the Court or to the parties that he personally prepared the pleading/motion, that there is sufficient factual basis for the statements of fact stated therein, that there is sufficient basis in the facts and the law to support the prayer for relief therein, and that the pleading/motion is filed in good faith and is not interposed for delay.

**Rule 1.12.** *Applicability of Part II on Specific Court Relief*. - Part II of the Special ADR Rules on Specific Court Relief, insofar as it refers to arbitration, shall also be applicable to other forms of ADR.

**Rule 1.13. *Spirit and intent of the Special ADR Rules*.** – In situations where no specific rule is provided under the Special ADR Rules, the court shall resolve such matter summarily and be guided by the spirit and intent of the Special ADR Rules and the ADR Laws.

**RULE 2: STATEMENT OF POLICIES**

**Rule 2.1.** *General policies*. - It is the policy of the State to actively promote the use of various modes of ADR and to respect party autonomy or the freedom of the parties to make their own arrangements in the resolution of disputes with the greatest cooperation of and the least intervention from the courts. To this end, the objectives of the Special ADR Rules are to encourage and promote the use of ADR, particularly arbitration and mediation, as an important means to achieve speedy and efficient resolution of disputes, impartial justice, curb a litigious culture and to de-clog court dockets.

The court shall exercise the power of judicial review as provided by these Special ADR Rules. Courts shall intervene only in the cases allowed by law or these Special ADR Rules.

**Rule 2.2.** *Policy on arbitration*.- (A) Where the parties have agreed to submit their dispute to arbitration, courts shall refer the parties to arbitration pursuant to Republic Act No. 9285 bearing in mind that such arbitration agreement is the law between the parties and that they are expected to abide by it in good faith. Further, the courts shall not refuse to refer parties to arbitration for reasons including, but not limited to, the following:

a. The referral tends to oust a court of its jurisdiction;

b. The court is in a better position to resolve the dispute subject of arbitration;

c. The referral would result in multiplicity of suits;

d. The arbitration proceeding has not commenced;

e. The place of arbitration is in a foreign country;

f. One or more of the issues are legal and one or more of the arbitrators are not lawyers;

g. One or more of the arbitrators are not Philippine nationals; or

h. One or more of the arbitrators are alleged not to possess the required qualification under the arbitration agreement or law.

(B) Where court intervention is allowed under ADR Laws or the Special ADR Rules, courts shall not refuse to grant relief, as provided herein, for any of the following reasons:

a. Prior to the constitution of the arbitral tribunal, the court finds that the principal action is the subject of an arbitration agreement; or

b. The principal action is already pending before an arbitral tribunal.

The Special ADR Rules recognize the principle of competence-competence, which means that the arbitral tribunal may initially rule on its own jurisdiction, including any objections with respect to the existence or validity of the arbitration agreement or any condition precedent to the filing of a request for arbitration.

The Special ADR Rules recognize the principle of separability of the arbitration clause, which means that said clause shall be treated as an agreement independent of the other terms of the contract of which it forms part. A decision that the contract is null and void shall not entail ipso jure the invalidity of the arbitration clause.

**Rule 2.3.** *Rules governing arbitral proceedings*. - The parties are free to agree on the procedure to be followed in the conduct of arbitral proceedings. Failing such agreement, the arbitral tribunal may conduct arbitration in the manner it considers appropriate.

**Rule 2.4.** *Policy implementing competence-competence principle*. - The arbitral tribunal shall be accorded the first opportunity or competence to rule on the issue of whether or not it has the competence or jurisdiction to decide a dispute submitted to it for decision, including any objection with respect to the existence or validity of the arbitration agreement. When a court is asked to rule upon issue/s affecting the competence or jurisdiction of an arbitral tribunal in a dispute brought before it, either before or after the arbitral tribunal is constituted, the court must exercise judicial restraint and defer to the competence or jurisdiction of the arbitral tribunal by allowing the arbitral tribunal the first opportunity to rule upon such issues.

Where the court is asked to make a determination of whether the arbitration agreement is null and void, inoperative or incapable of being performed, under this policy of judicial restraint, the court must make no more than a prima facie determination of that issue.

Unless the court, pursuant to such prima facie determination, concludes that the arbitration agreement is null and void, inoperative or incapable of being performed, the court must suspend the action before it and refer the parties to arbitration pursuant to the arbitration agreement.

**Rule 2.5.** *Policy on mediation*. - The Special ADR Rules do not apply to Court-Annexed Mediation, which shall be governed by issuances of the Supreme Court.

Where the parties have agreed to submit their dispute to mediation, a court before which that dispute was brought shall suspend the proceedings and direct the parties to submit their dispute to private mediation. If the parties subsequently agree, however, they may opt to have their dispute settled through Court-Annexed Mediation.

**Rule 2.6.** *Policy on Arbitration-Mediation or Mediation-Arbitration*. - No arbitrator shall act as a mediator in any proceeding in which he is acting as arbitrator; and all negotiations towards settlement of the dispute must take place without the presence of that arbitrator. Conversely, no mediator shall act as arbitrator in any proceeding in which he acted as mediator.

**Rule 2.7.** *Conversion of a settlement agreement to an arbitral award*. - Where the parties to mediation have agreed in the written settlement agreement that the mediator shall become the sole arbitrator for the dispute or that the settlement agreement shall become an arbitral award, the sole arbitrator shall issue the settlement agreement as an arbitral award, which shall be subject to enforcement under the law.

**PART II**  
**SPECIFIC COURT RELIEF**

**RULE 3: JUDICIAL RELIEF INVOLVING THE ISSUE OF EXISTENCE, VALIDITY AND ENFORCEABILITY OF THE ARBITRATION AGREEMENT**

**Rule 3.1.** *When judicial relief is available*. - The judicial relief provided in Rule 3, whether resorted to before or after commencement of arbitration, shall apply only when the place of arbitration is in the Philippines.

**A. Judicial Relief before Commencement of Arbitration**

**Rule 3.2.** *Who may file petition*. - Any party to an arbitration agreement may petition the appropriate court to determine any question concerning the existence, validity and enforceability of such arbitration agreement serving a copy thereof on the respondent in accordance with Rule 1.4 (A).

**Rule 3.3.** *When the petition may be filed*. - The petition for judicial determination of the existence, validity and/or enforceability of an arbitration agreement may be filed at any time prior to the commencement of arbitration.

Despite the pendency of the petition provided herein, arbitral proceedings may nevertheless be commenced and continue to the rendition of an award, while the issue is pending before the court.

**Rule 3.4.** *Venue*. - A petition questioning the existence, validity and enforceability of an arbitration agreement may be filed before the Regional Trial Court of the place where any of the petitioners or respondents has his principal place of business or residence.

**Rule 3.5.** *Grounds*. - A petition may be granted only if it is shown that the arbitration agreement is, under the applicable law, invalid, void, unenforceable or inexistent.

**Rule 3.6.** *Contents of petition*. - The verified petition shall state the following:

a. The facts showing that the persons named as petitioner or respondent have legal capacity to sue or be sued;

b. The nature and substance of the dispute between the parties;

c. The grounds and the circumstances relied upon by the petitioner to establish his position; and

d. The relief/s sought.

Apart from other submissions, the petitioner must attach to the petition an authentic copy of the arbitration agreement.

**Rule 3.7.** *Comment/Opposition*.-The comment/opposition of the respondent must be filed within fifteen (15) days from service of the petition.

**Rule 3.8.** *Court action*. - In resolving the petition, the court must exercise judicial restraint in accordance with the policy set forth in Rule 2.4, deferring to the competence or jurisdiction of the arbitral tribunal to rule on its competence or jurisdiction.

**Rule 3.9.** *No forum shopping*. - A petition for judicial relief under this Rule may not be commenced when the existence, validity or enforceability of an arbitration agreement has been raised as one of the issues in a prior action before the same or another court.

**Rule 3.10.** *Application for interim relief*. - If the petitioner also applies for an interim measure of protection, he must also comply with the requirements of the Special ADR Rules for the application for an interim measure of protection.

**Rule 3.11.** *Relief against court action*. - Where there is a prima facie determination upholding the arbitration agreement.-A prima facie determination by the court upholding the existence, validity or enforceability of an arbitration agreement shall not be subject to a motion for reconsideration, appeal or certiorari.

Such *prima facie* determination will not, however, prejudice the right of any party to raise the issue of the existence, validity and enforceability of the arbitration agreement before the arbitral tribunal or the court in an action to vacate or set aside the arbitral award. In the latter case, the court’s review of the arbitral tribunal’s ruling upholding the existence, validity or enforceability of the arbitration agreement shall no longer be limited to a mere prima facie determination of such issue or issues as prescribed in this Rule, but shall be a full review of such issue or issues with due regard, however, to the standard for review for arbitral awards prescribed in these Special ADR Rules.

**B. Judicial Relief after Arbitration Commences**

**Rule 3.12.** *Who may file petition*. - Any party to arbitration may petition the appropriate court for judicial relief from the ruling of the arbitral tribunal on a preliminary question upholding or declining its jurisdiction. Should the ruling of the arbitral tribunal declining its jurisdiction be reversed by the court, the parties shall be free to replace the arbitrators or any one of them in accordance with the rules that were applicable for the appointment of arbitrator sought to be replaced.

**Rule 3.13.** *When petition may be filed*. - The petition may be filed within thirty (30) days after having received notice of that ruling by the arbitral tribunal.

**Rule 3.14.** *Venue*. - The petition may be filed before the Regional Trial Court of the place where arbitration is taking place, or where any of the petitioners or respondents has his principal place of business or residence.

**Rule 3.15.** *Grounds*. - The petition may be granted when the court finds that the arbitration agreement is invalid, inexistent or unenforceable as a result of which the arbitral tribunal has no jurisdiction to resolve the dispute.

**Rule 3.16.** *Contents of petition*. - The petition shall state the following:

a. The facts showing that the person named as petitioner or respondent has legal capacity to sue or be sued;

b. The nature and substance of the dispute between the parties;

c. The grounds and the circumstances relied upon by the petitioner; and

d. The relief/s sought.

In addition to the submissions, the petitioner shall attach to the petition a copy of the request for arbitration and the ruling of the arbitral tribunal.

The arbitrators shall be impleaded as nominal parties to the case and shall be notified of the progress of the case.

**Rule 3.17.** *Comment/Opposition*. - The comment/opposition must be filed within fifteen (15) days from service of the petition.

**Rule 3.18.** *Court action*. - (A) *Period for resolving the petition*.- The court shall render judgment on the basis of the pleadings filed and the evidence, if any, submitted by the parties, within thirty (30) days from the time the petition is submitted for resolution.

(B) *No injunction of arbitration proceedings*. - The court shall not enjoin the arbitration proceedings during the pendency of the petition.

Judicial recourse to the court shall not prevent the arbitral tribunal from continuing the proceedings and rendering its award.

(C) *When dismissal of petition is appropriate*. - The court shall dismiss the petition if it fails to comply with Rule 3.16 above; or if upon consideration of the grounds alleged and the legal briefs submitted by the parties, the petition does not appear to be prima facie meritorious.

**Rule 3.19.** *Relief against court action*. - The aggrieved party may file a motion for reconsideration of the order of the court. The decision of the court shall, however, not be subject to appeal. The ruling of the court affirming the arbitral tribunal’s jurisdiction shall not be subject to a petition for certiorari. The ruling of the court that the arbitral tribunal has no jurisdiction may be the subject of a petition for certiorari.

**Rule 3.20.** *Where no petition is allowed*. - Where the arbitral tribunal defers its ruling on preliminary question regarding its jurisdiction until its final award, the aggrieved party cannot seek judicial relief to question the deferral and must await the final arbitral award before seeking appropriate judicial recourse.

A ruling by the arbitral tribunal deferring resolution on the issue of its jurisdiction until final award, shall not be subject to a motion for reconsideration, appeal or a petition for certiorari.

**Rule 3.21.** *Rendition of arbitral award before court decision on petition from arbitral tribunal’s preliminary ruling on jurisdiction*. - If the arbitral tribunal renders a final arbitral award and the Court has not rendered a decision on the petition from the arbitral tribunal’s preliminary ruling affirming its jurisdiction, that petition shall become ipso facto moot and academic and shall be dismissed by the Regional Trial Court. The dismissal shall be without prejudice to the right of the aggrieved party to raise the same issue in a timely petition to vacate or set aside the award.

**Rule 3.22.** *Arbitral tribunal a nominal party*. - The arbitral tribunal is only a nominal party. The court shall not require the arbitral tribunal to submit any pleadings or written submissions but may consider the same should the latter participate in the proceedings, but only as nominal parties thereto.

**RULE 4: REFERRAL TO ADR**

**Rule 4.1.** *Who makes the request*. - A party to a pending action filed in violation of the arbitration agreement, whether contained in an arbitration clause or in a submission agreement, may request the court to refer the parties to arbitration in accordance with such agreement.

**Rule 4.2.** *When to make request*. - (A) *Where the arbitration agreement exists before the action is filed*. - The request for referral shall be made not later than the pre-trial conference. After the pre-trial conference, the court will only act upon the request for referral if it is made with the agreement of all parties to the case.

(B) *Submission agreement*. - If there is no existing arbitration agreement at the time the case is filed but the parties subsequently enter into an arbitration agreement, they may request the court to refer their dispute to arbitration at any time during the proceedings.

**Rule 4.3.** *Contents of request*. - The request for referral shall be in the form of a motion, which shall state that the dispute is covered by an arbitration agreement.

Apart from other submissions, the movant shall attach to his motion an authentic copy of the arbitration agreement.

The request shall contain a notice of hearing addressed to all parties specifying the date and time when it would be heard. The party making the request shall serve it upon the respondent to give him the opportunity to file a comment or opposition as provided in the immediately succeeding Rule before the hearing.

**Rule 4.4.** *Comment/Opposition*. - The comment/opposition must be filed within fifteen (15) days from service of the petition. The comment/opposition should show that: (a) there is no agreement to refer the dispute to arbitration; and/or (b) the agreement is null and void; and/or (c) the subject-matter of the dispute is not capable of settlement or resolution by arbitration in accordance with Section 6 of the ADR Act.

**Rule 4.5.** *Court action*. - After hearing, the court shall stay the action and, considering the statement of policy embodied in Rule 2.4, above, refer the parties to arbitration if it finds *prima facie*, based on the pleadings and supporting documents submitted by the parties, that there is an arbitration agreement and that the subject-matter of the dispute is capable of settlement or resolution by arbitration in accordance with Section 6 of the ADR Act. Otherwise, the court shall continue with the judicial proceedings.

**Rule 4.6.** *No reconsideration, appeal or certiorari*. - An order referring the dispute to arbitration shall be immediately executory and shall not be subject to a motion for reconsideration, appeal or petition for certiorari.

An order denying the request to refer the dispute to arbitration shall not be subject to an appeal, but may be the subject of a motion for reconsideration and/or a petition for certiorari.

**Rule 4.7.** *Multiple actions and parties*. - The court shall not decline to refer some or all of the parties to arbitration for any of the following reasons:

a. Not all of the disputes subject of the civil action may be referred to arbitration;

b. Not all of the parties to the civil action are bound by the arbitration agreement and referral to arbitration would result in multiplicity of suits;

c. The issues raised in the civil action could be speedily and efficiently resolved in its entirety by the court rather than in arbitration;

d. Referral to arbitration does not appear to be the most prudent action; or

e. The stay of the action would prejudice the rights of the parties to the civil action who are not bound by the arbitration agreement.

The court may, however, issue an order directing the inclusion in arbitration of those parties who are not bound by the arbitration agreement but who agree to such inclusion provided those originally bound by it do not object to their inclusion.

**Rule 4.8.** *Arbitration to proceed*.- Despite the pendency of the action referred to in Rule 4.1, above, arbitral proceedings may nevertheless be commenced or continued, and an award may be made, while the action is pending before the court.

**RULE 5: INTERIM MEASURES OF PROTECTION**

**Rule 5.1.** *Who may ask for interim measures of protection*. - A party to an arbitration agreement may petition the court for interim measures of protection.

**Rule 5.2.** *When to petition*. - A petition for an interim measure of protection may be made (a) before arbitration is commenced, (b) after arbitration is commenced, but before the constitution of the arbitral tribunal, or (c) after the constitution of the arbitral tribunal and at any time during arbitral proceedings but, at this stage, only to the extent that the arbitral tribunal has no power to act or is unable to act effectively.

**Rule 5.3.** *Venue*. - A petition for an interim measure of protection may be filed with the Regional Trial Court, which has jurisdiction over any of the following places:

a. Where the principal place of business of any of the parties to arbitration is located;

b. Where any of the parties who are individuals resides;

c. Where any of the acts sought to be enjoined are being performed, threatened to be performed or not being performed; or

d. Where the real property subject of arbitration, or a portion thereof is situated.

**Rule 5.4.** *Grounds*. - The following grounds, while not limiting the reasons for the court to grant an interim measure of protection, indicate the nature of the reasons that the court shall consider in granting the relief:

a. The need to prevent irreparable loss or injury;

b. The need to provide security for the performance of any obligation;

c. The need to produce or preserve evidence; or

d. The need to compel any other appropriate act or omission.

**Rule 5.5.** *Contents of the petition*. - The verified petition must state the following:

a. The fact that there is an arbitration agreement;

b. The fact that the arbitral tribunal has not been constituted, or if constituted, is unable to act or would be unable to act effectively;

c. A detailed description of the appropriate relief sought;

d. The grounds relied on for the allowance of the petition

Apart from other submissions, the petitioner must attach to his petition an authentic copy of the arbitration agreement.

**Rule 5.6.** *Type of interim measure of protection that a court may grant*.- The following, among others, are the interim measures of protection that a court may grant:

a. Preliminary injunction directed against a party to arbitration;

b. Preliminary attachment against property or garnishment of funds in the custody of a bank or a third person;

c. Appointment of a receiver;

d. Detention, preservation, delivery or inspection of property; or,

e. Assistance in the enforcement of an interim measure of protection granted by the arbitral tribunal, which the latter cannot enforce effectively.

**Rule 5.7.** *Dispensing with prior notice in certain cases*. - Prior notice to the other party may be dispensed with when the petitioner alleges in the petition that there is an urgent need to either (a) preserve property, (b) prevent the respondent from disposing of, or concealing, the property, or (c) prevent the relief prayed for from becoming illusory because of prior notice, and the court finds that the reason/s given by the petitioner are meritorious.

**Rule 5.8.** *Comment/Opposition*. - The comment/opposition must be filed within fifteen (15) days from service of the petition. The opposition or comment should state the reasons why the interim measure of protection should not be granted.

**Rule 5.9.** *Court action*. - After hearing the petition, the court shall balance the relative interests of the parties and inconveniences that may be caused, and on that basis resolve the matter within thirty (30) days from (a) submission of the opposition, or (b) upon lapse of the period to file the same, or (c) from termination of the hearing that the court may set only if there is a need for clarification or further argument.

If the other parties fail to file their opposition on or before the day of the hearing, the court shall *motu proprio* render judgment only on the basis of the allegations in the petition that are substantiated by supporting documents and limited to what is prayed for therein.

In cases where, based solely on the petition, the court finds that there is an urgent need to either (a) preserve property, (b) prevent the respondent from disposing of, or concealing, the property, or (c) prevent the relief prayed for from becoming illusory because of prior notice, it shall issue an immediately executory temporary order of protection and require the petitioner, within five (5) days from receipt of that order, to post a bond to answer for any damage that respondent may suffer as a result of its order. The ex-parte temporary order of protection shall be valid only for a period of twenty (20) days from the service on the party required to comply with the order. Within that period, the court shall:

a. Furnish the respondent a copy of the petition and a notice requiring him to comment thereon on or before the day the petition will be heard; and

b. Notify the parties that the petition shall be heard on a day specified in the notice, which must not be beyond the twenty (20) day period of the effectivity of the ex-parte order.

The respondent has the option of having the temporary order of protection lifted by posting an appropriate counter-bond as determined by the court.

If the respondent requests the court for an extension of the period to file his opposition or comment or to reset the hearing to a later date, and such request is granted, the court shall extend the period of validity of the *ex-parte* temporary order of protection for no more than twenty days from expiration of the original period.

After notice and hearing, the court may either grant or deny the petition for an interim measure of protection. The order granting or denying any application for interim measure of protection in aid of arbitration must indicate that it is issued without prejudice to subsequent grant, modification, amendment, revision or revocation by an arbitral tribunal.

**Rule 5.10.** *Relief against court action*. - If respondent was given an opportunity to be heard on a petition for an interim measure of protection, any order by the court shall be immediately executory, but may be the subject of a motion for reconsideration and/or appeal or, if warranted, a petition for certiorari.

**Rule 5.11.** *Duty of the court to refer back*. - The court shall not deny an application for assistance in implementing or enforcing an interim measure of protection ordered by an arbitral tribunal on any or all of the following grounds:

a. The arbitral tribunal granted the interim relief ex parte; or

b. The party opposing the application found new material evidence, which the arbitral tribunal had not considered in granting in the application, and which, if considered, may produce a different result; or

c. The measure of protection ordered by the arbitral tribunal amends, revokes, modifies or is inconsistent with an earlier measure of protection issued by the court.

If it finds that there is sufficient merit in the opposition to the application based on letter (b) above, the court shall refer the matter back to the arbitral tribunal for appropriate determination.

**Rule 5.12.** *Security*. - The order granting an interim measure of protection may be conditioned upon the provision of security, performance of an act, or omission thereof, specified in the order.

The Court may not change or increase or decrease the security ordered by the arbitral tribunal.

**Rule 5.13.** *Modification, amendment, revision or revocation of court’s previously issued interim measure of protection*. - Any court order granting or denying interim measure/s of protection is issued without prejudice to subsequent grant, modification, amendment, revision or revocation by the arbitral tribunal as may be warranted.

An interim measure of protection issued by the arbitral tribunal shall, upon its issuance be deemed to have ipso jure modified, amended, revised or revoked an interim measure of protection previously issued by the court to the extent that it is inconsistent with the subsequent interim measure of protection issued by the arbitral tribunal.

**Rule 5.14.** *Conflict or inconsistency between interim measure of protection issued by the court and by the arbitral tribunal*. - Any question involving a conflict or inconsistency between an interim measure of protection issued by the court and by the arbitral tribunal shall be immediately referred by the court to the arbitral tribunal which shall have the authority to decide such question.

**Rule 5.15.** *Court to defer action on petition for an interim measure of protection when informed of constitution of the arbitral tribunal*. - The court shall defer action on any pending petition for an interim measure of protection filed by a party to an arbitration agreement arising from or in connection with a dispute thereunder upon being informed that an arbitral tribunal has been constituted pursuant to such agreement. The court may act upon such petition only if it is established by the petitioner that the arbitral tribunal has no power to act on any such interim measure of protection or is unable to act thereon effectively.

**Rule 5.16.** *Court assistance should arbitral tribunal be unable to effectively enforce interim measure of protection*. - The court shall assist in the enforcement of an interim measure of protection issued by the arbitral tribunal which it is unable to effectively enforce.

**RULE 6: APPOINTMENT OF ARBITRATORS**

**Rule 6.1.** *When the court may act as Appointing Authority*. - The court shall act as Appointing Authority only in the following instances:

a. Where any of the parties in an institutional arbitration failed or refused to appoint an arbitrator or when the parties have failed to reach an agreement on the sole arbitrator (in an arbitration before a sole arbitrator) or when the two designated arbitrators have failed to reach an agreement on the third or presiding arbitrator (in an arbitration before a panel of three arbitrators), and the institution under whose rules arbitration is to be conducted fails or is unable to perform its duty as appointing authority within a reasonable time from receipt of the request for appointment;

b. In all instances where arbitration is ad hoc and the parties failed to provide a method for appointing or replacing an arbitrator, or substitute arbitrator, or the method agreed upon is ineffective, and the National President of the Integrated Bar of the Philippines (IBP) or his duly authorized representative fails or refuses to act within such period as may be allowed under the pertinent rules of the IBP or within such period as may be agreed upon by the parties, or in the absence thereof, within thirty (30) days from receipt of such request for appointment;

c. Where the parties agreed that their dispute shall be resolved by three arbitrators but no method of appointing those arbitrators has been agreed upon, each party shall appoint one arbitrator and the two arbitrators thus appointed shall appoint a third arbitrator. If a party fails to appoint his arbitrator within thirty (30) days of receipt of a request to do so from the other party, or if the two arbitrators fail to agree on the third arbitrator within a reasonable time from their appointment, the appointment shall be made by the Appointing Authority. If the latter fails or refuses to act or appoint an arbitrator within a reasonable time from receipt of the request to do so, any party or the appointed arbitrator/s may request the court to appoint an arbitrator or the third arbitrator as the case may be.

**Rule 6.2.** *Who may request for appointment*. - Any party to an arbitration may request the court to act as an Appointing Authority in the instances specified in Rule 6.1 above.

Rule 6.3. *Venue*. - The petition for appointment of arbitrator may be filed, at the option of the petitioner, in the Regional Trial Court (a) where the principal place of business of any of the parties is located, (b) if any of the parties are individuals, where those individuals reside, or (c) in the National Capital Region.

**Rule 6.4.** *Contents of the petition*. -The petition shall state the following:

a. The general nature of the dispute;

b. If the parties agreed on an appointment procedure, a description of that procedure with reference to the agreement where such may be found;

c. The number of arbitrators agreed upon or the absence of any agreement as to the number of arbitrators;

d. The special qualifications that the arbitrator/s must possess, if any, that were agreed upon by the parties;

e. The fact that the Appointing Authority, without justifiable cause, has failed or refused to act as such within the time prescribed or in the absence thereof, within a reasonable time, from the date a request is made; and

f. The petitioner is not the cause of the delay in, or failure of, the appointment of the arbitrator.

Apart from other submissions, the petitioner must attach to the petition (a) an authentic copy of the arbitration agreement, and (b) proof that the Appointing Authority has been notified of the filing of the petition for appointment with the court.

**Rule 6.5.** *Comment/Opposition*. - The comment/opposition must be filed within fifteen (15) days from service of the petition.

**Rule 6.6.** *Submission of list of arbitrators*. - The court may, at its option, also require each party to submit a list of not less than three (3) proposed arbitrators together with their curriculum vitae.

**Rule 6.7.** *Court action*. - After hearing, if the court finds merit in the petition, it shall appoint an arbitrator; otherwise, it shall dismiss the petition.

In making the appointment, the court shall have regard to such considerations as are likely to secure the appointment of an independent and impartial arbitrator.

At any time after the petition is filed and before the court makes an appointment, it shall also dismiss the petition upon being informed that the Appointing Authority has already made the appointment.

**Rule 6.8.** *Forum shopping prohibited*. - When there is a pending petition in another court to declare the arbitration agreement inexistent, invalid, unenforceable, on account of which the respondent failed or refused to participate in the selection and appointment of a sole arbitrator or to appoint a party-nominated arbitrator, the petition filed under this rule shall be dismissed.

**Rule 6.9.** *Relief against court action*. - If the court appoints an arbitrator, the order appointing an arbitrator shall be immediately executory and shall not be the subject of a motion for reconsideration, appeal or certiorari. An order of the court denying the petition for appointment of an arbitrator may, however, be the subject of a motion for reconsideration, appeal or certiorari.

**RULE 7: CHALLENGE TO APPOINTMENT OF ARBITRATOR**

**Rule 7.1.** *Who may challenge*. - Any of the parties to an arbitration may challenge an arbitrator.

**Rule 7.2.** *When challenge may be raised in court*. - When an arbitrator is challenged before the arbitral tribunal under the procedure agreed upon by the parties or under the procedure provided for in Article 13 (2) of the Model Law and the challenge is not successful, the aggrieved party may request the Appointing Authority to rule on the challenge, and it is only when such Appointing Authority fails or refuses to act on the challenge within such period as may be allowed under the applicable rule or in the absence thereof, within thirty (30) days from receipt of the request, that the aggrieved party may renew the challenge in court.

**Rule 7.3.** *Venue*. - The challenge shall be filed with the Regional Trial Court (a) where the principal place of business of any of the parties is located, (b) if any of the parties are individuals, where those individuals reside, or (c) in the National Capital Region.

**Rule 7.4.** *Grounds*. - An arbitrator may be challenged on any of the grounds for challenge provided for in Republic Act No. 9285 and its implementing rules, Republic Act No. 876 or the Model Law. The nationality or professional qualification of an arbitrator is not a ground to challenge an arbitrator unless the parties have specified in their arbitration agreement a nationality and/or professional qualification for appointment as arbitrator.

**Rule 7.5.** *Contents of the petition*. - The petition shall state the following:

a. The name/s of the arbitrator/s challenged and his/their address;

b. The grounds for the challenge;

c. The facts showing that the ground for the challenge has been expressly or impliedly rejected by the challenged arbitrator/s; and

d. The facts showing that the Appointing Authority failed or refused to act on the challenge.

The court shall dismiss the petition *motu proprio* unless it is clearly alleged therein that the Appointing Authority charged with deciding the challenge, after the resolution of the arbitral tribunal rejecting the challenge is raised or contested before such Appointing Authority, failed or refused to act on the challenge within thirty (30) days from receipt of the request or within such longer period as may apply or as may have been agreed upon by the parties.

**Rule 7.6.** *Comment/Opposition*. - The challenged arbitrator or other parties may file a comment or opposition within fifteen (15) days from service of the petition.

**Rule 7.7.** *Court action*. - After hearing, the court shall remove the challenged arbitrator if it finds merit in the petition; otherwise, it shall dismiss the petition.

The court shall allow the challenged arbitrator who subsequently agrees to accept the challenge to withdraw as arbitrator.

The court shall accept the challenge and remove the arbitrator in the following cases:

a. The party or parties who named and appointed the challenged arbitrator agree to the challenge and withdraw the appointment.

b. The other arbitrators in the arbitral tribunal agree to the removal of the challenged arbitrator; and

c. The challenged arbitrator fails or refuses to submit his comment on the petition or the brief of legal arguments as directed by the court, or in such comment or legal brief, he fails to object to his removal following the challenge.

The court shall decide the challenge on the basis of evidence submitted by the parties.

The court will decide the challenge on the basis of the evidence submitted by the parties in the following instances:

a. The other arbitrators in the arbitral tribunal agree to the removal of the challenged arbitrator; and

b. If the challenged arbitrator fails or refuses to submit his comment on the petition or the brief of legal arguments as directed by the court, or in such comment or brief of legal arguments, he fails to object to his removal following the challenge.

**Rule 7.8.** *No motion for reconsideration, appeal or certiorari*. - Any order of the court resolving the petition shall be immediately executory and shall not be the subject of a motion for reconsideration, appeal, or certiorari.

**Rule 7.9.** *Reimbursement of expenses and reasonable compensation to challenged arbitrator*. - Unless the bad faith of the challenged arbitrator is established with reasonable certainty by concealing or failing to disclose a ground for his disqualification, the challenged arbitrator shall be entitled to reimbursement of all reasonable expenses he may have incurred in attending to the arbitration and to a reasonable compensation for his work on the arbitration. Such expenses include, but shall not be limited to, transportation and hotel expenses, if any. A reasonable compensation shall be paid to the challenged arbitrator on the basis of the length of time he has devoted to the arbitration and taking into consideration his stature and reputation as an arbitrator. The request for reimbursement of expenses and for payment of a reasonable compensation shall be filed in the same case and in the court where the petition to replace the challenged arbitrator was filed. The court, in determining the amount of the award to the challenged arbitrator, shall receive evidence of expenses to be reimbursed, which may consist of air tickets, hotel bills and expenses, and inland transportation. The court shall direct the challenging party to pay the amount of the award to the court for the account of the challenged arbitrator, in default of which the court may issue a writ of execution to enforce the award.

**RULE 8: TERMINATION OF THE MANDATE OF ARBITRATOR**

**Rule 8.1.** *Who may request termination and on what grounds*.- Any of the parties to an arbitration may request for the termination of the mandate of an arbitrator where an arbitrator becomes de jure or de facto unable to perform his function or for other reasons fails to act without undue delay and that arbitrator, upon request of any party, fails or refuses to withdraw from his office.

**Rule 8.2.** *When to request*. - If an arbitrator refuses to withdraw from his office, and subsequently, the Appointing Authority fails or refuses to decide on the termination of the mandate of that arbitrator within such period as may be allowed under the applicable rule or, in the absence thereof, within thirty (30) days from the time the request is brought before him, any party may file with the court a petition to terminate the mandate of that arbitrator.

**Rule 8.3.** *Venue*. - A petition to terminate the mandate of an arbitrator may, at that petitioner’s option, be filed with the Regional Trial Court (a) where the principal place of business of any of the parties is located, (b) where any of the parties who are individuals resides, or (c) in the National Capital Region.

**Rule 8.4.** *Contents of the petition*. - The petition shall state the following:

a. The name of the arbitrator whose mandate is sought to be terminated;

b. The ground/s for termination;

c. The fact that one or all of the parties had requested the arbitrator to withdraw but he failed or refused to do so;

d. The fact that one or all of the parties requested the Appointing Authority to act on the request for the termination of the mandate of the arbitrator and failure or inability of the Appointing Authority to act within thirty (30) days from the request of a party or parties or within such period as may have been agreed upon by the parties or allowed under the applicable rule.

The petitioner shall further allege that one or all of the parties had requested the arbitrator to withdraw but he failed or refused to do so.

**Rule 8.5.** *Comment/Opposition*. - The comment/opposition must be filed within fifteen (15) days from service of the petition.

**Rule 8.6.** *Court action*. - After hearing, if the court finds merit in the petition, it shall terminate the mandate of the arbitrator who refuses to withdraw from his office; otherwise, it shall dismiss the petition.

**Rule 8.7.** *No motion for reconsideration or appeal*. - Any order of the court resolving the petition shall be immediately executory and shall not be subject of a motion for reconsideration, appeal or petition for certiorari.

**Rule 8.8.** *Appointment of substitute arbitrator*. - Where the mandate of an arbitrator is terminated, or he withdraws from office for any other reason, or because of his mandate is revoked by agreement of the parties or is terminated for any other reason, a substitute arbitrator shall be appointed according to the rules that were applicable to the appointment of the arbitrator being replaced.

**RULE 9: ASSISTANCE IN TAKING EVIDENCE**

**Rule 9.1.** *Who may request assistance*. - Any party to an arbitration, whether domestic or foreign, may request the court to provide assistance in taking evidence.

**Rule 9.2.** *When assistance may be sought*. - Assistance may be sought at any time during the course of the arbitral proceedings when the need arises.

**Rule 9.3.** *Venue*. - A petition for assistance in taking evidence may, at the option of the petitioner, be filed with Regional Trial Court where (a) arbitration proceedings are taking place, (b) the witnesses reside or may be found, or (c) where the evidence may be found.

**Rule 9.4.** *Ground*. - The court may grant or execute the request for assistance in taking evidence within its competence and according to the rules of evidence.

**Rule 9.5.** *Type of assistance*. - A party requiring assistance in the taking of evidence may petition the court to direct any person, including a representative of a corporation, association, partnership or other entity (other than a party to the ADR proceedings or its officers) found in the Philippines, for any of the following:

a. To comply with a subpoena *ad testificandum* and/or subpoena *duces tecum*;

b. To appear as a witness before an officer for the taking of his deposition upon oral examination or by written interrogatories;

c. To allow the physical examination of the condition of persons, or the inspection of things or premises and, when appropriate, to allow the recording and/or documentation of condition of persons, things or premises (i.e., photographs, video and other means of recording/documentation);

d. To allow the examination and copying of documents; and

e. To perform any similar acts.

**Rule 9.6.** *Contents of the petition*. - The petition must state the following:

a. The fact that there is an ongoing arbitration proceeding even if such proceeding could not continue due to some legal impediments;

b. The arbitral tribunal ordered the taking of evidence or the party desires to present evidence to the arbitral tribunal;

c. Materiality or relevance of the evidence to be taken; and

d. The names and addresses of the intended witness/es, place where the evidence may be found, the place where the premises to be inspected are located or the place where the acts required are to be done.

**Rule 9.7.** *Comment/Opposition*. - The comment/opposition must be filed within fifteen (15) days from service of the petition.

**Rule 9.8.** *Court action*. - If the evidence sought is not privileged, and is material and relevant, the court shall grant the assistance in taking evidence requested and shall order petitioner to pay costs attendant to such assistance.

**Rule 9.9.** *Relief against court action*. - The order granting assistance in taking evidence shall be immediately executory and not subject to reconsideration or appeal. If the court declines to grant assistance in taking evidence, the petitioner may file a motion for reconsideration or appeal.

**Rule 9.10.** *Perpetuation of testimony before the arbitral tribunal is constituted*. - At anytime before arbitration is commenced or before the arbitral tribunal is constituted, any person who desires to perpetuate his testimony or that of another person may do so in accordance with Rule 24 of the Rules of Court.

**Rule 9.11.** *Consequence of disobedience*. - The court may impose the appropriate sanction on any person who disobeys its order to testify when required or perform any act required of him.

**RULE 10: CONFIDENTIALITY/PROTECTIVE ORDERS**

**Rule 10.1.** *Who may request confidentiality*. - A party, counsel or witness who disclosed or who was compelled to disclose information relative to the subject of ADR under circumstances that would create a reasonable expectation, on behalf of the source, that the information shall be kept confidential has the right to prevent such information from being further disclosed without the express written consent of the source or the party who made the disclosure.

**Rule 10.2.** *When request made*. - A party may request a protective order at anytime there is a need to enforce the confidentiality of the information obtained, or to be obtained, in ADR proceedings.

**Rule 10.3.** *Venue*. - A petition for a protective order may be filed with the Regional Trial Court where that order would be implemented.

If there is a pending court proceeding in which the information obtained in an ADR proceeding is required to be divulged or is being divulged, the party seeking to enforce the confidentiality of the information may file a motion with the court where the proceedings are pending to enjoin the confidential information from being divulged or to suppress confidential information.

**Rule 10.4.** *Grounds*. - A protective order may be granted only if it is shown that the applicant would be materially prejudiced by an unauthorized disclosure of the information obtained, or to be obtained, during an ADR proceeding.

**Rule 10.5.** *Contents of the motion or petition*. - The petition or motion must state the following:

a. That the information sought to be protected was obtained, or would be obtained, during an ADR proceeding;

b. The applicant would be materially prejudiced by the disclosure of that information;

c. The person or persons who are being asked to divulge the confidential information participated in an ADR proceedings; and

d. The time, date and place when the ADR proceedings took place.

Apart from the other submissions, the movant must set the motion for hearing and contain a notice of hearing in accordance with Rule 15 of the Rules of Court.

**Rule 10.6.** *Notice*. - Notice of a request for a protective order made through a motion shall be made to the opposing parties in accordance with Rule 15 of the Rules of Court.

**Rule 10.7.** *Comment/Opposition*. - The comment/opposition must be filed within fifteen (15) days from service of the petition. The opposition or comment may be accompanied by written proof that (a) the information is not confidential, (b) the information was not obtained during an ADR proceeding, (c) there was a waiver of confidentiality, or (d) the petitioner/movant is precluded from asserting confidentiality.

**Rule 10.8.** *Court action*. - If the court finds the petition or motion meritorious, it shall issue an order enjoining a person or persons from divulging confidential information.

In resolving the petition or motion, the courts shall be guided by the following principles applicable to all ADR proceedings: Confidential information shall not be subject to discovery and shall be inadmissible in any adversarial proceeding, whether judicial or quasi judicial. However, evidence or information that is otherwise admissible or subject to discovery does not become inadmissible or protected from discovery solely by reason of its use therein.

For mediation proceedings, the court shall be further guided by the following principles:

a. Information obtained through mediation shall be privileged and confidential.

b. A party, a mediator, or a nonparty participant may refuse to disclose and may prevent any other person from disclosing a mediation communication.

c. In such an adversarial proceeding, the following persons involved or previously involved in a mediation may not be compelled to disclose confidential information obtained during the mediation: (1) the parties to the dispute; (2) the mediator or mediators; (3) the counsel for the parties: (4) the nonparty participants; (5) any persons hired or engaged in connection with the mediation as secretary, stenographer; clerk or assistant; and (6) any other person who obtains or possesses confidential information by reason of his/ her profession.

d. The protection of the ADR Laws shall continue to apply even if a mediator is found to have failed to act impartially.

e. A mediator may not be called to testify to provide information gathered in mediation. A mediator who is wrongfully subpoenaed shall be reimbursed the full cost of his attorney fees and related expenses.

**Rule 10.9.** *Relief against court action*. - The order enjoining a person or persons from divulging confidential information shall be immediately executory and may not be enjoined while the order is being questioned with the appellate courts.

If the court declines to enjoin a person or persons from divulging confidential information, the petitioner may file a motion for reconsideration or appeal.

**Rule 10.10.** *Consequence of disobedience*. - Any person who disobeys the order of the court to cease from divulging confidential information shall be imposed the proper sanction by the court.

**RULE 11: CONFIRMATION, CORRECTION OR VACATION OF AWARD IN DOMESTIC ARBITRATION**

**Rule 11.1.** *Who may request confirmation, correction or vacation*. - Any party to a domestic arbitration may petition the court to confirm, correct or vacate a domestic arbitral award.

**Rule 11.2.** *When to request confirmation, correction/modification or vacation*. -

(A) *Confirmation*. - At any time after the lapse of thirty (30) days from receipt by the petitioner of the arbitral award, he may petition the court to confirm that award.

(B) *Correction/Modification*. - Not later than thirty (30) days from receipt of the arbitral award, a party may petition the court to correct/modify that award.

(C) *Vacation*. - Not later than thirty (30) days from receipt of the arbitral award, a party may petition the court to vacate that award.

(D) A petition to vacate the arbitral award may be filed, in opposition to a petition to confirm the arbitral award, not later than thirty (30) days from receipt of the award by the petitioner. A petition to vacate the arbitral award filed beyond the reglementary period shall be dismissed.

(E) A petition to confirm the arbitral award may be filed, in opposition to a petition to vacate the arbitral award, at any time after the petition to vacate such arbitral award is filed. The dismissal of the petition to vacate the arbitral award for having been filed beyond the reglementary period shall not result in the dismissal of the petition for the confirmation of such arbitral award.

(F) The filing of a petition to confirm an arbitral award shall not authorize the filing of a belated petition to vacate or set aside such award in opposition thereto.

(G) A petition to correct an arbitral award may be included as part of a petition to confirm the arbitral award or as a petition to confirm that award.

**Rule 11.3.** *Venue*. - The petition for confirmation, correction/modification or vacation of a domestic arbitral award may be filed with Regional Trial Court having jurisdiction over the place in which one of the parties is doing business, where any of the parties reside or where arbitration proceedings were conducted.

**Rule 11.4.** *Grounds*. - (A) *To vacate an arbitral award*. - The arbitral award may be vacated on the following grounds:

a. The arbitral award was procured through corruption, fraud or other undue means;

b. There was evident partiality or corruption in the arbitral tribunal or any of its members;

c. The arbitral tribunal was guilty of misconduct or any form of misbehavior that has materially prejudiced the rights of any party such as refusing to postpone a hearing upon sufficient cause shown or to hear evidence pertinent and material to the controversy;

d. One or more of the arbitrators was disqualified to act as such under the law and willfully refrained from disclosing such disqualification; or

e. The arbitral tribunal exceeded its powers, or so imperfectly executed them, such that a complete, final and definite award upon the subject matter submitted to them was not made.

The award may also be vacated on any or all of the following grounds:

a. The arbitration agreement did not exist, or is invalid for any ground for the revocation of a contract or is otherwise unenforceable; or

b. A party to arbitration is a minor or a person judicially declared to be incompetent.

The petition to vacate an arbitral award on the ground that the party to arbitration is a minor or a person judicially declared to be incompetent shall be filed only on behalf of the minor or incompetent and shall allege that (a) the other party to arbitration had knowingly entered into a submission or agreement with such minor or incompetent, or (b) the submission to arbitration was made by a guardian or guardian ad litem who was not authorized to do so by a competent court.

In deciding the petition to vacate the arbitral award, the court shall disregard any other ground than those enumerated above.

(B) *To correct/modify an arbitral award*. - The Court may correct/modify or order the arbitral tribunal to correct/modify the arbitral award in the following cases:

a. Where there was an evident miscalculation of figures or an evident mistake in the description of any person, thing or property referred to in the award;

b. Where the arbitrators have awarded upon a matter not submitted to them, not affecting the merits of the decision upon the matter submitted;

c. Where the arbitrators have omitted to resolve an issue submitted to them for resolution; or

d. Where the award is imperfect in a matter of form not affecting the merits of the controversy, and if it had been a commissioner’s report, the defect could have been amended or disregarded by the Court.

**Rule 11.5.** *Form of petition*. - An application to vacate an arbitral award shall be in the form of a petition to vacate or as a petition to vacate in opposition to a petition to confirm the same award.

An application to correct/modify an arbitral award may be included in a petition to confirm an arbitral award or in a petition to vacate in opposition to confirm the same award.

When a petition to confirm an arbitral award is pending before a court, the party seeking to vacate or correct/modify said award may only apply for those reliefs through a petition to vacate or correct/modify the award in opposition to the petition to confirm the award provided that such petition to vacate or correct/modify is filed within thirty (30) days from his receipt of the award. A petition to vacate or correct/modify an arbitral award filed in another court or in a separate case before the same court shall be dismissed, upon appropriate motion, as a violation of the rule against forum-shopping.

When a petition to vacate or correct/modify an arbitral award is pending before a court, the party seeking to confirm said award may only apply for that relief through a petition to confirm the same award in opposition to the petition to vacate or correct/modify the award. A petition to confirm or correct/modify an arbitral award filed as separate proceeding in another court or in a different case before the same court shall be dismissed, upon appropriate motion, as a violation of the rule against forum shopping.

As an alternative to the dismissal of a second petition for confirmation, vacation or correction/modification of an arbitral award filed in violation of the non-forum shopping rule, the court or courts concerned may allow the consolidation of the two proceedings in one court and in one case.

Where the petition to confirm the award and petition to vacate or correct/modify were simultaneously filed by the parties in the same court or in different courts in the Philippines, upon motion of either party, the court may order the consolidation of the two cases before either court.

In all instances, the petition must be verified by a person who has knowledge of the jurisdictional facts.

**Rule 11.6.** *Contents of petition*. - The petition must state the following:

a. The addresses of the parties and any change thereof;

b. The jurisdictional issues raised by a party during arbitration proceedings;

c. The grounds relied upon by the parties in seeking the vacation of the arbitral award whether the petition is a petition for the vacation or setting aside of the arbitral award or a petition in opposition to a petition to confirm the award; and

d. A statement of the date of receipt of the arbitral award and the circumstances under which it was received by the petitioner.

Apart from other submissions, the petitioner must attach to the petition the following:

a. An authentic copy of the arbitration agreement;

b. An authentic copy of the arbitral award;

c. A certification against forum shopping executed by the applicant in accordance with Section 5 of Rule 7 of the Rules of Court; and

d. An authentic copy or authentic copies of the appointment of an arbitral tribunal.

**Rule 11.7.** *Notice*. - Upon finding that the petition filed under this Rule is sufficient both in form and in substance, the Court shall cause notice and a copy of the petition to be delivered to the respondent allowing him to file a comment or opposition thereto within fifteen (15) days from receipt of the petition. In lieu of an opposition, the respondent may file a petition in opposition to the petition.

The petitioner may within fifteen (15) days from receipt of the petition in opposition thereto file a reply.

**Rule 11.8.** *Hearing*. - If the Court finds from the petition or petition in opposition thereto that there are issues of fact, it shall require the parties, within a period of not more than fifteen (15) days from receipt of the order, to simultaneously submit the affidavits of all of their witnesses and reply affidavits within ten (10) days from receipt of the affidavits to be replied to. There shall be attached to the affidavits or reply affidavits documents relied upon in support of the statements of fact in such affidavits or reply affidavits.

If the petition or the petition in opposition thereto is one for vacation of an arbitral award, the interested party in arbitration may oppose the petition or the petition in opposition thereto for the reason that the grounds cited in the petition or the petition in opposition thereto, assuming them to be true, do not affect the merits of the case and may be cured or remedied. Moreover, the interested party may request the court to suspend the proceedings for vacation for a period of time and to direct the arbitral tribunal to reopen and conduct a new hearing and take such other action as will eliminate the grounds for vacation of the award. The opposition shall be supported by a brief of legal arguments to show the existence of a sufficient legal basis for the opposition.

If the ground of the petition to vacate an arbitral award is that the arbitration agreement did not exist, is invalid or otherwise unenforceable, and an earlier petition for judicial relief under Rule 3 had been filed, a copy of such petition and of the decision or final order of the court shall be attached thereto. But if the ground was raised before the arbitral tribunal in a motion to dismiss filed not later than the submission of its answer, and the arbitral tribunal ruled in favor of its own jurisdiction as a preliminary question which was appealed by a party to the Regional Trial Court, a copy of the order, ruling or preliminary award or decision of the arbitral tribunal, the appeal therefrom to the Court and the order or decision of the Court shall all be attached to the petition.

If the ground of the petition is that the petitioner is an infant or a person judicially declared to be incompetent, there shall be attached to the petition certified copies of documents showing such fact. In addition, the petitioner shall show that even if the submission or arbitration agreement was entered into by a guardian or guardian ad litem, the latter was not authorized by a competent court to sign such the submission or arbitration agreement.

If on the basis of the petition, the opposition, the affidavits and reply affidavits of the parties, the court finds that there is a need to conduct an oral hearing, the court shall set the case for hearing. This case shall have preference over other cases before the court, except criminal cases. During the hearing, the affidavits of witnesses shall take the place of their direct testimonies and they shall immediately be subject to cross-examination thereon. The Court shall have full control over the proceedings in order to ensure that the case is heard without undue delay.

**Rule 11.9.** *Court action*. - Unless a ground to vacate an arbitral award under Rule 11.5 above is fully established, the court shall confirm the award.

An arbitral award shall enjoy the presumption that it was made and released in due course of arbitration and is subject to confirmation by the court

In resolving the petition or petition in opposition thereto in accordance with these Special ADR Rules, the court shall either confirm or vacate the arbitral award. The court shall not disturb the arbitral tribunal’s determination of facts and/or interpretation of law.

In a petition to vacate an award or in petition to vacate an award in opposition to a petition to confirm the award, the petitioner may simultaneously apply with the Court to refer the case back to the same arbitral tribunal for the purpose of making a new or revised award or to direct a new hearing, or in the appropriate case, order the new hearing before a new arbitral tribunal, the members of which shall be chosen in the manner provided in the arbitration agreement or submission, or the law. In the latter case, any provision limiting the time in which the arbitral tribunal may make a decision shall be deemed applicable to the new arbitral tribunal.

In referring the case back to the arbitral tribunal or to a new arbitral tribunal pursuant to Rule 24 of Republic Act No. 876, the court may not direct it to revise its award in a particular way, or to revise its findings of fact or conclusions of law or otherwise encroach upon the independence of an arbitral tribunal in the making of a final award.

**RULE 12: RECOGNITION AND ENFORCEMENT OR SETTING ASIDE OF AN INTERNATIONALCOMMERCIAL ARBITRATION AWARD**

**Rule 12.1.** *Who may request recognition and enforcement or setting aside*. - Any party to an international commercial arbitration in the Philippines may petition the proper court to recognize and enforce or set aside an arbitral award.

**Rule 12.2.** *When to file petition*. - (A) *Petition to recognize and enforce*. - The petition for enforcement and recognition of an arbitral award may be filed anytime from receipt of the award. If, however, a timely petition to set aside an arbitral award is filed, the opposing party must file therein and in opposition thereto the petition for recognition and enforcement of the same award within the period for filing an opposition.

(B) *Petition to set aside*. - The petition to set aside an arbitral award may only be filed within three (3) months from the time the petitioner receives a copy thereof. If a timely request is made with the arbitral tribunal for correction, interpretation or additional award, the three (3) month period shall be counted from the time the petitioner receives the resolution by the arbitral tribunal of that request.

A petition to set aside can no longer be filed after the lapse of the three (3) month period. The dismissal of a petition to set aside an arbitral award for being time-barred shall not automatically result in the approval of the petition filed therein and in opposition thereto for recognition and enforcement of the same award. Failure to file a petition to set aside shall preclude a party from raising grounds to resist enforcement of the award.

**Rule 12.3.** *Venue*. - A petition to recognize and enforce or set aside an arbitral award may, at the option of the petitioner, be filed with the Regional Trial Court: (a) where arbitration proceedings were conducted; (b) where any of the assets to be attached or levied upon is located; (c) where the act to be enjoined will be or is being performed; (d) where any of the parties to arbitration resides or has its place of business; or (e) in the National Capital Judicial Region.

**Rule 12.4.** *Grounds to set aside or resist enforcement*. - The court may set aside or refuse the enforcement of the arbitral award only if:

a. The party making the application furnishes proof that:

(i). A party to the arbitration agreement was under some incapacity, or the said agreement is not valid under the law to which the parties have subjected it or, failing any indication thereof, under Philippine law; or

(ii). The party making the application to set aside or resist enforcement was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case; or

(iii). The award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or contains decisions on matters beyond the scope of the submission to arbitration; provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the award which contains decisions on matters not submitted to arbitration may be set aside or only that part of the award which contains decisions on matters submitted to arbitration may be enforced; or

(iv). The composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement of the parties, unless such agreement was in conflict with a provision of Philippine law from which the parties cannot derogate, or, failing such agreement, was not in accordance with Philippine law;

b. The court finds that:

(i). The subject-matter of the dispute is not capable of settlement by arbitration under the law of the Philippines; or

(ii). The recognition or enforcement of the award would be contrary to public policy.

In deciding the petition, the Court shall disregard any other ground to set aside or enforce the arbitral award other than those enumerated above.

The petition to set-aside or a pleading resisting the enforcement of an arbitral award on the ground that a party was a minor or an incompetent shall be filed only on behalf of the minor or incompetent and shall allege that (a) the other party to arbitration had knowingly entered into a submission or agreement with such minor or incompetent, or (b) the submission to arbitration was made by a guardian or guardian ad litem who was not authorized to do so by a competent court.

**Rule 12.5.** *Exclusive recourse against arbitral award*. - Recourse to a court against an arbitral award shall be made only through a petition to set aside the arbitral award and on grounds prescribed by the law that governs international commercial arbitration. Any other recourse from the arbitral award, such as by appeal or petition for review or petition for certiorari or otherwise, shall be dismissed by the court.

**Rule 12.6.** *Form*. - The application to recognize and enforce or set aside an arbitral award, whether made through a petition to recognize and enforce or to set aside or as a petition to set aside the award in opposition thereto, or through a petition to set aside or petition to recognize and enforce in opposition thereto, shall be verified by a person who has personal knowledge of the facts stated therein.

When a petition to recognize and enforce an arbitral award is pending, the application to set it aside, if not yet time-barred, shall be made through a petition to set aside the same award in the same proceedings.

When a timely petition to set aside an arbitral award is filed, the opposing party may file a petition for recognition and enforcement of the same award in opposition thereto.

**Rule 12.7.** *Contents of petition*. - (A) *Petition to recognize and enforce*. - The petition to recognize and enforce or petition to set aside in opposition thereto, or petition to set aside or petition to recognize and enforce in opposition thereto, shall state the following:

a. The addresses of record, or any change thereof, of the parties to arbitration;

b. A statement that the arbitration agreement or submission exists;

c. The names of the arbitrators and proof of their appointment;

d. A statement that an arbitral award was issued and when the petitioner received it; and

e. The relief sought.

Apart from other submissions, the petitioner shall attach to the petition the following:

a. An authentic copy of the arbitration agreement;

b. An authentic copy of the arbitral award;

c. A verification and certification against forum shopping executed by the applicant in accordance with Sections 4 and 5 of Rule 7 of the Rules of Court; and

d. An authentic copy or authentic copies of the appointment of an arbitral tribunal.

(B) *Petition to set aside*. - The petition to set aside or petition to set aside in opposition to a petition to recognize and enforce an arbitral award in international commercial arbitration shall have the same contents as a petition to recognize and enforce or petition to recognize and enforce in opposition to a petition to set aside an arbitral award. In addition, the said petitions should state the grounds relied upon to set it aside.

Further, if the ground of the petition to set aside is that the petitioner is a minor or found incompetent by a court, there shall be attached to the petition certified copies of documents showing such fact. In addition, the petitioner shall show that even if the submission or arbitration agreement was entered into by a guardian or guardian *ad litem*, the latter was not authorized by a competent court to sign such the submission or arbitration agreement.

In either case, if another court was previously requested to resolve and/or has resolved, on appeal, the arbitral tribunal’s preliminary determination in favor of its own jurisdiction, the petitioner shall apprise the court before which the petition to recognize and enforce or set aside is pending of the status of the appeal or its resolution.

**Rule 12.8. *Notice*.** - Upon finding that the petition filed under this Rule is sufficient both in form and in substance, the court shall cause notice and a copy of the petition to be delivered to the respondent directing him to file an opposition thereto within fifteen (15) days from receipt of the petition. In lieu of an opposition, the respondent may file a petition to set aside in opposition to a petition to recognize and enforce, or a petition to recognize and enforce in opposition to a petition to set aside.

The petitioner may within fifteen (15) days from receipt of the petition to set aside in opposition to a petition to recognize and enforce, or from receipt of the petition to recognize and enforce in opposition to a petition to set aside, file a reply.

**Rule 12.9.** *Submission of documents*. - If the court finds that the issue between the parties is mainly one of law, the parties may be required to submit briefs of legal arguments, not more than fifteen (15) days from receipt of the order, sufficiently discussing the legal issues and the legal basis for the relief prayed for by each of them.

If the court finds from the petition or petition in opposition thereto that there are issues of fact relating to the ground(s) relied upon for the court to set aside, it shall require the parties within a period of not more than fifteen (15) days from receipt of the order simultaneously to submit the affidavits of all of their witnesses and reply affidavits within ten (10) days from receipt of the affidavits to be replied to. There shall be attached to the affidavits or reply affidavits, all documents relied upon in support of the statements of fact in such affidavits or reply affidavits.

**Rule 12.10.** *Hearing*. - If on the basis of the petition, the opposition, the affidavits and reply affidavits of the parties, the court finds that there is a need to conduct an oral hearing, the court shall set the case for hearing. This case shall have preference over other cases before the court, except criminal cases. During the hearing, the affidavits of witnesses shall take the place of their direct testimonies and they shall immediately be subject to cross-examination thereon. The court shall have full control over the proceedings in order to ensure that the case is heard without undue delay.

**Rule 12.11.** *Suspension of proceedings to set aside*. - The court when asked to set aside an arbitral award may, where appropriate and upon request by a party, suspend the proceedings for a period of time determined by it to give the arbitral tribunal an opportunity to resume the arbitral proceedings or to take such other action as in the arbitral tribunal’s opinion will eliminate the grounds for setting aside. The court, in referring the case back to the arbitral tribunal may not direct it to revise its award in a particular way, or to revise its findings of fact or conclusions of law or otherwise encroach upon the independence of an arbitral tribunal in the making of a final award.

The court when asked to set aside an arbitral award may also, when the preliminary ruling of an arbitral tribunal affirming its jurisdiction to act on the matter before it had been appealed by the party aggrieved by such preliminary ruling to the court, suspend the proceedings to set aside to await the ruling of the court on such pending appeal or, in the alternative, consolidate the proceedings to set aside with the earlier appeal.

**Rule 12.12.** *Presumption in favor of confirmation*. - It is presumed that an arbitral award was made and released in due course and is subject to enforcement by the court, unless the adverse party is able to establish a ground for setting aside or not enforcing an arbitral award.

**Rule 12.13.** *Judgment of the court*. - Unless a ground to set aside an arbitral award under Rule 12.4 above is fully established, the court shall dismiss the petition. If, in the same proceedings, there is a petition to recognize and enforce the arbitral award filed in opposition to the petition to set aside, the court shall recognize and enforce the award.

In resolving the petition or petition in opposition thereto in accordance with the Special ADR Rules, the court shall either set aside or enforce the arbitral award. The court shall not disturb the arbitral tribunal’s determination of facts and/or interpretation of law.

**Rule 12.14.** *Costs*. - Unless otherwise agreed upon by the parties in writing, at the time the case is submitted to the court for decision, the party praying for recognition and enforcement or setting aside of an arbitral award shall submit a statement under oath confirming the costs he has incurred only in the proceedings for such recognition and enforcement or setting aside. The costs shall include the attorney’s fees the party has paid or is committed to pay to his counsel of record.

The prevailing party shall be entitled to an award of costs, which shall include reasonable attorney’s fees of the prevailing party against the unsuccessful party. The court shall determine the reasonableness of the claim for attorney’s fees.

**RULE 13: RECOGNITION AND ENFORCEMENT OF A FOREIGN ARBITRAL AWARD**

**Rule 13.1.** *Who may request recognition and enforcement*. - Any party to a foreign arbitration may petition the court to recognize and enforce a foreign arbitral award.

**Rule 13.2.** *When to petition*. - At any time after receipt of a foreign arbitral award, any party to arbitration may petition the proper Regional Trial Court to recognize and enforce such award.

**Rule 13.3.** *Venue*. - The petition to recognize and enforce a foreign arbitral award shall be filed, at the option of the petitioner, with the Regional Trial Court (a) where the assets to be attached or levied upon is located, (b) where the act to be enjoined is being performed, (c) in the principal place of business in the Philippines of any of the parties, (d) if any of the parties is an individual, where any of those individuals resides, or (e) in the National Capital Judicial Region.

**Rule 13.4.** *Governing law and grounds to refuse recognition and enforcement*. - The recognition and enforcement of a foreign arbitral award shall be governed by the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention") and this Rule. The court may, upon grounds of comity and reciprocity, recognize and enforce a foreign arbitral award made in a country that is not a signatory to the New York Convention as if it were a Convention Award.

A Philippine court shall not set aside a foreign arbitral award but may refuse it recognition and enforcement on any or all of the following grounds:

a. The party making the application to refuse recognition and enforcement of the award furnishes proof that:

(i). A party to the arbitration agreement was under some incapacity; or the said agreement is not valid under the law to which the parties have subjected it or, failing any indication thereof, under the law of the country where the award was made; or

(ii). The party making the application was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case; or

(iii). The award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or contains decisions on matters beyond the scope of the submission to arbitration; provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the award which contains decisions on matters not submitted to arbitration may be set aside; or

(iv). The composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement of the parties or, failing such agreement, was not in accordance with the law of the country where arbitration took place; or

(v). The award has not yet become binding on the parties or has been set aside or suspended by a court of the country in which that award was made; or

b. The court finds that:

(i). The subject-matter of the dispute is not capable of settlement or resolution by arbitration under Philippine law; or

(ii). The recognition or enforcement of the award would be contrary to public policy.

The court shall disregard any ground for opposing the recognition and enforcement of a foreign arbitral award other than those enumerated above.

Rule 13.5. *Contents of petition*. - The petition shall state the following:

a. The addresses of the parties to arbitration;

b. In the absence of any indication in the award, the country where the arbitral award was made and whether such country is a signatory to the New York Convention; and

c. The relief sought.

Apart from other submissions, the petition shall have attached to it the following:

a. An authentic copy of the arbitration agreement; and

b. An authentic copy of the arbitral award.

If the foreign arbitral award or agreement to arbitrate or submission is not made in English, the petitioner shall also attach to the petition a translation of these documents into English. The translation shall be certified by an official or sworn translator or by a diplomatic or consular agent.

**Rule 13.6.** *Notice and opposition*. - Upon finding that the petition filed under this Rule is sufficient both in form and in substance, the court shall cause notice and a copy of the petition to be delivered to the respondent allowing him to file an opposition thereto within thirty (30) days from receipt of the notice and petition.

**Rule 13.7.** *Opposition*. - The opposition shall be verified by a person who has personal knowledge of the facts stated therein.

**Rule 13.8.** *Submissions*. - If the court finds that the issue between the parties is mainly one of law, the parties may be required to submit briefs of legal arguments, not more than thirty (30) days from receipt of the order, sufficiently discussing the legal issues and the legal bases for the relief prayed for by each other.

If, from a review of the petition or opposition, there are issues of fact relating to the ground/s relied upon for the court to refuse enforcement, the court shall, *motu proprio* or upon request of any party, require the parties to simultaneously submit the affidavits of all of their witnesses within a period of not less than fifteen (15) days nor more than thirty (30) days from receipt of the order. The court may, upon the request of any party, allow the submission of reply affidavits within a period of not less than fifteen (15) days nor more than thirty (30) days from receipt of the order granting said request. There shall be attached to the affidavits or reply affidavits all documents relied upon in support of the statements of fact in such affidavits or reply affidavits.

**Rule 13.9.** *Hearing*. - The court shall set the case for hearing if on the basis of the foregoing submissions there is a need to do so. The court shall give due priority to hearings on petitions under this Rule. During the hearing, the affidavits of witnesses shall take the place of their direct testimonies and they shall immediately be subject to cross-examination. The court shall have full control over the proceedings in order to ensure that the case is heard without undue delay.

**Rule 13.10.** *Adjournment/deferment of decision on enforcement of award*. - The court before which a petition to recognize and enforce a foreign arbitral award is pending, may adjourn or defer rendering a decision thereon if, in the meantime, an application for the setting aside or suspension of the award has been made with a competent authority in the country where the award was made. Upon application of the petitioner, the court may also require the other party to give suitable security.

**Rule 13.11.** *Court action*. - It is presumed that a foreign arbitral award was made and released in due course of arbitration and is subject to enforcement by the court.

The court shall recognize and enforce a foreign arbitral award unless a ground to refuse recognition or enforcement of the foreign arbitral award under this rule is fully established.

The decision of the court recognizing and enforcing a foreign arbitral award is immediately executory.

In resolving the petition for recognition and enforcement of a foreign arbitral award in accordance with these Special ADR Rules, the court shall either [a] recognize and/or enforce or [b] refuse to recognize and enforce the arbitral award. The court shall not disturb the arbitral tribunal’s determination of facts and/or interpretation of law.

**Rule 13.12.** *Recognition and enforcement of non-convention award*. - The court shall, only upon grounds provided by these Special ADR Rules, recognize and enforce a foreign arbitral award made in a country not a signatory to the New York Convention when such country extends comity and reciprocity to awards made in the Philippines. If that country does not extend comity and reciprocity to awards made in the Philippines, the court may nevertheless treat such award as a foreign judgment enforceable as such under Rule 39, Section 48, of the Rules of Court.

**PART III**  
**PROVISIONS SPECIFIC TO MEDIATION**

**RULE 14: GENERAL PROVISIONS**

**Rule 14.1.** *Application of the rules on arbitration*. - Whenever applicable and appropriate, the pertinent rules on arbitration shall be applied in proceedings before the court relative to a dispute subject to mediation.

**RULE 15: DEPOSIT AND ENFORCEMENT OF MEDIATED SETTLEMENT AGREEMENTS**

**Rule 15.1.** *Who makes a deposit*. - Any party to a mediation that is not court-annexed may deposit with the court the written settlement agreement, which resulted from that mediation.

**Rule 15.2.** *When deposit is made*. - At any time after an agreement is reached, the written settlement agreement may be deposited.

**Rule 15.3.** *Venue*. - The written settlement agreement may be jointly deposited by the parties or deposited by one party with prior notice to the other party/ies with the Clerk of Court of the Regional Trial Court (a) where the principal place of business in the Philippines of any of the parties is located; (b) if any of the parties is an individual, where any of those individuals resides; or (c) in the National Capital Judicial Region.

**Rule 15.4.** *Registry Book*. - The Clerk of Court of each Regional Trial Court shall keep a Registry Book that shall chronologically list or enroll all the mediated settlement agreements/settlement awards that are deposited with the court as well as the names and address of the parties thereto and the date of enrollment and shall issue a Certificate of Deposit to the party that made the deposit.

**Rule 15.5.** *Enforcement of mediated settlement agreement*. - Any of the parties to a mediated settlement agreement, which was deposited with the Clerk of Court of the Regional Trial Court, may, upon breach thereof, file a verified petition with the same court to enforce said agreement.

**Rule 15.6.** *Contents of petition*. - The verified petition shall:

a. Name and designate, as petitioner or respondent, all parties to the mediated settlement agreement and those who may be affected by it;

b. State the following:

(i). The addresses of the petitioner and respondents; and

(ii). The ultimate facts that would show that the adverse party has defaulted to perform its obligation under said agreement; and

c. Have attached to it the following:

(i). An authentic copy of the mediated settlement agreement; and

(ii). Certificate of Deposit showing that the mediated settlement agreement was deposited with the Clerk of Court.

**Rule 15.7.** *Opposition*. - The adverse party may file an opposition, within fifteen (15) days from receipt of notice or service of the petition, by submitting written proof of compliance with the mediated settlement agreement or such other affirmative or negative defenses it may have.

**Rule 15.8.** *Court action*. - After a summary hearing, if the court finds that the agreement is a valid mediated settlement agreement, that there is no merit in any of the affirmative or negative defenses raised, and the respondent has breached that agreement, in whole or in part, the court shall order the enforcement thereof; otherwise, it shall dismiss the petition.

**PART IV**  
**PROVISIONS SPECIFIC TO CONSTRUCTION ARBITRATION**

**RULE 16: GENERAL PROVISIONS**

**Rule 16.1.** *Application of the rules on arbitration*. - Whenever applicable and appropriate, the rules on arbitration shall be applied in proceedings before the court relative to a dispute subject to construction arbitration.

**RULE 17: REFERRAL TO CIAC**

**Rule 17.1.** *Dismissal of action*. - A Regional Trial Court before which a construction dispute is filed shall, upon becoming aware that the parties have entered into an arbitration agreement, *motu proprio* or upon motion made not later than the pre-trial, dismiss the case and refer the parties to arbitration to be conducted by the Construction Industry Arbitration Commission (CIAC), unless all parties to arbitration, assisted by their respective counsel, submit to the court a written agreement making the court, rather than the CIAC, the body that would exclusively resolve the dispute.

**Rule 17.2.** *Form and contents of motion*. - The request for dismissal of the civil action and referral to arbitration shall be through a verified motion that shall (a) contain a statement showing that the dispute is a construction dispute; and (b) be accompanied by proof of the existence of the arbitration agreement.

If the arbitration agreement or other document evidencing the existence of that agreement is already part of the record, those documents need not be submitted to the court provided that the movant has cited in the motion particular references to the records where those documents may be found.

The motion shall also contain a notice of hearing addressed to all parties and shall specify the date and time when the motion will be heard, which must not be later than fifteen (15) days after the filing of the motion. The movant shall ensure receipt by all parties of the motion at least three days before the date of the hearing.

**Rule 17.3.** *Opposition*. - Upon receipt of the motion to refer the dispute to arbitration by CIAC, the other party may file an opposition to the motion on or before the day such motion is to be heard. The opposition shall clearly set forth the reasons why the court should not dismiss the case.

**Rule 17.4.** *Hearing*. - The court shall hear the motion only once and for the purpose of clarifying relevant factual and legal issues.

**Rule 17.5.** *Court action*. - If the other parties fail to file their opposition on or before the day of the hearing, the court shall *motu proprio* resolve the motion only on the basis of the facts alleged in the motion.

After hearing, the court shall dismiss the civil action and refer the parties to arbitration if it finds, based on the pleadings and supporting documents submitted by the parties, that there is a valid and enforceable arbitration agreement involving a construction dispute. Otherwise, the court shall proceed to hear the case.

All doubts shall be resolved in favor of the existence of a construction dispute and the arbitration agreement.

**Rule 17.6.** *Referral immediately executory*. - An order dismissing the case and referring the dispute to arbitration by CIAC shall be immediately executory.

**Rule 17.7.** *Multiple actions and parties*. - The court shall not decline to dismiss the civil action and make a referral to arbitration by CIAC for any of the following reasons:

a. Not all of the disputes subject of the civil action may be referred to arbitration;

b. Not all of the parties to the civil action are bound by the arbitration agreement and referral to arbitration would result in multiplicity of suits;

c. The issues raised in the civil action could be speedily and efficiently resolved in its entirety by the Court rather than in arbitration;

d. Referral to arbitration does not appear to be the most prudent action; or

e. Dismissal of the civil action would prejudice the rights of the parties to the civil action who are not bound by the arbitration agreement.

The court may, however, issue an order directing the inclusion in arbitration of those parties who are bound by the arbitration agreement directly or by reference thereto pursuant to Section 34 of Republic Act No. 9285.

Furthermore, the court shall issue an order directing the case to proceed with respect to the parties not bound by the arbitration agreement.

**Rule 17.8.** *Referral* - If the parties manifest that they have agreed to submit all or part of their dispute pending with the court to arbitration by CIAC, the court shall refer them to CIAC for arbitration.

**PART V**  
**PROVISIONS SPECIFIC TO OTHER FORMS OF ADR**

**RULE 18: GENERAL PROVISIONS**

**Rule 18.1.** *Applicability of rules to other forms of ADR*. - This rule governs the procedure for matters brought before the court involving the following forms of ADR:

a. Early neutral evaluation;

b. Neutral evaluation;

c. Mini-trial;

d. Mediation-arbitration;

e. A combination thereof; or

f. Any other ADR form.

**Rule 18.2.** *Applicability of the rules on mediation*. - If the other ADR form/process is more akin to mediation (i.e., the neutral third party merely assists the parties in reaching a voluntary agreement), the herein rules on mediation shall apply.

**Rule 18.3.** Applicability of rules on arbitration.-If the other ADR form/process is more akin to arbitration (*i.e.*, the neutral third party has the power to make a binding resolution of the dispute), the herein rules on arbitration shall apply.

**Rule 18.4.** *Referral*. - If a dispute is already before a court, either party may before and during pre-trial, file a motion for the court to refer the parties to other ADR forms/processes. At any time during court proceedings, even after pre-trial, the parties may jointly move for suspension of the action pursuant to Article 2030 of the Civil Code of the Philippines where the possibility of compromise is shown.

**Rule 18.5.** *Submission of settlement agreement*. - Either party may submit to the court, before which the case is pending, any settlement agreement following a neutral or an early neutral evaluation, mini-trial or mediation-arbitration.

**PART VI**  
**MOTION FOR RECONSIDERATION, APPEAL AND CERTIORARI**

**RULE 19: MOTION FOR RECONSIDERATION, APPEAL AND CERTIORARI**

**A. MOTION FOR RECONSIDERATION**

**Rule 19.1.** Motion for reconsideration, when allowed. - A party may ask the Regional Trial to reconsider its ruling on the following:

a. That the arbitration agreement is inexistent, invalid or unenforceable pursuant to Rule 3.10 (B);

b. Upholding or reversing the arbitral tribunal’s jurisdiction pursuant to Rule 3.19;

c. Denying a request to refer the parties to arbitration;

d. Granting or denying a party an interim measure of protection;

e. Denying a petition for the appointment of an arbitrator;

f. Refusing to grant assistance in taking evidence;

g. Enjoining or refusing to enjoin a person from divulging confidential information;

h. Confirming, vacating or correcting a domestic arbitral award;

i. Suspending the proceedings to set aside an international commercial arbitral award and referring the case back to the arbitral tribunal;

j. Setting aside an international commercial arbitral award;

k. Dismissing the petition to set aside an international commercial arbitral award, even if the court does not recognize and/or enforce the same;

l. Recognizing and/or enforcing, or dismissing a petition to recognize and/or enforce an international commercial arbitral award;

m. Declining a request for assistance in taking evidence;

n. Adjourning or deferring a ruling on a petition to set aside, recognize and/or enforce an international commercial arbitral award;

o. Recognizing and/or enforcing a foreign arbitral award, or refusing recognition and/or enforcement of the same; and

p. Granting or dismissing a petition to enforce a deposited mediated settlement agreement.

No motion for reconsideration shall be allowed from the following rulings of the Regional Trial Court:

a. A *prima facie* determination upholding the existence, validity or enforceability of an arbitration agreement pursuant to Rule 3.1 (A);

b. An order referring the dispute to arbitration;

c. An order appointing an arbitrator;

d. Any ruling on the challenge to the appointment of an arbitrator;

e. Any order resolving the issue of the termination of the mandate of an arbitrator; and

f. An order granting assistance in taking evidence.

**Rule 19.2.** *When to move for reconsideration*. - A motion for reconsideration may be filed with the Regional Trial Court within a non-extendible period of fifteen (15) days from receipt of the questioned ruling or order.

**Rule 19.3.** *Contents and notice*. - The motion shall be made in writing stating the ground or grounds therefor and shall be filed with the court and served upon the other party or parties.

**Rule 19.4.** *Opposition or comment*. - Upon receipt of the motion for reconsideration, the other party or parties shall have a non-extendible period of fifteen (15) days to file his opposition or comment.

**Rule 19.5.** *Resolution of motion*. - A motion for reconsideration shall be resolved within thirty (30) days from receipt of the opposition or comment or upon the expiration of the period to file such opposition or comment.

**Rule 19.6.** *No second motion for reconsideration*. - No party shall be allowed a second motion for reconsideration.

**B. GENERAL PROVISIONS ON APPEAL AND CERTIORARI**

**Rule 19.7.** *No appeal or certiorari on the merits of an arbitral award*. - An agreement to refer a dispute to arbitration shall mean that the arbitral award shall be final and binding. Consequently, a party to an arbitration is precluded from filing an appeal or a petition for certiorari questioning the merits of an arbitral award.

**Rule 19.8.** *Subject matter and governing rules*. - The remedy of an appeal through a petition for review or the remedy of a special civil action of certiorari from a decision of the Regional Trial Court made under the Special ADR Rules shall be allowed in the instances, and instituted only in the manner, provided under this Rule.

**Rule 19.9.** *Prohibited alternative remedies*. - Where the remedies of appeal and certiorari are specifically made available to a party under the Special ADR Rules, recourse to one remedy shall preclude recourse to the other.

**Rule 19.10.** *Rule on judicial review on arbitration in the Philippines*. - As a general rule, the court can only vacate or set aside the decision of an arbitral tribunal upon a clear showing that the award suffers from any of the infirmities or grounds for vacating an arbitral award under Section 24 of Republic Act No. 876 or under Rule 34 of the Model Law in a domestic arbitration, or for setting aside an award in an international arbitration under Article 34 of the Model Law, or for such other grounds provided under these Special Rules.

If the Regional Trial Court is asked to set aside an arbitral award in a domestic or international arbitration on any ground other than those provided in the Special ADR Rules, the court shall entertain such ground for the setting aside or non-recognition of the arbitral award only if the same amounts to a violation of public policy.

The court shall not set aside or vacate the award of the arbitral tribunal merely on the ground that the arbitral tribunal committed errors of fact, or of law, or of fact and law, as the court cannot substitute its judgment for that of the arbitral tribunal.

**Rule 19.11.** *Rule on judicial review of foreign arbitral award*. - The court can deny recognition and enforcement of a foreign arbitral award only upon the grounds provided in Article V of the New York Convention, but shall have no power to vacate or set aside a foreign arbitral award.

**C. APPEALS TO THE COURT OF APPEALS**

**Rule 19.12.** *Appeal to the Court of Appeals*. - An appeal to the Court of Appeals through a petition for review under this Special Rule shall only be allowed from the following final orders of the Regional Trial Court:

a. Granting or denying an interim measure of protection;

b. Denying a petition for appointment of an arbitrator;

c. Denying a petition for assistance in taking evidence;

d. Enjoining or refusing to enjoin a person from divulging confidential information;

e. Confirming, vacating or correcting/modifying a domestic arbitral award;

f. Setting aside an international commercial arbitration award;

g. Dismissing the petition to set aside an international commercial arbitration award even if the court does not decide to recognize or enforce such award;

h. Recognizing and/or enforcing an international commercial arbitration award;

i. Dismissing a petition to enforce an international commercial arbitration award;

j. Recognizing and/or enforcing a foreign arbitral award;

k. Refusing recognition and/or enforcement of a foreign arbitral award;

l. Granting or dismissing a petition to enforce a deposited mediated settlement agreement; and

m. Reversing the ruling of the arbitral tribunal upholding its jurisdiction.

**Rule 19.13.** *Where to appeal*. - An appeal under this Rule shall be taken to the Court of Appeals within the period and in the manner herein provided.

**Rule 19.14.** *When to appeal*. - The petition for review shall be filed within fifteen (15) days from notice of the decision of the Regional Trial Court or the denial of the petitioner’s motion for reconsideration.

**Rule 19.15.** *How appeal taken*. - Appeal shall be taken by filing a verified petition for review in seven (7) legible copies with the Court of Appeals, with proof of service of a copy thereof on the adverse party and on the Regional Trial Court. The original copy of the petition intended for the Court of Appeals shall be marked original by the petitioner.

Upon the filing of the petition and unless otherwise prescribed by the Court of Appeals, the petitioner shall pay to the clerk of court of the Court of Appeals docketing fees and other lawful fees of P3,500.00 and deposit the sum of P500.00 for costs.

Exemption from payment of docket and other lawful fees and the deposit for costs may be granted by the Court of Appeals upon a verified motion setting forth valid grounds therefor. If the Court of Appeals denies the motion, the petitioner shall pay the docketing and other lawful fees and deposit for costs within fifteen days from the notice of the denial.

**Rule 19.16.** *Contents of the Petition*. - The petition for review shall (a) state the full names of the parties to the case, without impleading the court or agencies either as petitioners or respondent, (b) contain a concise statement of the facts and issues involved and the grounds relied upon for the review, (c) be accompanied by a clearly legible duplicate original or a certified true copy of the decision or resolution of the Regional Trial Court appealed from, together with certified true copies of such material portions of the record referred to therein and other supporting papers, and (d) contain a sworn certification against forum shopping as provided in the Rules of Court. The petition shall state the specific material dates showing that it was filed within the period fixed herein.

**Rule 19.17.** *Effect of failure to comply with requirements*. - The court shall dismiss the petition if it fails to comply with the foregoing requirements regarding the payment of the docket and other lawful fees, the deposit for costs, proof of service of the petition, the contents and the documents, which should accompany the petition.

**Rule 19.18.** *Action on the petition*. - The Court of Appeals may require the respondent to file a comment on the petition, not a motion to dismiss, within ten (10) days from notice, or dismiss the petition if it finds, upon consideration of the grounds alleged and the legal briefs submitted by the parties, that the petition does not appear to be prima facie meritorious.

**Rule 19.19.** *Contents of Comment*. - The comment shall be filed within ten (10) days from notice in seven (7) legible copies and accompanied by clearly legible certified true copies of such material portions of the record referred to therein together with other supporting papers. The comment shall (a) point out insufficiencies or inaccuracies in petitioner’s statement of facts and issues, and (b) state the reasons why the petition should be denied or dismissed. A copy thereof shall be served on the petitioner, and proof of such service shall be filed with the Court of Appeals.

**Rule 19.20.** *Due course*. - If upon the filing of a comment or such other pleading or documents as may be required or allowed by the Court of Appeals or upon the expiration of the period for the filing thereof, and on the basis of the petition or the records, the Court of Appeals finds prima facie that the Regional Trial Court has committed an error that would warrant reversal or modification of the judgment, final order, or resolution sought to be reviewed, it may give due course to the petition; otherwise, it shall dismiss the same.

**Rule 19.21.** *Transmittal of records*. - Within fifteen (15) days from notice that the petition has been given due course, the Court of Appeals may require the court or agency concerned to transmit the original or a legible certified true copy of the entire record of the proceeding under review. The record to be transmitted may be abridged by agreement of all parties to the proceeding. The Court of Appeals may require or permit subsequent correction of or addition to the record.

**Rule 19.22.** *Effect of appeal*. - The appeal shall not stay the award, judgment, final order or resolution sought to be reviewed unless the Court of Appeals directs otherwise upon such terms as it may deem just.

**Rule 19.23.** *Submission for decision*. - If the petition is given due course, the Court of Appeals may set the case for oral argument or require the parties to submit memoranda within a period of fifteen (15) days from notice. The case shall be deemed submitted for decision upon the filing of the last pleading or memorandum required by the Court of Appeals.

The Court of Appeals shall render judgment within sixty (60) days from the time the case is submitted for decision.

**Rule 19.24.** *Subject of appeal restricted in certain instance*. - If the decision of the Regional Trial Court refusing to recognize and/or enforce, vacating and/or setting aside an arbitral award is premised on a finding of fact, the Court of Appeals may inquire only into such fact to determine the existence or non-existence of the specific ground under the arbitration laws of the Philippines relied upon by the Regional Trial Court to refuse to recognize and/or enforce, vacate and/or set aside an award. Any such inquiry into a question of fact shall not be resorted to for the purpose of substituting the court’s judgment for that of the arbitral tribunal as regards the latter’s ruling on the merits of the controversy.

**Rule 19.25.** *Party appealing decision of court confirming arbitral award required to post bond*. - The Court of Appeals shall within fifteen (15) days from receipt of the petition require the party appealing from the decision or a final order of the Regional Trial Court, either confirming or enforcing an arbitral award, or denying a petition to set aside or vacate the arbitral award to post a bond executed in favor of the prevailing party equal to the amount of the award.

Failure of the petitioner to post such bond shall be a ground for the Court of Appeals to dismiss the petition.

**D. SPECIAL CIVIL ACTION FOR CERTIORARI**

**Rule 19.26.** *Certiorari to the Court of Appeals*. - When the Regional Trial Court, in making a ruling under the Special ADR Rules, has acted without or in excess of its jurisdiction, or with grave abuse of discretion amounting to lack or excess of jurisdiction, and there is no appeal or any plain, speedy, and adequate remedy in the ordinary course of law, a party may file a special civil action for certiorari to annul or set aside a ruling of the Regional Trial Court.

A special civil action for certiorari may be filed against the following orders of the court.

a. Holding that the arbitration agreement is inexistent, invalid or unenforceable;

b. Reversing the arbitral tribunal’s preliminary determination upholding its jurisdiction;

c. Denying the request to refer the dispute to arbitration;

d. Granting or refusing an interim relief;

e. Denying a petition for the appointment of an arbitrator;

f. Confirming, vacating or correcting a domestic arbitral award;

g. Suspending the proceedings to set aside an international commercial arbitral award and referring the case back to the arbitral tribunal;

h. Allowing a party to enforce an international commercial arbitral award pending appeal;

i. Adjourning or deferring a ruling on whether to set aside, recognize and or enforce an international commercial arbitral award;

j. Allowing a party to enforce a foreign arbitral award pending appeal; and

k. Denying a petition for assistance in taking evidence.

**Rule 19.27.** *Form*. - The petition shall be accompanied by a certified true copy of the questioned judgment, order or resolution of the Regional Trial Court, copies of all pleadings and documents relevant and pertinent thereto, and a sworn certification of non-forum shopping as provided in the Rules of Court.

Upon the filing of the petition and unless otherwise prescribed by the Court of Appeals, the petitioner shall pay to the clerk of court of the Court of Appeals docketing fees and other lawful fees of P3,500.00 and deposit the sum of P500.00 for costs. Exemption from payment of docket and other lawful fees and the deposit for costs may be granted by the Court of Appeals upon a verified motion setting forth valid grounds therefor. If the Court of Appeals denies the motion, the petitioner shall pay the docketing and other lawful fees and deposit for costs within fifteen days from the notice of the denial.

**Rule 19.28.** *When to file petition*. - The petition must be filed with the Court of Appeals within fifteen (15) days from notice of the judgment, order or resolution sought to be annulled or set aside. No extension of time to file the petition shall be allowed.

**Rule 19.29.** *Arbitral tribunal a nominal party in the petition*. - The arbitral tribunal shall only be a nominal party in the petition for certiorari. As nominal party, the arbitral tribunal shall not be required to submit any pleadings or written submissions to the court. The arbitral tribunal or an arbitrator may, however, submit such pleadings or written submissions if the same serves the interest of justice.

In petitions relating to the recognition and enforcement of a foreign arbitral award, the arbitral tribunal shall not be included even as a nominal party. However, the tribunal may be notified of the proceedings and furnished with court processes.

**Rule 19.30.** *Court to dismiss petition*. - The court shall dismiss the petition if it fails to comply with Rules 19.27 and 19.28 above, or upon consideration of the ground alleged and the legal briefs submitted by the parties, the petition does not appear to be prima facie meritorious.

**Rule 19.31.** *Order to comment*. - If the petition is sufficient in form and substance to justify such process, the Court of Appeals shall immediately issue an order requiring the respondent or respondents to comment on the petition within a non-extendible period of fifteen (15) days from receipt of a copy thereof. Such order shall be served on the respondents in such manner as the court may direct, together with a copy of the petition and any annexes thereto.

**Rule 19.32.** *Arbitration may continue despite petition for certiorari*. - A petition for certiorari to the court from the action of the appointing authority or the arbitral tribunal allowed under this Rule shall not prevent the arbitral tribunal from continuing the proceedings and rendering its award. Should the arbitral tribunal continue with the proceedings, the arbitral proceedings and any award rendered therein will be subject to the final outcome of the pending petition for certiorari.

**Rule 19.33.** *Prohibition against injunctions*. - The Court of Appeals shall not, during the pendency of the proceedings before it, prohibit or enjoin the commencement of arbitration, the constitution of the arbitral tribunal, or the continuation of arbitration.

**Rule 19.34.** *Proceedings after comment is filed*. - After the comment is filed, or the time for the filing thereof has expired, the court shall render judgment granting the relief prayed for or to which the petitioner is entitled, or denying the same, within a non-extendible period of fifteen (15) days.

**Rule 19.35.** *Service and enforcement of order or judgment*. - A certified copy of the judgment rendered in accordance with the last preceding section shall be served upon the Regional Trial Court concerned in such manner as the Court of Appeals may direct, and disobedience thereto shall be punished as contempt.

**E. APPEAL BY CERTIORARI TO THE SUPREME COURT**

**Rule 19.36.** *Review discretionary*. - A review by the Supreme Court is not a matter of right, but of sound judicial discretion, which will be granted only for serious and compelling reasons resulting in grave prejudice to the aggrieved party. The following, while neither controlling nor fully measuring the court's discretion, indicate the serious and compelling, and necessarily, restrictive nature of the grounds that will warrant the exercise of the Supreme Court’s discretionary powers, when the Court of Appeals:

a. Failed to apply the applicable standard or test for judicial review prescribed in these Special ADR Rules in arriving at its decision resulting in substantial prejudice to the aggrieved party;

b. Erred in upholding a final order or decision despite the lack of jurisdiction of the court that rendered such final order or decision;

c. Failed to apply any provision, principle, policy or rule contained in these Special ADR Rules resulting in substantial prejudice to the aggrieved party; and

d. Committed an error so egregious and harmful to a party as to amount to an undeniable excess of jurisdiction.

The mere fact that the petitioner disagrees with the Court of Appeals’ determination of questions of fact, of law or both questions of fact and law, shall not warrant the exercise of the Supreme Court’s discretionary power. The error imputed to the Court of Appeals must be grounded upon any of the above prescribed grounds for review or be closely analogous thereto.

A mere general allegation that the Court of Appeals has committed serious and substantial error or that it has acted with grave abuse of discretion resulting in substantial prejudice to the petitioner without indicating with specificity the nature of such error or abuse of discretion and the serious prejudice suffered by the petitioner on account thereof, shall constitute sufficient ground for the Supreme Court to dismiss outright the petition.

**Rule 19.37.** *Filing of petition with Supreme Court*. - A party desiring to appeal by certiorari from a judgment or final order or resolution of the Court of Appeals issued pursuant to these Special ADR Rules may file with the Supreme Court a verified petition for review on certiorari. The petition shall raise only questions of law, which must be distinctly set forth.

**Rule 19.38.** *Time for filing; extension*. - The petition shall be filed within fifteen (15) days from notice of the judgment or final order or resolution appealed from, or of the denial of the petitioner's motion for new trial or reconsideration filed in due time after notice of the judgment.

On motion duly filed and served, with full payment of the docket and other lawful fees and the deposit for costs before the expiration of the reglementary period, the Supreme Court may for justifiable reasons grant an extension of thirty (30) days only within which to file the petition.

**Rule 19.39.** *Docket and other lawful fees; proof of service of petition*. - Unless he has theretofore done so or unless the Supreme Court orders otherwise, the petitioner shall pay docket and other lawful fees to the clerk of court of the Supreme Court of P3,500.00 and deposit the amount of P500.00 for costs at the time of the filing of the petition. Proof of service of a copy thereof on the lower court concerned and on the adverse party shall be submitted together with the petition.

**Rule 19.40.** *Contents of petition*. - The petition shall be filed in eighteen (18) copies, with the original copy intended for the court being indicated as such by the petitioner, and shall (a) state the full name of the appealing party as the petitioner and the adverse party as respondent, without impleading the lower courts or judges thereof either as petitioners or respondents; (b) indicate the material dates showing when notice of the judgment or final order or resolution subject thereof was received, when a motion for new trial or reconsideration, if any, was filed and when notice of the denial thereof was received; (c) set forth concisely a statement of the matters involved, and the reasons or arguments relied on for the allowance of the petition; (d) be accompanied by a clearly legible duplicate original, or a certified true copy of the judgment or final order or resolution certified by the clerk of court of the court a quo and the requisite number of plain copies thereof, and such material portions of the record as would support the petition; and (e) contain a sworn certification against forum shopping.

**Rule 19.41.** *Dismissal or denial of petition*. - The failure of the petitioner to comply with any of the foregoing requirements regarding the payment of the docket and other lawful fees, deposit for costs, proof of service of the petition, and the contents of and the documents which should accompany the petition shall be sufficient ground for the dismissal thereof.

The Supreme Court may on its own initiative deny the petition on the ground that the appeal is without merit, or is prosecuted manifestly for delay, or that the questions raised therein are too insubstantial to require consideration.

**Rule 19.42.** *Due course*; *elevation of records*. - If the petition is given due course, the Supreme Court may require the elevation of the complete record of the case or specified parts thereof within fifteen (15) days from notice.

**PART VII**  
**FINAL PROVISIONS**

**RULE 20: FILING AND DEPOSIT FEES**

**Rule 20.1.** *Filing fee in petitions or counter-petitions to confirm or enforce, vacate or set aside arbitral award or for the enforcement of a mediated settlement agreement*. - The filing fee for filing a petition to confirm or enforce, vacate or set aside an arbitral award in a domestic arbitration or in an international commercial arbitration, or enforce a mediated settlement agreement shall be as follows:

PhP 10,000.00 - if the award does not exceed PhP 1,000,000.00

PhP 20,000.00 - if the award does not exceed PhP 20,000,000.00

PhP 30,000.00 - if the award does not exceed PhP 50,000,000.00

PhP 40,000.00 - if the award does not exceed PhP 100,000,000.00

PhP 50,000.00 - if the award exceeds PhP 100,000,000.00

**The minimal filing fee payable in "all other actions not involving property" shall be paid by the petitioner seeking to enforce foreign arbitral awards under the New York Convention in the Philippines.**

**Rule 20.2.** *Filing fee for action to enforce as a counter-petition*. - A petition to enforce an arbitral award in a domestic arbitration or in an international commercial arbitration submitted as a petition to enforce and/or recognize an award in opposition to a timely petition to vacate or set aside the arbitral award shall require the payment of the filing fees prescribed in Rule 20.1 above.

**Rule 20.3.** *Deposit fee for mediated settlement agreements*. - Any party to a mediated settlement agreement who deposits it with the clerk of court shall pay a deposit fee of P500.00.

**Rule 20.4.** *Filing fee for other proceedings*. - The filing fee for the filing of any other proceedings, including applications for interim relief, as authorized under these Special Rules not covered under any of the foregoing provisions, shall be P10,000.00.

**RULE 21: COSTS**

**Rule 21.1.** *Costs*. - The costs of the ADR proceedings shall be borne by the parties equally unless otherwise agreed upon or directed by the arbitrator or arbitral tribunal.

**Rule 21.2.** *On the dismissal of a petition against a ruling of the arbitral tribunal on a preliminary question upholding its jurisdiction*. - If the Regional Trial Court dismisses the petition against the ruling of the arbitral tribunal on a preliminary question upholding its jurisdiction, it shall also order the petitioner to pay the respondent all reasonable costs and expenses incurred in opposing the petition. "Costs" shall include reasonable attorney’s fees. The court shall award costs upon application of the respondent after the petition is denied and the court finds, based on proof submitted by respondent, that the amount of costs incurred is reasonable.

**Rule 21.3.** *On recognition and enforcement of a foreign arbitral award*. - At the time the case is submitted to the court for decision, the party praying for recognition and enforcement of a foreign arbitral award shall submit a statement under oath confirming the costs he has incurred only in the proceedings in the Philippines for such recognition and enforcement or setting-aside. The costs shall include attorney’s fees the party has paid or is committed to pay to his counsel of record.

The prevailing party shall be entitled to an award of costs which shall include the reasonable attorney’s fees of the prevailing party against the unsuccessful party. The court shall determine the reasonableness of the claim for attorney’s fees.

**Rule 21.4.** *Costs*. - At the time the case is submitted to the court for decision, the party praying for confirmation or vacation of an arbitral award shall submit a statement under oath confirming the costs he has incurred only in the proceedings for confirmation or vacation of an arbitral award. The costs shall include the attorney’s fees the party has paid or is committed to pay to his counsel of record.

The prevailing party shall be entitled to an award of costs with respect to the proceedings before the court, which shall include the reasonable attorney’s fees of the prevailing party against the unsuccessful party. The court shall determine the reasonableness of the claim for attorney’s fees.

**Rule 21.5.** *Bill of Costs*. - Unless otherwise agreed upon by the parties in writing, at the time the case is submitted to the court for decision, the party praying for recognition and enforcement or for setting aside an arbitral award shall submit a statement under oath confirming the costs he has incurred only in the proceedings for such recognition and enforcement or setting-aside. The costs shall include attorney’s fees the party has paid or is committed to pay to his counsel of record.

The prevailing party shall be entitled to an award of costs, which shall include reasonable attorney’s fees of the prevailing party against the unsuccessful party. The court shall determine the reasonableness of the claim for attorney’s fees.

**Rule 21.6.** *Government’s exemption from payment of fees*. - The Republic of the Philippines, its agencies and instrumentalities are exempt from paying legal fees provided in these Special ADR Rules. Local governments and government controlled corporation with or with or without independent charters are not exempt from paying such fees.

**RULE 22: APPLICABILITY OF THE RULES OF COURT**

**Rule 22.1.** *Applicability of Rules of Court*. - The provisions of the Rules of Court that are applicable to the proceedings enumerated in Rule 1.1 of these Special ADR Rules have either been included and incorporated in these Special ADR Rules or specifically referred to herein.

In connection with the above proceedings, the Rules of Evidence shall be liberally construed to achieve the objectives of the Special ADR Rules.

**RULE 23: SEPARABILITY**

**Rule 23.1.** *Separability Clause*. - If, for any reason, any part of the Special ADR Rules shall be held unconstitutional or invalid, other Rules or provisions hereof which are not affected thereby, shall continue to be in full force and effect.

**RULE 24: TRANSITORY PROVISIONS**

**Rule 24.1.** *Transitory Provision*. - Considering its procedural character, the Special ADR Rules shall be applicable to all pending arbitration, mediation or other ADR forms covered by the ADR Act, unless the parties agree otherwise. The Special ADR Rules, however, may not prejudice or impair vested rights in accordance with law.

**RULE 25: ONLINE DISPUTE RESOLUTION**

**Rule 25.1.** *Applicability of the Special ADR Rules to Online Dispute Resolution*. - Whenever applicable and appropriate, the Special ADR Rules shall govern the procedure for matters brought before the court involving Online Dispute Resolution.

**Rule 25.2.** *Scope of Online Dispute Resolution*. - Online Dispute Resolution shall refer to all electronic forms of ADR including the use of the internet and other web or computed based technologies for facilitating ADR.

**RULE 26: EFFECTIVITY**

**Rule 26.1.** *Effectivity*. - The Special ADR Rules shall take effect fifteen (15) days after its complete publication in two (2) newspapers of general circulation.

**RULE A: GUIDELINES FOR THE RESOLUTION OF ISSUES RELATED TO ARBITRATION OF LOANS SECURED BY COLLATERAL**

**Rule A.1.** *Applicability of an arbitration agreement in a contract of loan applies to the accessory contract securing the loan*. - An arbitration agreement in a contract of loan extends to and covers the accessory contract securing the loan such as a pledge or a mortgage executed by the borrower in favor of the lender under that contract of loan.

**Rule A.2.** *Foreclosure of pledge or extra-judicial foreclosure of mortgage not precluded by arbitration*. - The commencement of the arbitral proceeding under the contract of loan containing an arbitration agreement shall not preclude the lender from availing himself of the right to obtain satisfaction of the loan under the accessory contract by foreclosure of the thing pledged or by extra-judicial foreclosure of the collateral under the real estate mortgage in accordance with Act No. 3135.

The lender may likewise institute foreclosure proceedings against the collateral securing the loan prior to the commencement of the arbitral proceeding.

By agreeing to refer any dispute under the contract of loan to arbitration, the lender who is secured by an accessory contract of real estate mortgage shall be deemed to have waived his right to obtain satisfaction of the loan by judicial foreclosure.

**Rule A.3.** *Remedy of the borrower against an action taken by the lender against the collateral before the constitution of the arbitral tribunal*. - The borrower providing security for the payment of his loan who is aggrieved by the action taken by the lender against the collateral securing the loan may, if such action against the collateral is taken before the arbitral tribunal is constituted, apply with the appropriate court for interim relief against any such action of the lender. Such interim relief may be obtained only in a special proceeding for that purpose, against the action taken by the lender against the collateral, pending the constitution of the arbitral tribunal. Any determination made by the court in that special proceeding pertaining to the merits of the controversy, including the right of the lender to proceed against the collateral, shall be only provisional in nature.

After the arbitral tribunal is constituted, the court shall stay its proceedings and defer to the jurisdiction of the arbitral tribunal over the entire controversy including any question regarding the right of the lender to proceed against the collateral.

**Rule A.4.** *Remedy of borrower against action taken by the lender against the collateral after the arbitral tribunal has been constituted*. - After the arbitral tribunal is constituted, the borrower providing security for the payment of his loan who is aggrieved by the action taken by the lender against the collateral securing the loan may apply to the arbitral tribunal for relief, including a claim for damages, against such action of the lender. An application to the court may also be made by the borrower against any action taken by the lender against the collateral securing the loan but only if the arbitral tribunal cannot act effectively to prevent an irreparable injury to the rights of such borrower during the pendency of the arbitral proceeding.

An arbitration agreement in a contract of loan precludes the borrower therein providing security for the loan from filing and/or proceeding with any action in court to prevent the lender from foreclosing the pledge or extra-judicially foreclosing the mortgage. If any such action is filed in court, the lender shall have the right provided in the Special ADR Rules to have such action stayed on account of the arbitration agreement.

**Rule A.5.** *Relief that may be granted by the arbitral tribunal*. - The arbitral tribunal, in aid of the arbitral proceeding before it, may upon submission of adequate security, suspend or enjoin the lender from proceeding against the collateral securing the loan pending final determination by the arbitral tribunal of the dispute brought to it for decision under such contract of loan.

The arbitral tribunal shall have the authority to resolve the issue of the validity of the foreclosure of the thing pledged or of the extrajudicial foreclosure of the collateral under the real estate mortgage if the same has not yet been foreclosed or confirm the validity of such foreclosure if made before the rendition of the arbitral award and had not been enjoined.

**Rule A.6.** *Arbitration involving a third-party provider of security*. - An arbitration agreement contained in a contract of loan between the lender and the borrower extends to and covers an accessory contract securing the loan, such as a pledge, mortgage, guaranty or suretyship, executed by a person other than the borrower only if such third-party securing the loan has agreed in the accessory contract, either directly or by reference, to be bound by such arbitration agreement.

Unless otherwise expressly agreed upon by the third-party securing the loan, his agreement to be bound by the arbitration agreement in the contract of loan shall pertain to disputes arising from or in connection with the relationship between the lender and the borrower as well as the relationship between the lender and such third-party including the right of the lender to proceed against the collateral securing the loan, but shall exclude disputes pertaining to the relationship exclusively between the borrower and the provider of security such as that involving a claim by the provider of security for indemnification against the borrower.

In this multi-party arbitration among the lender, the borrower and the third party securing the loan, the parties may agree to submit to arbitration before a sole arbitrator or a panel of three arbitrators to be appointed either by an Appointing Authority designated by the parties in the arbitration agreement or by a default Appointing Authority under the law.

In default of an agreement on the manner of appointing arbitrators or of constituting the arbitral tribunal in such multi-party arbitration, the dispute shall be resolved by a panel of three arbitrators to be designated by the Appointing Authority under the law. But even in default of an agreement on the manner of appointing an arbitrator or constituting an arbitral tribunal in a multi-party arbitration, if the borrower and the third party securing the loan agree to designate a common arbitrator, arbitration shall be decided by a panel of three arbitrators: one to be designated by the lender; the other to be designated jointly by the borrower and the provider of security who have agreed to designate the same arbitrator; and a third arbitrator who shall serve as the chairperson of the arbitral panel to be designated by the two party-designated arbitrators.