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Characteristics of Alternative Dispute Resolution Methods in the Regulations of the International Chamber of Commerce

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The International Chamber of Commerce (ICC) has important regulations regarding the resolution of international commercial disputes. The significance of these regulations and the growing importance of alternative dispute resolution (ADR) methods in commercial relationships have made it essential to examine the ICC's regulations in this regard. The aim of this article is to explore the key characteristics of ADR methods in the ICC's regulations. This is a descriptive-analytical article that uses a library research method to investigate the subject. The findings indicate that voluntariness and agreement, confidentiality, speed, non-judiciality, and flexibility are the most important characteristics of ADR methods in the ICC's regulations. In addition to the aforementioned features, flexibility, diversity of methods, and the possibility of various choices for parties, absence of formalities, speed, cost-effectiveness, and confidentiality can also be considered other important characteristics of amicable and peaceful dispute resolution methods. For example, negotiation, as one of the least expensive and most informal methods of resolving international commercial disputes in the ICC regulations, has the significant advantage of preserving business relationships. Due to its informality, there are no specific formalities for conducting this method. Conciliation works in such a way that the parties in dispute request assistance from one or more third parties to help them resolve disputes arising from their contractual or legal relationship amicably. This method is essentially a form of small-scale private adjudication.

Keywords: *Alternative dispute resolution, negotiation, conciliation, mediation, International Chamber of Commerce regulations.*

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1. Introduction

The dispute resolution system of the International Chamber of Commerce (ICC) is the most important mechanism for resolving international commercial disputes in contemporary times and has always been a pioneer and influential in the field of international arbitration, playing a significant role in promoting and developing methods for resolving international commercial disputes (Darvishi Hoveyda, 2009). One of the important issues regarding the ICC dispute resolution system is examining the reasons for its effectiveness and success. It seems that the success and influence of the ICC in the development of methods for resolving commercial disputes stem from the unique characteristics of the methods employed by the ICC. The alternative dispute resolution (ADR) methods in the ICC regulations include: 1) Arbitration, 2) Expert determination, 3) Negotiation, 4) Mediation, and 5) Conciliation. The key issue discussed in this article is

identifying the important characteristics of ADR methods that contribute to the success of the ICC. In fact, what are the reasons behind the appeal of these methods to the parties involved in commercial disputes, which have led them to adopt these methods? The importance and necessity of this research arise from two aspects. First, the significance of the ICC in international trade. The ICC is one of the non-governmental international organizations established to promote global trade and the economic development of its members. It works in various areas, especially facilitating trade relations, coordinating global economic activities, harmonizing commercial rules and regulations through standard contracts, creating uniform procedures, resolving disputes between members through ADR methods, which are considered among the most important legal sources for resolving international disputes, and ultimately influencing the development of international arbitration. Second, the growing importance of ADR methods in international trade. Numerous studies have been conducted on ADR methods and the ICC regulations. For example, Tavasoli Jahromi, in his article, examined ADR methods in the ICC's new regulations (Tavasoli Jahromi, 2001a, 2001b). Hojjati and Salamati, in their article, reviewed commercial dispute resolution in the ICC (Hojjati & Salamati, 2015). Additionally, Saeed Sam Deliri, Ahmad Mohammadi, and Mahmoud Jalali, in their article, examined ADR methods in international commercial law (Sam Deliri et al., 2023). The distinction and innovation of this article compared to previous studies lie in the fact that it specifically examines the characteristics of ADR methods in the ICC regulations. The aim of this article is to investigate the key question: what are the characteristics of ADR methods in the ICC regulations that have made these methods desirable in international commercial relationships? To address this question, the article first examines the ICC and ADR methods in the ICC regulations, and then it analyzes the characteristics of ADR methods in the ICC regulations.

2. The International Chamber of Commerce and ADR Methods

In this section, ADR methods in the ICC regulations are reviewed.

2.1. The International Chamber of Commerce

The International Chamber of Commerce was established in 1919 by a group of private sector merchants and traders after World War I in Atlantic City with the aim of serving global trade by promoting exchanges and investments, opening world markets for goods and services, and ensuring the free flow of capital. "This chamber is the largest and most important organized private sector entity, established as a non-governmental international organization, and has had a significant role in international commerce. Today, it serves as a consultation and cooperation body for specialized international organizations such as the World Trade Organization, the Organization for Economic Cooperation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), and others" (Mohebi, 2001, 2006).

"The primary goal of the International Chamber of Commerce is to facilitate trade relations, coordinate global business and economic activities, eliminate barriers and problems, strengthen the market economy based on free competition, expedite and streamline trade exchanges with an emphasis on the private sector's role, harmonize business customs and practices in various fields, and ultimately protect the interests of those involved in international trade in countries worldwide. While the focus of these activities and efforts is on the private sector, the Chamber also cooperates and coordinates with governmental commercial and economic sectors when necessary" (Rudolph Cole & Blankley, 2005).

The intermediate structure of the International Chamber of Commerce consists of specialized committees, working groups, and independent organizational units. The committees are the most important organizational units of the Chamber, each responsible for studying and analyzing one of the fields of international trade and operating under the Secretariat.

2.2. ADR Methods in the ICC Regulations

Alternative dispute resolution methods have a relatively short history and have gained prominence since the 1980s (Janidi, 1999: 30). ADR methods in international disputes refer to various approaches for resolving disputes privately between individuals. These methods are not limited to arbitration, and the ICC has expanded

the range of options for resolving disputes by revising its regulations to make conciliation more practical, thus increasing the chances of resolving disputes among individuals. "ADR methods encompass a range of techniques designed as alternatives to judicial proceedings for resolving disputes" (Tweeddale & Tweeddale, 2005). Some authors have defined ADR methods as "methods of dispute resolution or efforts to resolve disputes without resorting to courts, accompanied by informal procedural rules" (Redfern & Hunter, 2003: 32-33). According to another definition, "ADR methods include a set of techniques functioning as alternatives to judicial proceedings and arbitration, typically involving, but not necessarily, the intervention and assistance of a neutral third party to facilitate dispute resolution" (Marriott, 1998, 2003). Other definitions describe ADR methods as techniques where justice is administered not by state courts and judges but by the parties themselves through informal means (Kritzer, 2002). In ADR methods, instead of resorting to judicial courts, the parties involved choose alternative dispute resolution techniques that they consider appropriate for resolving their dispute.

3. Key Features of Alternative Dispute Resolution Methods in the International Chamber of Commerce Regulations

The key features of alternative dispute resolution (ADR) methods in the regulations of the International Chamber of Commerce include the following:

3.1. Informality of Negotiation

"Unlike judicial proceedings where courts are obligated to follow legal procedures and rules of court, which are essential for ensuring justice and are often lengthy and time-consuming, in alternative methods, the parties or individuals involved in dispute resolution are not bound by any formalities except those they choose to establish themselves" (Krobkin, 2005). In fact, one of the most important features of ADR methods in the International Chamber of Commerce regulations is the absence of formalities. This feature is especially relevant to negotiation as one of the ADR methods. "Direct dialogue and negotiation between the parties or their advisors have always been the first and most obvious method of resolving disputes, as the parties are in the best position to understand the strengths and weaknesses of the dispute and their own situation" (Redfern & Hunter, 2003). "Negotiation, as a method of dispute resolution, has no specific formalities and is often considered the most informal method, closely aligning with the circumstances, conditions, and concerns of the parties involved, and can be tailored to the needs and desires of the parties more freely than any other method; because in this method, no third party is involved, and as a result, it is more attractive than other ADR methods, providing the parties greater freedom of action" (Locaus & Mistelis, 2015, p. 205). Indeed, because there is no third-party involvement in negotiation, it offers more flexibility than other ADR methods, and the parties have more autonomy.

3.2. Flexibility and Absence of Legal Barriers

"In negotiation, the parties are not limited in any way and can determine the time, location, frequency, duration, participants, and related matters of the negotiation. If the negotiations do not result in a successful outcome, the dispute may be referred to arbitration or other ADR methods or peaceful settlement processes, with the parties agreeing that direct negotiation cannot resolve the dispute. Sometimes, the parties may set a specific time frame for negotiation, and once that period ends without an extension, the negotiations are considered concluded" (Ghanbari, 2009). For example, Article 2 of the Convention on the Establishment of the Multilateral Investment Guarantee Agency states: "If the parties fail to reach an agreement within 120 days from the request to initiate negotiations, the negotiations shall be considered concluded." "If the negotiations are successful and the parties reach a mutual resolution, they often enter into an agreement that outlines their dispute resolution method. This agreement can take many forms and may be based on various legal frameworks, from one or both parties' perspectives, or it may include a new transaction or commitment to provide information or require both parties to undertake specific actions, ultimately concluding the dispute. There is no doubt that if either party fails to comply with the agreement, the aggrieved party may bring a lawsuit based on the contract, relying on the terms of the agreement" (Shiroyi, 2014, 2015). Additionally, in disputes arising from contracts, there is always concern over which country's jurisdiction applies (Shiroyi, 2014, 2015). In the case of a contract between an Iranian

national and a German national in Switzerland, where the contract's performance takes place in China, which country's jurisdiction applies? Furthermore, even if a judgment is rendered in the competent country, the enforcement of that judgment in another country presents legal obstacles. The principle of reciprocity and the recognition of judicial decisions are essential for the enforcement of judgments in other countries, and the ruling from a competent authority may not be enforceable in some countries. However, in the case of arbitration, where the competent forum is established, there is no dispute over jurisdiction. Moreover, most countries are members of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and the enforcement of arbitral awards is generally straightforward and without legal obstacles. Choosing an arbitration institution as part of a contractual condition reduces the risk of non-compliance due to legal barriers.

3.3. *Resolution of Disputes in Good Faith and in a Friendly Atmosphere*

The resolution of disputes in good faith and within a friendly atmosphere is another key feature of ADR methods in the International Chamber of Commerce regulations. The process of resolving disputes in these methods is not adversarial, and a hostile or aggressive atmosphere between the parties is avoided; instead, the disputes are resolved based on mutual agreement and in a friendly manner. This feature is particularly evident in conciliation. In fact, "conciliation is one of the simplest, informal methods of resolving disputes, involving friendly negotiations between the parties with the assistance of a third party. One author defines it as 'the friendly and conciliatory settlement of disputes with the help of a third party'" (Gerold, 1985). "Conciliation is a dispute resolution method where the parties seek to end their dispute in a cooperative manner by finding a mutually satisfactory solution" (Caprasse, 2002, p. 14-15). In this context, "the impartial third party, known as the conciliator, works to facilitate negotiations between the parties and help them reach a resolution that is agreeable to both sides. The conciliator may encourage direct meetings and negotiations between the parties, or simply facilitate the exchange of information" (Stydhin, 1999). "Conciliation, as a private and friendly method of dispute resolution, has a long history in resolving human conflicts. It is said that this method was used in its current form in some countries as far back as 425 BCE" (Gerold, 1985). "In the Far East, especially in China and Japan, conciliation has long been the preferred method for resolving various disputes" (Jarrosson, 1987).

Additionally, mediation, as another ADR method in the International Chamber of Commerce regulations, also features dispute resolution in a friendly atmosphere. It can be said that "mediation is a method in which a third party assists the disputing parties to resolve their issues through negotiation and dialogue, evaluating various solutions, and coming to a friendly agreement. The mediator facilitates the process by helping the parties engage in negotiation and suggesting possible solutions" (Gurry, 1995). "In mediation, disputes are resolved in a friendly environment. The informal and flexible nature of this method, especially the resolution of disputes in a non-adversarial and friendly space based on the will and agreement of the parties, and the greater control the parties have over the dispute resolution process, make it particularly suitable for resolving many types of disputes" (Stydhin, 1999; Tweeddale & Tweeddale, 2005). The good faith of the parties and the mediator, along with considering the realities of the global economy, are key factors for the success of this mechanism in resolving international economic disputes (Karkhaneh et al., 2021).

"In the field of international public law, when disputes arise, states often seek to resolve their conflicts amicably to prevent damaging their international reputation and credibility" (Stydhin, 1999). "The advantages of conciliation, including its friendly nature, and the fact that the aim of conciliation is peace through negotiation, not justice through law, have led states involved in disputes, including acute political conflicts, to choose this method" (Sabaghian, 1997). "Furthermore, Article 33 of the United Nations Charter also recognizes conciliation as one of the friendly methods of dispute resolution, and many bilateral or multilateral investment treaties contain provisions for conciliation as a method for resolving disputes. In some of these treaties, a specific time frame is set within which efforts must be made to resolve the dispute through conciliation before resorting to arbitration. Interestingly, treaties concluded by China often contain such clauses, indicating that China prefers conciliatory solutions over adversarial methods" (Sornarajah, 2004). The primary advantage of

conciliation in civil disputes is the reduction of the tensions and stresses associated with litigation.

3.4. Voluntary and Based on the Will of the Parties

Another characteristic of alternative dispute resolution (ADR) methods is their voluntary nature. "In judicial methods, the principle is that all procedural rules from the beginning to the end are determined by law, and these rules are binding on both the parties and the judge, with neither party having the option to alter them. For example, it is the law that specifies how disputes should be raised, when and how parties should present their evidence, how court hearings should be conducted, and how evidence should be evaluated and judgments made. On the other hand, in alternative dispute resolution methods, it is the parties themselves who determine the manner in which the dispute will be resolved. Once a dispute is referred to ADR methods through the agreement of the parties, the proceedings will follow what the parties have agreed upon in their contract regarding ADR or according to any subsequent agreements they make" (Joneidi, 1999, 2014).

"It can be said that the principle of party autonomy and flexibility is accepted in all laws and regulations related to ADR methods, and in fact, without this, the ADR methods would lose their essence. In essence, another superiority of these methods is that they are fundamentally based on the will of the disputing parties" (Ranbir, 2004). "In judicial proceedings, the principle is public hearings, and due to confidentiality, statements and documents related to the proceedings must not be disclosed to others. Sometimes, disputes arise among business partners or companies, and disclosing important information, which has commercial secrets, may be exposed to competitors" (Al Hesilan, 1996). "In case the parties do not choose the governing law for the dispute, a neutral third party, considering the circumstances of the case, will determine an appropriate law. In any case, by referring disputes to ADR methods, complex issues arising from conflicts of laws and the encounter of the parties with unfamiliar and foreign laws are avoided. Furthermore, the parties have the option to resolve their dispute without applying any specific law, solely based on the governing law regarding the nature of the dispute" (Lawrence & Newman, 1998). All ADR methods share the characteristic of being voluntary. For example, "The parties can agree before a dispute arises and at the time of contracting that any dispute related to that contract will be resolved through arbitration. They also have the option to choose arbitration as the method for resolving the dispute after it arises, even if there is no contract between the parties or if the dispute has no contractual origin. Typically, an arbitration agreement referring the dispute to this method is included in a clause, which forms part of the written contract" (Duruigho, 2006).

"In most regulations, even if the principles are not explicitly stated, the freedom of the parties and third parties in the course of the proceedings is expressed in various provisions. According to these regulations, with certain differences, the parties or, as applicable, third-party neutrals have the freedom to determine the number of third-party neutrals, their attributes and identity, the language, location, and venue of the proceedings, the method of notification, session arrangements, the duration of the proceedings, the manner of presenting evidence, etc." (Mitchell et al., 2012). "In fact, it can be said that the scope of party autonomy and flexibility is not limited to a specific instance but encompasses all stages of the proceedings. Mediation is a method in which the disputing parties, with the help of a third party, seek to reach a mutual agreement" (Krobkin, 2005).

The voluntary nature is also evident in mediation. Mediation "is a process in which a neutral third party, the mediator, facilitates the negotiations between the disputing parties to help them reach a resolution. One author emphasizes that the mediator's opinion is not binding. According to this definition, mediation is a process in which a neutral third party, the mediator, works with the parties to resolve their dispute through an agreement, rather than imposing a solution on them. In fact, mediation is a method in which a neutral third party, the mediator, helps the disputing parties reach a 'mutually agreeable resolution.' The goal of mediators is to facilitate the exchange of information, encourage mutual understanding, and promote the generation of effective and constructive solutions" (Kovach, 2005). Mediation is indeed a voluntary, non-binding, confidential method with flexible procedures to resolve disputes, where the neutral mediator works at the parties' request to achieve a result that is satisfactory to both.

3.5. *Specialization*

Specialization is another characteristic of alternative dispute resolution (ADR) methods. For instance, the expertise and precision of arbitrators' decisions are of great importance, as contractual matters typically involve specialized dimensions. Therefore, there is always concern that some domestic judges, due to a lack of sufficient knowledge, might unfairly favor one party over the other in cases involving domestic and international commercial practices. This concern is particularly relevant because judges, given the volume of cases, may not have the opportunity to conduct a thorough investigation to uncover the true intentions of the parties and the business customs. In some cases, judges base their decisions solely on the current laws, particularly the Civil Code, while with sufficient time, a judge could identify the true will of the parties. This type of time investment is more likely to be available in arbitration (Golden & Lamm, 2015). "An important point to consider regarding the referral of disputes is that some alternative dispute resolution methods, such as expert opinion, are not suitable for all types of disputes. This method is only appropriate for disputes involving technical and specialized matters. The nature of such disputes is such that instead of legal investigations, a technical and expert opinion is required. The High Court of Western Australia, in one case, stated that not all matters can be referred to expert arbitration. Expert judgment is an ADR method suited for resolving substantive issues where the expert has appropriate qualifications and specialization" (Tweeddale & Tweeddale, 2005). "Given that, under current laws, expert judgment, unlike arbitration, lacks the necessary judicial protections, parties must include all essential elements and procedures for resolving disputes in their agreement. For instance, if the parties have not appointed an expert or a designated authority in their agreement and subsequently fail to reach a consensus, they cannot request the court to appoint a qualified expert, and thus, the agreement will be unenforceable" (Duruigho, 2006). "Once the dispute is referred to expert judgment, the expert chosen by the parties conducts the necessary technical and specialized investigations regarding the matter in dispute. Expert work, prior to being legal or judicial, is technical, and therefore, unlike arbitration, legal issues are less likely to arise in the course of resolving the dispute. This characteristic of expert judgment makes the accuracy and fairness of the outcome largely dependent on the correct selection of an expert" (Derains, 1982). In arbitration, the arbitrators appointed are generally specialized in various fields, allowing the parties greater freedom to choose a specialized arbitrator.

3.6. *Principle of Independence and Impartiality*

In judicial proceedings, parties to a dispute are often concerned about potential bias from judges. This issue does not arise with ADR methods. For example, in arbitration, where each party selects an arbitrator, this suspicion of bias is significantly reduced, leading the parties to expect a fair hearing. This process is more effective in maintaining commercial relationships because the parties, confident in the integrity of the proceedings, comply with the final decisions and continue their transactions after arbitration. In judicial proceedings, despite the integrity of the judges, the parties have no role in selecting the adjudicator, and the case is referred to court without the involvement of the parties (Ziaei Bigdeli, 2003). In fact, "One of the principles governing ADR methods related to the third party is that the individual overseeing the dispute resolution process must maintain independence and impartiality. This principle is often referred to as the principle of fairness or the fairness of proceedings" (Krobkin, 2005). "The principle of independence and impartiality has always been a key principle in judicial proceedings. Courts must act independently and impartially during hearings and when issuing rulings" (Ghamami & Mohseni, 2006, 2007). "The need for independent and impartial courts is emphasized in international human rights documents such as Article 10 of the Universal Declaration of Human Rights (December 10, 1948), Paragraph 1 of Article 14 of the International Covenant on Civil and Political Rights (December 19, 1966), and Paragraph 1 of Article 6 of the European Convention on Human Rights (November 4, 1950)" (Ghamami & Mohseni, 2006, 2007). "The principle of ensuring equality between parties or impartiality of the judge is also a fundamental principle of adjudication in Islam. This principle dictates that the judge should not favor one party over the other, not only in matters directly related to issuing a judgment but even in seemingly trivial matters such as greeting, speaking,

looking at, and showing respect to the parties, where equal and unbiased behavior should prevail" (Abr Farahzadi, 2000). "In any case, the principles of independence and impartiality are crucial in judicial proceedings, and if they are not explicitly stated in the law, instances of bias and independence in adjudication can be undermined. In fact, one of the objectives of laws concerning adjudication is to ensure fair and impartial trials, and significant oversight is exercised over judges to guarantee these principles and prevent judges from deviating from impartiality. In practice, most damage to the fairness of judicial decisions arises from judges' departure from impartiality and their bias in the decision-making process" (Krobkin, 2005). "In a general and simple sense, the independence and impartiality of the third party means that the third party should not act in favor of one party and against the other during the dispute resolution process. To maintain impartiality and independence, the third party should withdraw from the process if their impartiality is in doubt, unless both parties agree to continue with their involvement" (Krobkin, 2005). "The basis for the principle of independence and impartiality of the third party is that, although the third party is chosen by one of the parties, they are not the exclusive representative or advocate of that party. In some cases, the role of these individuals is akin to that of a judge" (David, 1996). "In judicial proceedings, the judge is responsible for deciding whether to continue the hearing (rejecting objections from the parties) or abstain from the proceedings. However, if the third party detects reasonable doubts regarding their impartiality and independence, or if either party raises such concerns, it is typically the parties and the institution that decides whether to terminate the third party's appointment or allow them to continue" (Joneidi, 1999, 2014).

3.7. The Principle of Confidentiality

Alternative dispute resolution methods preserve the confidentiality of claims and disputes, maintaining the commercial credibility surrounding the contract, while the principle of publicity governs cases in judicial forums, and the protection of trade secrets is not a primary concern for judicial authorities. For instance, in arbitration, the parties' selection of the arbitrator increases confidence in fair and impartial adjudication, as both parties play a direct role in choosing their judge. In judicial proceedings, however, both the case manager and the branch's clerks are informed of the details of the case, which significantly increases the risk of disclosure of confidential information (Ziaei Bigdeli, 2003).

In contrast, "one of the major advantages of alternative dispute resolution methods is the confidentiality of the proceedings" (Bagner, 2001). "Confidentiality is a fundamental and important principle in these methods" (Burnley & Lascelles, 2004).

"Although these principles are separate, there is a close interrelation between them such that the existence of one depends on the other. The principle of confidentiality means that, except for the disputing parties, their authorized representatives, third-party neutrals (arbitrators, mediators, etc.), witnesses, and experts, no other individual can attend the hearings. This principle stands in direct opposition to the openness of courtroom hearings and their accessibility to the public" (Akhlaghi & Emam, 2000). The principle of confidentiality also means "that all information learned by the parties during the proceedings, including hearings, discussions between the parties and the neutral third party, submitted documents and evidence, and the results of the proceedings, must remain confidential and not be disclosed to third parties who were not involved in the process" (Enayat, 1999).

"Moreover, confidentiality is essential in creating an environment where various solutions to resolve disputes are proposed and, ultimately, the dispute is settled. The principle of confidentiality supports the protection of solutions and proposals put forward by the neutral third party and the parties themselves and discourages the disclosure of any such solutions to the outside world. As a result, the parties can assess various solutions with greater peace of mind, without the fear of disclosing information and documents, especially the concern that if settlement efforts fail, the statements and concessions made during the process might be used in judicial or arbitration proceedings. This lack of disclosure creates a safer environment and increases the likelihood of resolving the dispute through these methods" (Gurry, 1995).

"The true reason for the principle of confidentiality lies in the inherent nature of alternative dispute resolution methods. These methods are structured such that only the parties and their authorized individuals have the

right to participate and be informed of the issues raised in the proceedings" (Misra & Jordan, 2006).

For example, the mediation process is confidential because, for commercial or investment contracts, where typically one party is the government, it is easier for them to make concessions during mediation on the condition that the contract's details are not disclosed (Hamidian & Shahbazi Nia, 2017). If the mediator's proposals are accepted, they are usually formalized in writing. However, in practice, when less formal methods like mediation do not yield results, it is unlikely that more informal methods like "village chief arbitration" will succeed.

3.8. Speed and Cost-Effectiveness

Given the importance of speed in resolving commercial disputes, alternative dispute resolution methods can fulfill the expectations of businesses. For example, in arbitration, the arbitrator is required to render a decision within three months, while in judicial forums, hearings are typically scheduled months after the case is referred to the court, and these dates are in addition to any supervisory time needed based on the workload of the court. In judicial proceedings, default judgments may be issued, which can delay enforcement due to objections from the opposing party, whereas arbitration does not have default judgments. In any case, procedural requirements, including notifications and the legal intervals from notification to the hearing, contribute to delays in judicial proceedings and the potential loss of rights. Arbitration, on the other hand, does not require adherence to these formalities. Furthermore, with the use of technology in arbitration, physical presence of foreign parties is sometimes unnecessary, and meetings can be conducted via video conferencing. Therefore, geographical distances are no longer a hindrance in arbitration due to the use of modern technology (Damrosch, 1980).

"Given the speed of resolution in alternative dispute resolution methods and the additional costs imposed on the parties by resorting to courts, in general, resolving disputes through alternative dispute resolution is cheaper and more cost-effective than going to court" (Tavasoli Jahromi, 2001a, 2001b). High costs decrease the likelihood of settlement between the parties. These costs in arbitration centers are minimal compared to court fees, especially since arbitration is usually a single-stage process with lower arbitration fees. Furthermore, the cost of arbitration decreases as the value of the claim increases, meaning that in large cases, arbitration is much cheaper than court proceedings (Ziaei Bigdeli, 2003).

"Disputes in alternative dispute resolution methods are generally resolved faster than in courts because, firstly, the congestion of cases and files observed in courts does not occur in alternative dispute resolution methods, and secondly, unlike parties and judges in courts who must adhere to formal and sometimes complicated procedural rules, alternative dispute resolution methods do not involve procedures that delay the resolution of the dispute, and they are aware of commercial customs. Additionally, conflicts related to the interpretation of laws that slow down proceedings in judicial courts do not exist in alternative dispute resolution methods. Moreover, the single-stage nature of alternative dispute resolution increases the speed of dispute resolution" (Mohebi, 2006). One reason for using mediation is that it is fast and inexpensive (Marriott, 1998, 2003). Additionally, the key feature of expertise in these methods is "the speed of proceedings and low costs. Therefore, once a dispute is referred to an expert, they must proceed with their investigations and provide their opinion as quickly as possible, taking into account the facts of the case and the circumstances" (Motiwal, 2023). In conclusion, the flexibility, speed of resolution, lower costs, increased sense of impartiality of arbitrators, specialization, and independence are the most important features of the alternative dispute resolution methods of the International Chamber of Commerce.

4. Conclusion

This article examines the essential characteristics of alternative dispute resolution methods under the regulations of the International Chamber of Commerce, which have made these methods favorable for international commercial relations. The findings indicate that alternative dispute resolution methods, including negotiation, mediation, conciliation, and arbitration, possess their own specific advantages. Compared to court proceedings, these methods are less expensive, quicker, and more flexible. The simplicity, speed, and flexibility of these methods are their most significant features. Due to the technical and specialized nature of issues arising from investment, finance, banking, and

foreign trade, parties in disputes often prefer alternative methods rather than traditional legal processes, which are predefined and rigid. The growing use of alternative methods in international economic disputes is due to the fact that, first, the circumstances and status of the disputing parties vary in each case, and second, the parties have full discretion in determining the type and manner of using these methods. Third, the parties can combine various mechanisms or modify their functioning to create their own specific alternative dispute resolution processes. Overall, resolving commercial and economic disputes through alternative dispute resolution methods can best meet the essential interests of all parties, as these methods preserve the legal principles of the disputing parties, such as non-discrimination, fairness, accountability, empowerment, and participation. Specifically, in specialized areas like banking and commercial affairs, combining these methods can establish multiple suitable standards for dispute resolution.

Authors' Contributions

Authors contributed equally to this article.

Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

Transparency Statement

Data are available for research purposes upon reasonable request to the corresponding author.

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The authors report no conflict of interest.

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Ethical Considerations

In this research, ethical standards including obtaining informed consent, ensuring privacy and confidentiality were observed.

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