

## Client Alert

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February 12, 2018

### **A New Era of International Arbitration in Malaysia? The Kuala Lumpur Regional Centre for Arbitration to Become the Asian International Arbitration Centre.**

**By Daniel Steel**

On February 7, 2018, a signing ceremony took place between Malaysian Minister Azalina Othman Said and the Secretary-General of the Asian-African Legal Consultative Organization (AALCO) Kennedy Gastorn for an agreement to officiate the name change of the Kuala Lumpur Regional Centre for Arbitration (KLRCA) to the Asian International Arbitration Centre (AIAC).

The signing ceremony comes following the passing into law and gazetting of the Arbitration (Amendment) Act 2018 (the “Act”) on January 10, 2018. The Act will come into force on a date to be determined and notified in Malaysia’s Federal Government Gazette. The Act provides that all references to the KLRCA in any law or agreement will be construed as being references to the AIAC.

The KLRCA was established in 1978 as the first arbitral institution in Asia to be instituted under the AALCO, an international organization comprised of 47 member states from Africa and Asia serving as an advisory body in the field of international law and as a forum for Asian-African legal cooperation.

Marking the 40th anniversary of the KLRCA, the name change signals an ambitious effort by the Kuala Lumpur-headquartered arbitral institution to rebrand and further promote itself as a regional and global center for international arbitration. It follows on from the revision of the KLRCA’s Arbitration Rules in June 2017 and is consistent with a trend of progress that has seen the institution’s case load increase from just 22 cases recorded in 2010 to 932 cases recorded in 2017. Today, the KLRCA has 50 strategic partnerships with local and international organizations and has hosted over 350 arbitration capacity-building events for more than 12,000 participants. The KLRCA is also in the process of moving its domain from <https://klrca.org> to [www.aiac.world](http://www.aiac.world), the new domain name perhaps hinting at the AIAC’s global ambitions.

There is stiff competition for recognition as the premier hub for international arbitration in Southeast Asia and the wider Asia Pacific region, with well-established centers such as the Singapore International Arbitration Centre and the Hong Kong International Arbitration Centre providing capable rivalries. The question remains whether the recent endeavors and rebranding by the KLRCA will propel the Kuala Lumpur arbitration community into its desired global standing.

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Morrison & Foerster's international arbitration team will continue to monitor any developments at the AIAC with keen interest. For more information regarding the KLRCA rebranding efforts, please see the KLRCA's announcement [here](#) or contact any of the following lawyers at Morrison & Foerster:

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