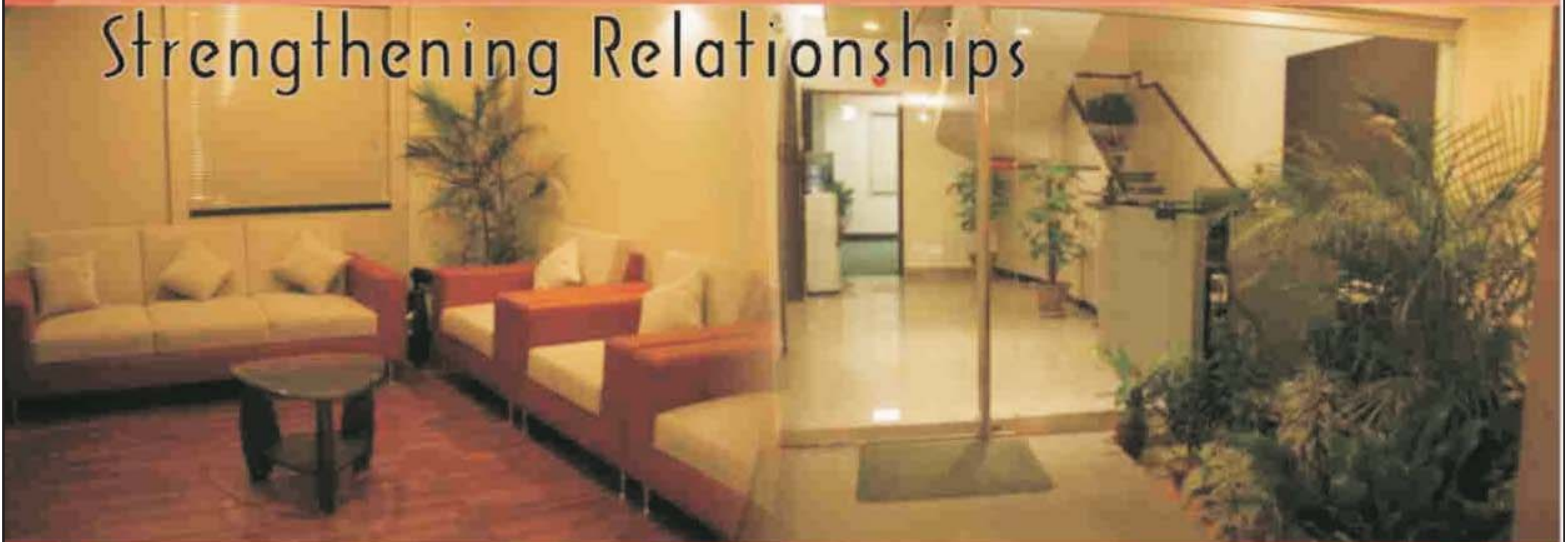


Resolving Disputes

Strengthening Relationships



Vol. 1

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Providing Active & Early Solutions

Justice (Retd.) Saiduzzaman Siddiqui, Chairman, KCDR

The high cost, long delays, and increasing number of law-suits in Pakistan have made litigation an impractical method of dispute resolution. Mediation helps in going forward as an alternative way to settle legal disputes saving time and money.

I am happy to see the progress KCDR has made to promote mediation & alternative dispute resolution in Pakistan. I am also very proud of our selfless Board members who give their time and devote their energies in this effort without compensation. KCDR's main focus is on providing active and early solution to today's problems settling disputes in an amicable manner.

I am specially grateful for the tremendous response we are getting from the public and private corporate sector to our new exclusive membership programme "Corporate Mediation Guild 300". I welcome Habib Bank Limited, Karachi Electric Supply Corporation, Glaxo Smith Kline (Pakistan) Limited, Indus Motors, Vellani & Vellani, Ali & Associates, English Biscuit Manufacturers (Pvt.) Limited, Engro Chemical (Pakistan) Limited, Dewan Mushtaq Group, Allied Bank of Pakistan, Technology Links, PARCO, Dawood Chemical Limited, Shan Foods (Pvt.) Limited, Bank Alfalah Limited, Civil Aviation Authority, AKD Securities, Coca Cola Beverages Pakistan Limited, Pakistan International Container Terminal, Tetra Pak Pakistan Limited, Premier Group and Brookes Pharma as KCDR's Corporate Mediation Guild Members. Most blue chip companies in Pakistan are coming on board and we are very much looking forward to working with all of our corporate members. This participation by the corporate sector will help un-tie resources in lawsuits while actively solving problems and going forward.



Tracking KCDR's Success

The power of mediation

KCDR has recently celebrated its third anniversary. These three years have been very rewarding and extremely challenging. Despite the difficult environment, KCDR took root and mediation today is recognized as an effective mechanism to resolve long pending disputes.

We are sharing a few success stories illustrating how effective and efficient mediation can help in Pakistan's volatile business environment.

1. KCDR resolved a 4-year-old case pending in High Court of Sindh in only twelve hours of mediation. The conflict was between a Dubai-based trading firm and a Karachi-based private limited trading company on poor performance and loss of revenue.
2. A 2-years-old court case regarding payments between a travel agent and a legal advisor was settled in only two hours of mediation.
3. A 24-years-old case between a bank and an insurance company was resolved by KCDR after 3 sessions totalling twelve hours of mediation. It was referred to KCDR by Sindh High Court. The dispute was on refund of deposits and the cost of fixtures and furniture.
4. An intellectual property case between two companies has been in a district court for the past 22 years. On referral from the court, KCDR resolved the case in only two sessions of mediation.

Need of Institutionalized Mediation In Pakistan

Dispute resolution is not a novel concept. People have always looked to the society's elders to help resolve disputes and reach mutually agreeable settlements. In time, this process has become more formalized and structured.

Mediation is an assisted negotiation between conflicting parties. The table shows why mediation is preferred.

Pakistan is a conflict riddled society marked with a high rate of corruption and injustice. Courts are being misused for the vested interest of people for ulterior motives. Our resources are being spent on litigation rather than on productive efforts.

Litigation	Mediation
Adjudicative	Consensual
Compulsory ruling	Voluntary settlement
Rules	Models
Rights	Interests
Retrospective	Present/future
Lawyer-centred	Client-centred
All or nothing	Range of options
Settlement in years	Settlement in weeks



Mediation offers companies an opportunity to apply the full force of the law efficiently and effectively.

In this scenario, the Small and Medium Enterprises are being affected the most. They struggle against financial constraints and cannot afford to spend in litigation for 5 to 10 years. With mediation institutionalized in Pakistan the long litigation and court processes will not affect the progress and growth of business ultimately helping the business and the economy of our country.

Karachi Centre For Dispute Resolution (KCDR)

KCDR is the first institutionalized mediation centre in Pakistan for resolution of commercial cases. It was established in 2006 with the approval of the High Court of Sindh and with the assistance of International Finance Corporation (IFC).

916 cases out of 1403 have been successfully resolved by KCDR's Mediators.

KCDR aims to build a harmonious society and thriving business community by broadening awareness of, and providing access to, constructive means of dispute resolution. Apart from mediation, KCDR also trains mediators and promotes arbitration as an alternative dispute resolution mechanism by providing conference facilities and staff assistance for arbitration proceedings.

In its very brief history, KCDR is proud to be the recipient of the Award of Excellence from Centre for Effective Dispute Resolution (CEDR), United Kingdom. KCDR is also a member of Asia Pacific Regional Arbitration Group. We look forward to continue our mission to promote mediation because it is time and cost effective and is the way of the future.



Ms. Navin Merchant of KCDR after receiving the Award for Effective Dispute Resolution from CEDR.

KCDR's Membership Programme-Corporate Mediation Guild 300

Launched in 2009, Corporate Mediation Guild 300, is an exclusive membership programme of Karachi Centre for Dispute Resolution (KCDR) for top businesses of Pakistan. Currently, we have 22 corporate entities on board as members of Corporate Mediation Guild 300.

Glaxo SmithKline (Pakistan) Ltd.

"It was a great news to learn about KCDR which offers a quick, fair, and balanced mechanism for dispute resolution."



KCDR Management in meeting

Habib Bank Ltd. (HBL)

"A number of HBL employees are trained as mediators and are affiliated to KCDR."

Karachi Electric Supply Company (KESC)

"Since the only way to tackle the litigation process is to adhere to an alternative dispute resolution regime, it was our determined choice, therefore, we chose KCDR."

Ali & Associates

"KCDR is an innovative forum that introduces professional mediation services in Pakistan."

Vellani & Vellani Associates

"The establishment of KCDR in Pakistan has given great impetus to the alternate dispute resolution and their highly trained mediators have demonstrated effectiveness in a short time."

If you are interested in our membership programme kindly contact our Resource Development Department on the address & numbers given at the back of this newsletter.

LIFE MEMBERS

Vellani & Vellani

Glaxo SmithKline (Pakistan) Ltd.

Dewan Mushtaq Group

Bank Alfalah Ltd.

English Biscuit Manufacturers (Pvt.) Ltd.

Engro Chemical Pakistan Ltd.

Allied Bank Ltd.

Dawood Hercules Chemicals Ltd.

Shan Food (Pvt.) Ltd.

Pak-Arab Refinery Ltd.

AKD Securities (Pvt.) Ltd.

Habib Bank Ltd.

Coca-Cola Beverages Pakistan Ltd.

Pakistan Intern'l Container Terminal Ltd.

Technology Links (Pvt.) Ltd.

ATCO Laboratories Ltd.

ANNUAL MEMBERS

Civil Aviation Authority

Tetra Pak Pakistan Ltd.

Premier Group of Companies

Ali & Associates

Indus Motors Company Ltd.

Karachi Electric Supply Company

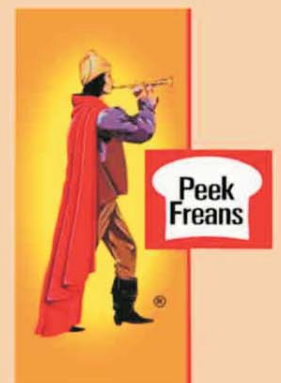
Brookes Pharmaceuticals Labs Ltd.

Bhombal & Company (Pvt.) Ltd.

KCDR & Board of Investment Pakistan (BoI) Together Promoting Mediation

Collaboration between KCDR and the business sector is important in promoting alternate dispute resolution (ADR) and mediation for business sector. A meeting was held between Mr. Saleem H. Mandviwala, Minister of State and Chairman, Board of Investment (BoI), Justice (Retd.) Saiduzzaman Siddiqui, Chairman KCDR and members of KCDR on January 10, 2010. The specific agenda of the meeting was to discuss areas of collaboration between BoI, Prime Minister's Secretariat (Public) and KCDR on promoting ADR and mediation for investors and the business community. Mr. Mandviwala extended his full support enabling the investors and business community to benefit from mediation.

The Minister suggested that KCDR should extend its outreach and work as a National organization which will lead to investor confidence due to timely resolution of cases. It will also give businesses a conducive environment for their activities and dealings with other businesses.



The Legend Leads...

Mediation Week Organized By KCDR

To assist litigants in courts and inform them of mediation and its benefits, KCDR held a "Mediation Week" at City Courts, Karachi from 17th to 21st August 2009. The Sindh High Court graciously provided work space to KCDR which was used in registering litigants and conducting mediation. Various courts referred cases which were mediated during the "Mediation Week". *Twenty-two cases were resolved during this week to the pleasant surprise of the litigants bringing immediate relief to 44 parties.* It helped in building the trust of the litigants and parties who are keen to resolve disputes without delays. This activity also encouraged lawyers to support alternate dispute resolution and mediation in the larger interest of the clients and the society.

The success of the Mediation Week at city courts has been very encouraging for KCDR and it has led to further support from the courts by offering KCDR a working space. With this, the awareness and promotion of alternate dispute resolution and mediation will reach another level providing even better opportunities to fulfilling the purpose of KCDR.

2010 IFC CEO Gender Award Goes to Pakistan ADR Team



*Ms. Navin Merchant of KCDR after receiving
2010 IFC CEO Gender Award*

We are proud to announce that the 2010 IFC CEO Gender Award was presented to the Pakistan Alternative Dispute Resolution (ADR) project team. This has been in recognition of ADR's initiatives to support women's participation in

business. The Executive Vice President of International Finance Corporation, Washington, D.C. Mr. Lars Thunell presented the award which was received by Ms. Navin Salim Merchant, Operations Officer and TTL of the Pakistan ADR project.

This award is organized by the Women in Business programme to recognize IFC teams/individuals who advance the Corporation's commitment to support women's participation in business.

The Pakistan ADR project was launched in 2006 by the Investment Climate Department to promote institutionalization of alternative dispute resolution.

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Website: www.kcdr.org

OICCI Collaborating With KCDR For Quick Solution To Disputes

"Statistics indicate that business can face 5-25 years in litigation in Pakistan. Cumbersome procedures, combined with a shortage of skilled personnel like judges and lawyers, add to the delay. 1.7 million cases are currently pending in courts". This was stated by Ms. Naveen Merchant, Programme Manager of IFC during a meeting with members of the Overseas Investors Chamber of Commerce & Industry (OICCI) on December 16, 2009. Ms. Merchant urged OICCI members to take advantage of KCDR alternate dispute resolution services for affordable and quick solution of cases.

Board of Governors

Mr. Justice (Retd) Saiduzzaman Siddiqui

President, KCDR

Former Chief Justice, Supreme Court of Pakistan

Mr. Anwar Mansoor Khan

Vice President, KCDR

Mr. Justice Arif Hussain Khilji Member

Judge, Supreme Court of Pakistan

Mr. Moin Fudda

Member

Country Director, CIPE

Mr. Salman Burney

Member

Managing Director, GSK

Mr. Syed Masoud Ali Naqvi

Member

Senior Partner, KPMG Taseer Hadi & Co.

Mr. Majyd Aziz

Member

President, MHD Group of Companies

Member – President, KCCI

Mr. Khawar M. Butt

Member

Managing Director, EBM

Mr. Sultan Tewana

Member

General Manager, SMEDA

Member - President, Sindh High Court Bar Association

Member - President, Karachi Bar Association