



Update on CAJAC

March 2017

The China-Africa Joint Arbitration Centre (CAJAC) is a partnership between the Arbitration Foundation of Southern Africa (AFSA) and the Shanghai International Arbitration Centre (SHIAC).

One of the main reasons for the establishment of CAJAC is due to the increased development of trade and infrastructure within Africa and the disputes arising therefrom. The seat of CAJAC is situated in Johannesburg for the whole of Africa and is administered by AFSA through all its branches. The seat for China is situated in Shanghai. CAJAC has been in operation since February 2016.

From a strategic perspective, the seat of CAJAC is situated in Johannesburg due to the increased concentration of Chinese business men and women. It is estimated that investment by Chinese state-owned companies and large privately owned businesses is in excess of ZAR7 billion.

However, whether CAJAC will be utilised depends on attorneys and their clients, and whether such clause will be written into contracts during the negotiation phase. At this point, there has only been one matter referred to CAJAC, however it was held at the seat of Shanghai.

Furthermore, the South African legislature is in the process of finalising the International Arbitration Bill, which will provide for the incorporation of the Model Law on International Commercial Arbitration, as adopted by the United Nations Commission on International Trade Law (UNCITRAL). The International Arbitration Bill will also provide a revised procedure for the recognition and enforcement of foreign arbitral awards.

Once the International Arbitration Bill has been promulgated, there is no doubt that CAJAC will be further utilised, as the similarities between the Bill and its international counterparts will be both familiar and comforting to foreign companies.

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