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Arbitrators

**CIArb**

## Guideline 14: Guideline on Awards of Interest

### 1. Introduction

1.1 It is an important and not altogether easy task for an arbitrator to determine what interest to award to a successful party. By and large advocates for the parties pay scant regard to interest. This serves to increase, rather than lessen, the burden on arbitrators.

1.2 The following broad principles can be laid down and should be kept well in mind:

1.2.1 The first and most important point is the elementary one that it is essential for an arbitrator, before making an award of a monetary sum to one of the parties, to consider what interest to include in the award.

1.2.2 Secondly, an arbitrator should make an award or awards of interest to cover two distinct periods (a) the period up to the date of issue of the award; (b) the period between the issue of the award and the date of payment.

1.2.3 Thirdly, before making any award of interest, an arbitrator must look to see the basis on which any claim for interest is being made and must take into account the submissions of the parties. It is for the claimant to assert the basis on which any claim for interest is being advanced.

1.2.4 As a general rule it would be wrong for an arbitrator to award interest on a basis which the claimant has not asserted and to which the respondent has had no opportunity to comment or object. Similarly it would be wrong for an arbitrator to award by way of interest more than has been claimed by the claimant or less than has been admitted by the respondent.

1.2.5 If no claim at all is made for interest, a prudent arbitrator would be justified in drawing the oversight to the claimant's attention; should a claim for interest thereafter be made, the arbitrator should afford the respondent an opportunity to comment before making his award.

1.2.6 Unfortunately it is common for claimants, having specified the principal sum claimed, merely to add that they seek "interest" on that sum without specifying the basis or quantum of the claim. In some cases it may be prudent to seek clarification of the claim and thereafter to grant an opportunity for the respondent to comment. In others the arbitrator may be justified in assuming that the claimant is inviting him to exercise his statutory discretion to award interest under the Arbitration Act 1996 Section 49.

1.2.7 In certain disputes an arbitrator can overcome many of the problems affecting awards of interest by encouraging the parties at an early stage to agree the rate of interest to be awarded to the successful party or by asking for submissions on the rate of interest at the beginning of the proceedings.

1.2.8 The making of an award of interest will involve consideration of a number of factors including:

- (a) the period for which interest should be awarded;
- (b) the rate of interest to be awarded;
- (c) whether simple or compound interest should be granted; if compound, on what basis should it be compounded.

1.2.9 The proper resolution of these matters will depend on whether in a particular case interest is recoverable as of right or whether an award of interest is discretionary.

## **2. Interest Recoverable as of Right**

2.1 There are three main cases where interest may be recoverable as of right:

- (i) under an express term of the contract or trade usage;
- (ii) under the Late Payment of Commercial Debts (Interest) Act 1998;
- (iii) as damages for late payment.

(These categories are not exhaustive but suffice for present purposes.)

### **2.2 Interest under an Express Term or Trade Usage**

Where an express term as to interest is included in the contract it will usually govern the period for which interest can be awarded, the rate, and whether interest is to be simple or compound. Normally an express term will govern interest on debts, not on damages. Unless the term confers a discretion, an arbitrator will be bound to award interest on the basis set out in the contract. In some instances interest may be claimed on the basis of an implied trade usage. Thus a borrower with a bank loan or mortgage, credit card or store card debt will usually be required to pay compound interest up to the date of judgment.

### **2.3 Interest under the Late Payment of Commercial Debts (Interest) Act 1998**

The Act applies to virtually all contracts for the supply of goods or services where the purchaser and the supplier are each acting in the course of a business. It provides that there is an implied term in all such contracts that any "qualifying debt" carries simple interest at a rate fixed by the Secretary of State which is currently 8 per cent over the official Bank of England base rate. It does not apply to damages or to post-award interest (though it should be taken into account in awarding interest post-award). The Act is discussed in detail later.

### **2.4 Interest Recoverable as Damages**

Where the applicable law of the contract is English law it is rare for a claimant to be able to claim interest as damages for late payment of a debt. This is because the courts for over 150 years have adopted a restrictive approach to the award of interest as damages. It has been held that interest may only be recovered as "special damages". *Hartle v Laceys* [1999] Lloyd's Rep. P.N. 315 is an example of interest recoverable as damages. Construction contracts sometimes provide that where a variation of the contract has involved the contractor in extra loss or expense, such loss or expense may be added to the contract sum. It has been held that such extra loss or expense may include interest charges. In general, though, English law has never recognised a cause of action in damages for late payment of damages: *President of India v La Pintada Compania Navigacion SA* [1985] 1 A.C. 104.

Some foreign systems of law recognise that interest can be recovered as damages for failure to pay a debt promptly. This is reflected in the UNIDROIT Principles of International Commercial Contracts, 1994. Article 7.4.9 provides that if a party does not pay a sum when it falls due the aggrieved party is entitled to interest from the time payment is due to the time of payment. If the contract is governed by a system of law that gives the claimant a right to recover interest as damages then an arbitrator must give effect to the applicable law and award interest on that basis. Interest recoverable as damages is a substantive right, not a procedural matter governed by the law of the seat of the arbitration.

## **3. Discretionary Interest**

3.1. Where interest is not recoverable as of right, an arbitrator will still be able to make an award of interest by the exercise of his discretionary power to do this. A discretionary power to award interest is to be found in the rules of some arbitration institutions notably Article 26.6 of the Rules of the London Court of International Arbitration and Article 60 of the Rules of the World Intellectual Property Organisation. A very wide discretionary power is contained in the Arbitration Act 1996 Section 49, which applies if the seat of the arbitration

is in England, Wales or Northern Ireland.

3.2. The wide powers conferred by Section 49 can be summarised as follows:

3.2.1. The power extends to enable interest to be awarded both on debts and damages. (Interest on damages cannot be awarded under many express contractual provisions or under the Late Payment of Commercial Debts (Interest) Act 1998.)

3.2.2. Interest may be awarded (i) on a monetary sum awarded to one of the parties and (ii) on an amount claimed in the arbitration and outstanding at the commencement of the arbitration but paid before the award was made. (It cannot be awarded on principal sums discharged, albeit late, before the arbitration was commenced.)

3.2.3. Interest may be awarded for the period up to the award and also for the period between the issue of the award and payment.

3.2.4. An award under Section 49 is discretionary. The discretion extends (within the limits set out above) to the period for which interest may be awarded, to the rate of interest and to whether the award is to be of simple or compound interest.

3.2.5. The power to award interest extends to situations where a declaratory award is made, as well as to an award for a monetary sum: *President of India v Lips Maritime Corporation* [1988] A.C. 395. Section 49 is not mandatory. Consequently, the parties are free to agree on the powers of the tribunal as regards the award of interest.

3.2.6. Section 49 does not affect any other power of the tribunal to award interest.

3.3. Consequently if interest is claimed as of right under an express term of the contract, under statute or as damages for late payment, that right (if sound) should be upheld. In general, Section 49 applies where interest is not recoverable as of right. It may be used to extend or supplement a claim to recover interest as of right; it is not intended to override such a claim.

3.4. Although no guidance is given in the 1996 Act as to how the discretionary right to award interest should be exercised, one very general principle is clear and should be borne in mind by arbitrators. This may be called "the compensatory principle". It is that an award of interest under Section 49 (in distinction to one under the 1998 Act discussed later) should be designed solely to compensate a successful claimant for having been kept out of the sum of money which the arbitrator has decided to award him. The award should not be penal in nature or such as to deter others from paying late.

#### **4. General Principles**

4.1. Where interest is recoverable as of right, an arbitrator's task is limited to applying the contract, statute or rule of law on which the claim for interest is based. Where, however, an award of interest is discretionary, it is possible for widely diverging approaches to be taken by arbitrators towards the function of awards of interest including the period for which interest should be awarded, the rate and whether the award should be for simple or compound interest.

4.2. The guidance given below is based on guidance given by the court on the correct approach to the making of awards of interest (under comparable legislation) in cases dealing with awards by the court in pending litigation. The main authorities are cited and extensively discussed in *Kuwait Airways Corp v Kuwait Insurance Co SAK* [2000] Lloyd's Rep. I. & R. 678.

(1) An award of interest should be compensatory, not penal, in purpose.

(2) The best approach is to attempt to assess the commercial rate of interest that someone in the position of the claimant would have had to pay to borrow the money which is to be awarded to him as a debt or damages.

(3) The tribunal should not normally embark on an enquiry into the actual financing arrangements of a particular claimants. It should however give effect to the probability that

the better the "personal covenant" of the borrower the lower the rate is likely to be and vice versa.

(4) It is normally irrelevant that the particular claimant was in a special personal position such that he could only borrow the money at a very high rate or was able to borrow at specially favourable rates.

(5) Accordingly the right approach is to assess, on a broad brush basis, the rate which a claimant having the general attributes of the actual claimant would have had to pay to borrow the money.

(6) The assessment should be based on the rate of interest applicable to short-term unsecured loans, and not on any lower rate that might have been obtainable for a secured loan. It follows that, as a general rule, a successful claimant should not attempt to prove what loss he in fact suffered through non-payment of the sum which the arbitrator is minded to award him.

4.3. However, in some exceptional cases it may be permissible for evidence to be admitted of the actual rate of interest the claimant had to pay under his financing arrangements. Such evidence may be some indication of the rate which a claimant having the general attributes of the actual claimant would have had to pay to borrow the money in question. But such evidence, on its own, cannot go far to determine this matter. Other objections to permitting evidence of the claimant's financing arrangements are (a) that it is often impracticable at the end of an arbitration to embark on lengthy enquiries as to these arrangements and (b) that unless it is being asserted that the need for the claimant to borrow the sum in issue should reasonably have been in the contemplation of both parties at the time they made the contract, the claimant's financing arrangements are of no concern to the respondent. Of greater assistance in most cases is general banking evidence as to the average bank short-term lending rate to prime borrowers prevailing for the currency of payment over the period beginning with the date when the sum or sums ought to have been paid, together with general evidence as to the claimant's borrowing status.

## **5. Period of Pre-Award Interest**

5.1. In the case of debts, interest should normally be awarded from the date when the debt fell due to the date of the award. In the case of an award of damages, it will be important to assess the date or dates when the relevant loss was suffered. Interest should be awarded from that date or dates to the date of the award, save that it is often convenient, where losses were incurred over a period of time, to award interest from the middle or average date on which the losses were incurred to the date of the award.

5.2. There may be special reasons in particular cases for awarding interest from a later date than specified above. The commonest situations where this is suggested are (a) where it is alleged that the respondent needed time to assess his liability to pay the principal amount and (b) where the claimant has delayed unreasonably in bringing the claim. Before giving effect to such contentions it should be borne in mind that, for so long as a debt or damages are not paid, the respondent continues to enjoy the benefit of the interest on the sum which it will have to pay and it is therefore reasonable that this gain should pass to the aggrieved party.

## **6. Rates of Interest**

6.1. Where there is an express term of the contract relating to interest it will normally specify the rate to be applied. Similarly, where interest is due under the 1998 Act (see below) the Act specifies the applicable rate. By contrast, where discretionary interest is to be awarded under Section 49 the arbitrator must decide on the rate to be awarded.

6.2. Since interest rates are not static, an arbitrator must necessarily first choose an appropriate base rate and then decide what, if any, uplift to apply. The base rate and uplift, if any, should be appropriate for the currency in which the award is to be made. If compound interest is to be awarded, the rate of interest needed to compensate the claimant may be lower than if simple interest is to be awarded.

## **7. Sterling Awards**

7.1. A question likely to face arbitrators is whether they should routinely award the same rate of interest and uplift as the court would have awarded if the claim had been brought in legal proceedings. At present the practice of the courts is not uniform but the practice of the Commercial Court is to award the official Bank of England base rate together with an uplift of 1 per cent. This has been described as “no more than a presumption” which could be displaced by evidence of the rates applying to borrowers with the general attributes of the claimant.<sup>10</sup> The Law Commission, however, in its 2004 report *Pre-Judgment Interest on Debts and Damages*, has recommended that, for all court proceedings, legislation should specify a rate of one percentage point over Bank of England base rate but that the courts should have a discretion to depart from that rate where there is good reason to do so.

7.2. There is no necessity for arbitrators to consider themselves bound by the practice of the court. It is however suggested that, where a claimant is to be regarded as a prime borrower, it would normally be appropriate to award the Bank of England base rate with an uplift of 1 or perhaps 2 per cent. A higher uplift would only be appropriate if there were evidence that a borrower with the general attributes of the claimant would have been charged more to borrow the sum in issue.

## **8. US Dollar Awards**

8.1 One obvious possibility for arbitrators, when awarding interest on sums expressed in US dollars, is to apply the US Prime Rate as a benchmark. This is the rate which banks in the US charge their most creditworthy business borrowers operating in the US and it is the rate normally applied by the Commercial Court when awarding interest on US dollar amounts wherever the claimant carries on business and whether or not the sum is payable in the United States. The Prime Rate is applied without an uplift unless there is evidence that a borrower with the general attributes of the claimant would have been charged more to borrow the sum in issue.

8.2 Another possibility is for arbitrators to use the US\$LIBOR 3-month rate. As to the uplift, a “spread” or margin is normally added to LIBOR in financing operations. Thus a typical uplift for a long-term secured loan might be 1.25 per cent. To give effect to the principle that arbitrators are to assess the cost of a short-term unsecured loan, a rate of 2.5 per cent over LIBOR might perhaps be awarded on the basis that this would be a reasonable average rate to charge a reasonably creditworthy business customer for an unsecured loan. In special cases, where there is evidence that a borrower with the general attributes of the claimant would have been charged more, a higher uplift might be appropriate.

## **9. Euro and Other Currencies**

Arbitrators should do their best to assess “the average bank short-term lending rate to prime borrowers prevailing for the currency of payment at the place for payment, or where no such rate exists at that place, then the same rate in the State of the currency of payment”: Art. 7.4.9 of the UNIDROIT Principles of International Commercial Contracts. That rate should be applied without an uplift save that, where there is evidence that a borrower with the general attributes of the claimant would have been charged more, an uplift may be appropriate.

## **10. Simple or Compound Interest**

10.1 Where interest is not recoverable on some other basis, Section 49 enables the tribunal to award either simple or compound interest at its discretion. A claimant who had to borrow the money which is to be awarded by the tribunal would normally be charged compound interest on the loan. It therefore seems reasonable (and in accordance with the compensatory principle) that arbitrators should normally award compound interest for the relevant period. The court does not currently have power in most cases to award compound interest. However the Law Commission recommended in 2004 that for awards or settlements of £15,000 or more there should be a rebuttable presumption that interest will be compounded and that compound interest should be calculated using monthly rests.

10.2 There may be special features of particular cases which render it more appropriate to award simple interest. Generally however it is recommended that arbitrators should award

compound interest with either monthly or three-monthly rests. A disadvantage of awarding compound interest is that it is more difficult to calculate than simple interest. However this should not cause difficulty to arbitrators or lead to undue complexity in drafting awards. An arbitrator can leave all detailed calculations to the parties and make a direction to the effect that the principal sum awarded shall be paid with interest at a specified rate compounded at monthly (or quarterly) rests.

## **11. The Late Payment Of Commercial Debts (Interest) Act 1998**

The main provisions of the Act are summarised below.

11.1. The Act applies to virtually all contracts for the supply of goods or services where the purchaser and the supplier are each acting in the course of a business. It introduces the principle that there is an implied term in all such contracts that any "qualifying debt" created by the contract carries simple interest at a rate to be fixed by the Secretary of State.

11.2. One of the objects of the legislation was to give effect to a Directive of the European Parliament and Council (2000/35) which was in draft form when the Act was passed. Another object was to protect suppliers, particularly small business suppliers, whose financial position rendered them particularly vulnerable if their customers, particularly large business purchasers, made a practice of paying late.

11.3. The Act has been brought into force in stages by means of 5 commencement orders. It does not apply retrospectively to contracts made before the Act came into force for contracts of that description. The Act came into force on November 1, 1998 in relation to contracts made between "a small business supplier and a purchaser who is a UK public authority" and between "a small business supplier" and "a large business purchaser". But the 5th commencement order brought the Act into general force on August 7, 2002 and since that date it applies whether the supplier or purchaser is "small" or "large".

11.4. The rate of interest under the Act has been fixed at 8 per cent over the official UK clearing bank base lending rate as fixed by the Bank of England. By virtue of the Directive and the legislation the rate must be sufficiently high to act as a deterrent to the late payment of qualifying debts. For countries which have adopted the euro it must be at least 7 percentage points over the interest rate applied by the ECB. For other countries it must be at least 7 percentage points over the equivalent rate set by its national central bank.

11.5. There are detailed provisions defining the contracts to which the Act applies. A "contract for the supply of goods or services" is broadly defined so as to comprise virtually all contracts for the sale of goods, for the transfer of property in goods, for the bailment of goods and generally all agreements to carry out a service. The Act does not however apply to consumer credit agreements or to contracts intended to operate by way of mortgage, pledge, charge or other security.

11.6. The Act applies to the obligation to pay the "contract price" due under such a contract. It does not apply to damages.

11.7. The Act contains provisions which define when statutory interest begins to run. Unless the debt relates to an obligation to make an "advance payment", interest begins to run on the date agreed for the payment of the debt or, if none has been agreed, the last of the period of 30 days beginning with the day on which the supplier performed his obligation under the contract or the day on which the purchaser had notice of the amount of the debt or (where the amount is unascertained) the sum which the supplier claimed was the amount of the debt, whichever is the later. Where the obligation is to make an "advance payment", the debt is treated as falling due "on the day on which the supplier's obligation is performed".

11.8. The base rate of interest applicable (to which the 8 per cent uplift should be added) is linked to the date from which interest begins to run. If that date is between June 30 and December 31, the base rate is that prevailing on June 30; if it is between December 31 and June 30, the base rate is that prevailing on December 31.

11.9. Although under the Act statutory interest is due as of right, there is a provision that statutory interest may be remitted where "by reason of any conduct of the seller the interests of justice require that statutory interest should be remitted in whole or in part."

11.10 The parties to a contract are free to oust or vary the right to claim statutory interest. But if the relevant contract term is agreed before the debt is created, there are restrictions on the extent to which this may be done. The contract term must have created "a substantial contractual remedy for late payment of a debt." A remedy is not to be regarded as a "substantial" remedy if (a) the remedy is insufficient either for the purpose of compensating the supplier for the late payment or for deterring late payment or if (b) it would not be fair or reasonable to allow the remedy to be relied on. In assessing whether the remedy is a "substantial" one, regard is to be had to the benefits of certainty, to the strength of the bargaining positions of the parties and to certain other factors.

11.11. The Act is unnecessarily complex and it raises some difficulties for arbitrators, the chief of which seems likely to concern conflict of laws. It would appear from Section 12 that the Act applies only where the relevant contract is "governed by the law of part of the United Kingdom". But Section 12 requires a tribunal to ignore choice of law clauses in certain circumstances. For example it provides that the Act will not apply to a contract governed by (say) English law by choice of the parties if (i) there is no significant connection between the contract and England and (ii) but for the choice the applicable law would be a foreign law.

11.12 These provisions give rise to some problems. First, it is inconsistent with the Directive that the operation of the Act should be limited to cases where the contract is governed by the law of part of the United Kingdom. Second, it is unclear how the Act is to be applied to a contract which contains a London arbitration clause but which has no or virtually no other connection with the United Kingdom. The presence of a London arbitration clause may give rise to an implied choice of English law as the governing law of the contract but it will not do so unless the choice has been demonstrated "with reasonable certainty". If the presence of the arbitration clause does give rise to an implied choice of English law, then it would seem doubtful whether that choice can somehow be disregarded on the ground that, but for the choice, there would have been no significant connection between the contract and England, since, at the very least, the obligation to arbitrate in England would seem to constitute a significant connection between the contract and England. If, in addition, the contract is an English language contract which has been subject to settled interpretation under English law, that would constitute another such connection.

11.13 To summarise, the 1998 Act would seem to provide a useful remedy to claimants which potentially should enable them to recover a higher rate of interest on debts due under commercial contracts than would otherwise be awarded under the compensatory principle. But the Act is unnecessarily technical which renders it difficult to apply in practice. In particular it draws a distinction between the treatment of debts and damages which could be unsatisfactory. It is emphasised that arbitrators should apply the Act only where a claim under the Act has been specifically asserted and only after taking into account the submissions of the parties.

## **12. Post-Award Interest**

12.1. There is no statutory provision that enables a claimant automatically to recover interest for the period between the date of the award and the date when the award is paid. It is therefore necessary for an arbitrator, in his award, to provide for post-award interest.

12.2. Where interest is recoverable as of right the rate of interest is usually fixed either by a term of the relevant contract or by a statutory provision. In such cases an arbitrator should ensure that interest will continue to run at the fixed rate until the award is paid. This applies even if the contract or statute does not, of itself, provide that interest shall continue to run in the post-award period. Where the rate has been fixed for the period up to the issue of the award it is normally right, as a matter of discretion, to award the same rate for the period between the award and payment as has been awarded for the previous period.

12.3. As to discretionary interest, Section 49(4) enables the tribunal to award interest on "the outstanding amount of any award (including any award of interest in it and any award as to costs)" from the date of the award until payment.

12.4. In the past some arbitrators have awarded interest at a higher rate for the period after the making of the award than for the period before it. It has been argued in support of this that, once the award has been published, the respondent knows the extent of his obligation and should honour the award. It is not recommended that this practice be followed. If the rate of interest has not been fixed by the contract or by a statutory provision the more consistent approach is to continue to apply the compensatory principle and to consider what loss will be suffered by the claimant through any failure to pay the award promptly.

12.5. The appropriate rate for post-award interest (if it has not been fixed as above) will be made up of two elements, a base rate and an uplift. However the arbitrator can obtain a list of prevailing interest rates for the pre-award period; as regards the post-award period, he cannot know in advance when the award will be paid and cannot foresee how interest rates may fluctuate in the meantime.

12.6. Accordingly, the most accurate way to give effect to the compensatory principle in respect of the post-award period is to express the liability to pay interest in terms of a formula providing for a floating rate (e.g. that the respondent shall pay interest at the rate per annum of 1 per cent over the official UK base rate current between the date of the award and payment.

12.7. But where the sums involved are not large it is not wrong to adopt a broad brush approach and to provide that the rate calculated for interest up to the date of the award (which will consist of the average of the prevailing base rates from the date on which interest began to run until the date of the award, together with the appropriate uplift) shall continue to be payable until the award is paid.

### **13. Declaratory Awards**

Where the tribunal has made a declaratory award under Section 48(3) of the 1996 Act, it may nevertheless order that interest shall be payable on any amount that becomes due to the claimant in consequence of the declaration (Section 49(5)). Since the arbitrator will not be able to quantify the amount which will become due under the declaration he will necessarily have to express the liability to pay interest in terms of a formula. Otherwise the same principles apply as where an award is made for the payment of a quantified sum of money.

### **14. Interest on Awards of Costs**

Section 49(4) specifically authorises a tribunal to award interest from the date of the award until payment on the outstanding amount of any award as to costs. It is thought however that there is no reason why a tribunal should not under Section 49(3) award interest on costs from the date or dates on which the relevant costs have been paid. However, the relevant principles are not well established.

### **15. Drafting an Award of Interest**

A typical award of interest might be drafted along the following general lines.

(1) I order and direct that the respondent shall forthwith pay to the claimant the sum of £50,000 (fifty thousand pounds) together with interest thereon calculated at the rate of 5% (five per cent) per annum compounded at monthly rests from (date) to the date of this award. (Note: in some cases the arbitrator may find it convenient to quantify the sum awarded in respect of interest.)

(2) I award and direct that the respondent shall pay the claimant's recoverable costs of the arbitration which I hereby determine in the sum of £\_\_\_\_\_ together with interest thereon calculated at the rate of \_\_\_\_\_ per cent per annum compounded at monthly rests from (date) to the date of this award. [Note: where the amount of the recoverable costs has not yet been determined the award should provide that, unless agreed, the costs shall be determined by the arbitrator under Section 63 of the Arbitration Act 1996 and be

paid together with interest at a specified rate from a specified date until the date of payment.]

(3) I award and direct that the respondent shall pay my fees and expenses in the sum of £\_\_\_\_\_ (inclusive of VAT in the sum of £\_\_\_\_\_) provided that if in the first instance the claimant shall have paid any amount in respect of my fees and expenses he (2004) 70 ARBITRATION 3 August 2004 209 shall be entitled to an immediate refund from the respondent of the sum so paid (less any VAT recoverable by the claimant from HM Customs & Excise).

(4) I award and direct that the respondent shall pay interest at the rate per annum of \_\_\_\_\_ per cent over the official UK clearing bank base rate current from time to time, compounded at monthly rests, in respect of: (i) all amounts (including interest) awarded to the claimant under paragraphs 1 and 2 of this award from the date of the award until payment; (ii) any amount becoming due from the respondent to the claimant under paragraph 3 of this award from the date of payment by the claimant until reimbursement. Reasons Section 52(4) provides that an award shall contain reasons unless it is an agreed award or the parties have agreed to dispense with reasons. It follows that generally reasons should be given for an award of interest. They should however ordinarily be very brief unless any question of principle is involved.