

ALUOCHIER DISPUTE RESOLUTION

Arbitral Institution · Rongo, Kenya
TRIBUNAL PROCEDURAL DIRECTION

TPD 18/2026

AMENDMENT TO TPD 12/2026

Replacement of Deferred Payment Scheme with Income Share Arrangement

Issued by the Chief Adjudicator and President of Independent Tribunals

15 June 2026

Field	Detail
Direction Reference	TPD 18/2026
Parent instrument amended	TPD 12/2026 (Direct Entry Portfolio Assessment) — specifically Parts 12 and 13 thereof, to the extent set out in this Direction
Date of Issue	15 June 2026
Operative Date	15 June 2026 (immediate)
Issued by	Chief Adjudicator and President of Independent Tribunals
Authority	AITAR 2026 Rule 4.4 and the financial access framework established by Part 12 of TPD 12/2026
Status of TPD 12/2026	Remains operative in full save to the extent that specific paragraphs are superseded by this Direction, as set out below. The remainder of Parts 12 and 13 of TPD 12/2026 — including the ARP framework, fees, eligibility, registration, standards, re-registration, and conversion provisions — are unaffected.

PART 1

Purpose and Scope

Part 12 of TPD 12/2026 established the financial access framework for the AITAR Tribunal Training Programme under the designation 'Deferred Payment Scheme' (DPS). The DPS was a loan-style mechanism: a trainee deferred the upfront training fee, which was treated as a sale upon provision of services and repaid with a 20% recovery premium within a 48-month period from Roster admission.

That mechanism is superseded by the Income Share Arrangement (ISA), which is an equity-style income-sharing arrangement. The ISA was already described on the public-facing ISA terms page at gazette.aluochier.co.ke/roster/isa-terms.html. This Direction gives it formal TPD authority, sets its terms precisely, and replaces the DPS provisions in TPD 12/2026 on a paragraph-by-paragraph basis.

The scope of this Direction is confined to the financial access mechanism. It does not affect the eligibility criteria, assessment procedures, competency framework, ARP programme structure, fee schedule, or any other provision of TPD 12/2026 not expressly superseded below.

Core distinction between DPS and ISA: Under the DPS, the training fee was recorded as a sale upon provision of services, creating a debt obligation from the date of enrolment regardless of income. Under the ISA, no sale is recorded and no debt is created. The ISA is a

genuine income-sharing arrangement: if the trainee earns appointment income, they share a percentage of it with ADR until the cap is reached. If they never earn from appointments, they owe nothing and the obligation is written off after 24 months. This distinction is internal to ADR's financial framework and is not material to the trainee's experience of the arrangement, save that it makes the write-off provision legally coherent.

PART 2

Amendments to TPD 12/2026 — Part 12

The following paragraphs of Part 12 of TPD 12/2026 are superseded and replaced with immediate effect. Each amendment is set out below with the superseded text identified and the replacement text following.

Amendment 1 — Paragraph 12.2.1 (DPS Eligibility and Staging Triggers)

SUPERSEDED — Paragraph 12.2.1 of TPD 12/2026

Stage 1 (immediate): DPS available for AISTAR Specialist Standalone, AIETAR Specialist Standalone, the combined AISTAR + AIETAR Bundle, and ARP registration fees.

Stage 2 (triggered when Roster reaches 30 active members with documented appointment income): DPS extended to Tier I full Programme enrolment.

Stage 3 (triggered when Roster reaches 50 active members): DPS extended to Tier II and Tier III enrolments.

REPLACEMENT — Paragraph 12.2.1 (ISA Eligibility)

12.2.1 ISA Eligibility

The Income Share Arrangement (ISA) is available from the date of TPD 18/2026 for the following training products, without any Roster-size trigger or staging condition:

- (a) Tier I — Foundation Certificate (KES 45,000). ISA cap: KES 90,000.
- (b) AISTAR Specialist Supplement — Module 13 (standalone) (KES 28,000). ISA cap: KES 56,000. Available to candidates who hold Tier I accreditation, whether through the standard programme or direct entry.

(c) ARP Registration fee (KES 5,000, applicable to all ARP applicants regardless of pathway). ISA cap: KES 10,000. Note: the ARP Induction Assessment fee (KES 4,000), payable separately by non-Programme applicants, is not ISA-eligible and is payable upfront.

ISA eligibility for Tier II, Tier III, and the AIETAR Specialist Supplement will be addressed in a further Direction as appointment volume data matures. The AISTAR + AIETAR Bundle remains eligible for ISA on the AISTAR component (KES 28,000, cap KES 56,000); the AIETAR component is not currently ISA-eligible.

Amendment 2 — Paragraph 12.2.2 (DPS Terms — Roster Members)

SUPERSEDED — Paragraph 12.2.2 of TPD 12/2026

Recovery rate: 15% of the professional fee from each appointment, deducted at QAR release.

Recovery premium: 20% of the deferred training cost added to the principal (e.g. KES 45,000 deferred → KES 54,000 owed).

Recovery period: 48 months from Roster admission. Outstanding balance becomes immediately due as a debt if not cleared within 48 months.

Security: Roster status. Three consecutive QAR releases with no payment triggers DPS Review.

REPLACEMENT — Paragraph 12.2.2 (ISA Terms — Roster Members)

12.2.2 ISA Terms — Roster Members

A Roster member enrolling under the ISA signs the ISA Agreement (Form ISA-1, Schedule 7). The terms are:

- (a) No upfront fee. No interest. No personal guarantee. No debt is created on enrolment.
- (b) Income share: 15% of the member's gross professional fee from each AITAR, AISTAR, or AIETAR appointment, recovered by ADR at the point of QAR release from within the 20% QAR held. The net QAR released to the member is 5% (20% held less 15% ISA share). The mechanics of this recovery are set out in amended paragraph 12.3(b) below.
- (c) Cap: twice the notional training fee. No recovery premium applies. A member who enrolled under the Tier I ISA owes a maximum of KES 90,000 in total, regardless of appointment income earned after the cap is reached.
- (d) Early payment: a member may discharge the outstanding cap balance in full at any time without penalty.
- (e) Write-off: if the member completes ISA-funded training, is admitted to the Roster, and then receives no appointments for 24 consecutive months — provided they were willing to accept appointments during that period — ADR writes off the entire ISA obligation. The write-off does not apply if the member declined appointments offered during the 24-month period.
- (f) No fixed recovery period. The ISA continues until the cap is reached, the balance is paid early, or the write-off condition is satisfied. There is no date on which an unpaid balance automatically becomes a debt.

Amendment 3 — Paragraph 12.2.3 (DPS Terms — ARP Representatives)

SUPERSEDED — Paragraph 12.2.3 of TPD 12/2026

DPS terms for ARP Representatives mirror those for Roster members save that: recovery rate of 15% is self-reported quarterly on Form DP2; recovery period and security mirror Roster member terms (ARP registration status as security).

REPLACEMENT — Paragraph 12.2.3 (ISA Terms — ARP Representatives)

12.2.3 ISA Terms — ARP Representatives

An ARP Representative enrolling under the ISA for ARP registration signs the ISA Agreement (Form ISA-1 adapted for ARP, Schedule 7). The ISA terms mirror those for Roster members under paragraph 12.2.2 above, save that:

- (a) The notional fee is the ARP registration fee of KES 5,000. The ISA cap is KES 10,000. The ARP Induction Assessment fee of KES 4,000 (for non-Programme applicants) is payable upfront and is not ISA-eligible.
- (b) Income share: 15% of representation fees earned from AITAR, AISTAR, and AIETAR proceedings, self-reported quarterly on Form DP2 (Representative Income Declaration, Schedule 7) and verified against ADR's appointment records.
- (c) Quarterly reporting obligation: Form DP2 submitted to the Registry within 14 days of the end of each calendar quarter. Consistent under-reporting — identified by cross-reference with appointment records — triggers ARP registration review.
- (d) Write-off: if the ARP Representative completes registration and then receives no appointments or representation engagements for 24 consecutive months — provided they were willing to accept them — ADR writes off the ARP ISA obligation. The security for the ISA is ARP registration status.

Amendment 4 — Paragraph 12.3 (QAR-Recovery Mechanism — Annual Fees and ISA Income Share Recovery)

SUPERSEDED (in part) — Paragraph 12.3 of TPD 12/2026 (QAR-Recovery Mechanism — ISA

interaction)

Under paragraph 12.2.2 of TPD 12/2026, ISA repayments were to be invoiced separately by ADR on notification of appointment income receipt, with VAT charged separately on the 15% invoice.

REPLACEMENT — Paragraph 12.3 (as amended) — QAR-Recovery Mechanism including ISA Recovery

12.3 QAR-Recovery Mechanism — Annual Roster Fees and ISA Income Share

The QAR-Recovery Mechanism serves two recovery functions on each QAR release:

(a) Annual Roster membership fee: ADR recovers the annual Roster fee as a first charge on the member's first QAR release in each anniversary year, as set out in the original paragraph 12.3. This is unchanged.

(b) ISA income share: for members enrolled under the ISA, ADR recovers 15% of the appointment professional fee as ISA income share at the point of QAR release, from within the 20% QAR already held. The net QAR released to the member is therefore 5% (being 20% held less 15% ISA share recovered). The ISA income share is recovered from the QAR held — ADR does not issue a separate invoice for the ISA recovery. The QAR release statement issued to the member must itemise: (i) the 20% QAR held; (ii) the 15% ISA income share recovered; (iii) the 5% net released; (iv) the cumulative ISA amount recovered to date; and (v) the remaining ISA balance to cap.

(c) Where both the annual Roster fee recovery and an ISA recovery apply on the same QAR release, both are applied from the 20% QAR held. If the combined recovery (annual fee plus 15% ISA share) exceeds the 20% QAR held — which will occur on very low-value appointments — the shortfall on the annual fee recovery is carried forward to the next QAR release. The ISA income share of 15% is applied first as it relates to the current appointment; the annual fee shortfall is deferred.

(d) VAT treatment: the ISA income share is recovered from the QAR already held, not invoiced separately. ADR accounts for VAT on the ISA income share component at the standard rate at the point of QAR release, treating the 15% recovery as the VAT-inclusive or VAT-exclusive amount in accordance with the VAT treatment applied to the original professional fee. The QAR release statement to the member must state the VAT accounting clearly. ADR does not issue a separate VAT invoice to the member for ISA recovery — the QAR release statement serves as the VAT document.

(e) Set-aside: where a Determination is set aside by the SRT and the QAR is transferred to the parties, no ISA income share is recovered from that appointment. The ISA balance is unaffected — the set-aside appointment did not produce settled appointment income for the member. The ISA write-off condition at paragraph 12.2.2(e) refers to 24 consecutive months of receiving no appointments, not 24 months of no QAR releases. A member whose Determinations are consistently set aside on SRT review does not benefit from the write-off condition on that basis alone.

Amendment 5 — References to 'DPS' and 'Deferred Payment Scheme' in Part 13 of TPD 12/2026

SUPERSEDED — All references in Part 13 to 'DPS', 'Deferred Payment Scheme', 'Form DP1', and 'DPS deferral' in connection with ARP registration fees

Paragraph 13.9 of TPD 12/2026 states: 'All ARP fees are eligible for DPS deferral under Part 12.' Schedule 6 Section E of TPD 12/2026 marks ARP registration and Induction Assessment fees as 'eligible for DPS deferral.' Form ARP-1 (Schedule 6) includes a field: 'DPS deferral requested for registration fee?'

REPLACEMENT — Part 13 and Schedule 6 references to financial access mechanism

All references in Part 13 of TPD 12/2026 and Schedule 6 thereof to 'DPS deferral', 'Deferred Payment Scheme', 'Form DP1', and equivalent language in connection with ARP registration fees are replaced with references to the 'Income Share Arrangement (ISA)' and 'Form ISA-1' respectively, on the terms set out in paragraph 12.2.3 above. The Schedule 6 Section E fee table note 'Eligible for DPS deferral' is replaced with 'ARP registration fee ISA-eligible (cap KES 10,000); Induction Assessment fee not ISA-eligible — payable upfront.' The ARP-1 Form field 'DPS deferral requested for registration fee?' is replaced with 'ISA enrolment requested for registration fee? YES / NO'.

PART 3

The ISA Agreement — Form ISA-1

A candidate or ARP applicant wishing to enrol under the ISA must sign the ISA Agreement (Form ISA-1). Form ISA-1 is available at gazette.aluochier.co.ke/roster/isa-terms.html. It sets out the terms of this Direction in plain language and constitutes the contractual instrument governing the income-sharing arrangement between the candidate and ADR.

No training access is granted under the ISA until the signed ISA Agreement is received by the Registry. Once received, the candidate is enrolled and training access is activated within 5 working days. The ISA is personal to the candidate and is not transferable.

Form DP1 (the Deferred Payment Agreement referenced in the original paragraph 12.2.2 of TPD 12/2026) is replaced by Form ISA-1 for all new enrolments from the date of this Direction. Form DP1 remains operative only for the small number of candidates who enrolled under DPS terms before the date of this Direction and who have not elected to transfer to ISA under paragraph 4.1 below.

PART 4

Transitional Provisions

4.1 Existing DPS Enrolees

Any candidate or ARP Representative who enrolled under the DPS terms of TPD 12/2026 before the date of this Direction retains the benefit of those DPS terms, unless they elect in writing to transfer to the ISA terms. The Registry will write to all affected enrolees within 14 days of the date of this Direction to explain the options and invite transfer election. Transfer to ISA terms cannot increase a candidate's total obligation beyond what would be due under the DPS — where the ISA cap (twice the notional fee) is lower than the DPS total (fee plus 20% premium plus accrued amounts), the ISA cap applies on transfer.

4.2 Outstanding Form DP2 Obligations

ARP Representatives who have submitted Form DP2 (Representative Income Declaration) under the DPS framework continue to submit Form DP2 under the ISA framework. The form content and quarterly reporting obligation are unchanged. The designation of the payment as an 'ISA income share' rather than a 'DPS recovery instalment' takes effect from the date of this Direction without requiring the representative to take any action.

4.3 No Retroactive Adjustment

Payments already made under DPS terms before the date of this Direction are not recalculated or refunded. They are credited against the applicable ISA cap from the date of this Direction, reducing the outstanding cap balance accordingly.

Registry Obligations

- All enrolment materials, training pages, and admission communications must describe the financial access mechanism as the 'Income Share Arrangement (ISA)' and must not use 'Deferred Payment Scheme' or 'DPS' for new enrolments from the date of this Direction.
- Form ISA-1 must be available for download at gazette.aluochier.co.ke/roster/isa-terms.html at all times.
- On receipt of a signed Form ISA-1, the Registry must acknowledge receipt within 3 working days and activate training access within 5 working days.
- ISA invoices must be issued on notification of appointment income receipt, stating: appointment fee received; 15% share due; VAT on that 15% (standard-rated); cumulative amount paid to date under this ISA; remaining balance to cap.
- The Registry must write to all DPS enrolees within 14 days of this Direction's issue date, explaining the transitional position and inviting ISA transfer election.
- The ARP Register entry for each ISA-enrolled ARP Representative must note 'ISA — registration fee' in the financial access field from the date of registration or transfer.

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