



CROATIAN CHAMBER OF ECONOMY

RULES ON ARBITRATION



PERMANENT ARBITRATION COURT
AT THE CROATIAN CHAMBER OF ECONOMY

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Permanent Arbitration Court
at the Croatian Chamber of Economy

Zagreb, February 2012

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Arbitration Clause

All disputes arising out of or relating to this contract, including such relating to its breach, termination or invalidity, and any legal consequence thereof, shall be finally settled by arbitration in accordance with the Rules of Arbitration of the Permanent Arbitration Court at the Croatian Chamber of Economy as in force (the Zagreb Rules).

Appropriate supplementary provisions:

- (a) The number of arbitrators shall be ... (one or three).
- (b) The substantive law of ... shall be applicable.
- (c) The language(s) to be used in the arbitral proceedings shall be ...
- (d) The place of arbitration shall be ... (city or state).
- (e) The appointing authority shall be ...

RULES ON THE PERMANENT ARBITRATION COURT AT THE CROATIAN CHAMBER OF ECONOMY*

Article 1

- 1 The Permanent Arbitration Court (hereinafter: the Court) operates within the Croatian Chamber of Economy.
- 2 The Court is independent in its work.
- 3 The seat of the Court is in Zagreb.
- 4 The Court may have regional centres in the seats in other county chambers of the Croatian Chamber of Economy.
- 5 The Court has a seal with the inscription: "The Permanent Arbitration Court at the Croatian Chamber of Economy" and the logo of the Croatian Chamber of Economy and the Court.

Article 2

- 1 The bodies of the Court are the Presidency, the President and the Court Registrar.
- 2 The bodies of the Court also include the arbitral tribunals which act in disputes before the Court or in relation to it.

Article 3

The Presidency of the Court consists of nine members: President, two Vice-presidents and six members without special functions. The members of the Presidency are appointed by the Management Board of the Croatian Chamber of Economy, for a term of four years.

Article 4

When, pursuant to the provisions of the Rules, the Presidency of the Court decides on a matter independently, in order for the decision to be valid the session of the Presidency must be attended by the President or Vice-presi-

dent and four members of the Presidency. If the session of the Presidency is attended by the Honorary President, for a decision to be valid it is necessary for the President or Vice-president, the Honorary President and four members of the Presidency to be present.

Article 5

- 1 The Court may have an Honorary President.
- 2 The Honorary President has the right to take part in the sessions of the Presidency with the right to vote.
- 3 The function of Honorary President is for life.
- 4 The decision to appoint a Honorary President is rendered by the Management Board of the Croatian Chamber of Economy.

Article 6

- 1 The lists of arbitrators are: the list of arbitrators in disputes with an international character and the list of arbitrators in disputes without international character. The Court may have other lists as necessary.
- 2 The lists of arbitrators from which single arbitrators, and the members and presidents of arbitration chambers may be selected are established for a period of four years by the Managing Board of the Croatian Chamber of Economy upon a motion by the Presidency of the Court.

Article 7

- 1 The Presidency of the Court performs general supervision of the work of the Court, takes care of the correct application of the Rules and other general acts of the Court, takes part in decision-making on the jurisdiction of the Court, decides on the use and allocation of the Court's financial resources, considers and approves the Court's annual report and plan of work for the following year, and carries out other tasks prescribed by the Rules, the Zagreb Rules and other acts of the Court.
- 2 If the arbitral tribunal does not accept the cautions regarding the need to amend the form of the draft presented, the Presidency of the Court shall rule on

* Published in „Narodne novine“ (Official Gazette) No. 142/2011 of 9 December 2011, in force as of 17 December 2011.

the justification of those cautions (Article 8, paragraph 3).

Article 8

- 1 The President of the Court represents the Court pursuant to the Rules and the general acts of the Croatian Chamber of Economy.
- 2 The President of the Court appoints arbitrators and presidents of arbitral tribunals in cases prescribed by the Zagreb Rules, decides on exemption of arbitrators, takes care of maintaining and developing cooperation with other organizations whose work is of interest for the Court, and performs other duties prescribed by the acts of the Court and decisions by the Presidency.
- 3 The examination of the draft award and conclusion shall be undertaken on behalf of the Court by the President or the member of the Presidency of the Court to whom the Presidency of the Court entrusts that task.
- 4 The President of the Court submits to the Croatian Chamber of Economy an annual report on the work and annual financial report of the Court, which has been approved by the Presidency of the Court.
- 5 The President of the Croatian Chamber of Economy or the President of the Court or the person authorized by them shall sign agreements with other courts, dependent on the existence of reciprocity.
- 6 The President of the Court may authorize the Vice-president or another member of the Presidency to undertake any of the tasks from his competence.

Article 9

- 1 The Presidency of the Court may transfer to a Vice-president or another member of the Presidency the work of undertaking certain tasks from the competence of the President of the Court.
- 2 The Presidency of the Court may select the Vice-president who will substitute for the President of the Court for the period defined by the Presidency.

- 3 The Vice-presidents of the Court shall substitute for the President when he is prevented from carrying out his duties.

Article 10

- 1 The Court Registrar shall be appointed by the President of the Croatian Chamber of Economy.
- 2 The Registrar may be a law graduate having passed the appropriate professional examination, who has active knowledge of English. The Registrar shall perform his duties on the basis of an employment contract for an undefined period of time.
- 3 If the President of the Croatian Chamber of Economy does not appoint a Registrar pursuant to the provisions of paragraph 1 of this Article, the Court Registrar shall be appointed upon a motion by the Presidency of the Court by the Managing Board of the Croatian Chamber of Economy, for the period set by the Presidency.

Article 11

- 1 The Court Registrar shall prepare the work of the Presidency and the President of the Court and execute their decisions.
- 2 The Court Registrar shall perform administrative tasks to constitute arbitral tribunals and prepare for litigation in specific matters, take care that conclusions and other decisions by arbitral tribunals are executed correctly, manage the work of the Registry, prepare an annual report on its work, the annual financial report and the plan of work of the Court for the following year, and perform other tasks prescribed by the acts of the Court.
- 3 If the Registrar is temporarily unable to work, the President of the Court shall appoint a temporary replacement.
- 4 The President of the Court is authorized to undertake all the tasks from the competence of the Court Registrar.

Article 12

- 1 The work of the Court Registry shall be performed by the necessary number of employees of the Croatian Chamber of Economy.
- 2 The Registry of the Court performs the administrative tasks of the Court, runs the library and documentation, keeps the Court archives and undertakes the financial transactions of the Court in line with the acts of the Croatian Chamber of Economy.

Article 13

- 1 The President, Vice-presidents of the Court, when substituting for the President in the cases prescribed by the Rules, and the Court Registrar from Article 10, paragraph 3 of the Rules, have the right to reimbursement of expenditure and payment for work done in relation to their function, in line with the decisions on payment of costs and remuneration for members of the bodies of the Court, arbitrators and other persons in proceedings before the Court, adopted by the Managing Board of the Croatian Chamber of Economy.
- 2 The provisions of paragraph 1 of this Article shall be applied as appropriate to other members of the Presidency and the temporary Deputy Registrar when acting pursuant to Article 11, paragraph 3 of the Rules.
- 3 The Registrar has the right to reimbursement of expenditure and payment in relation to work which does not come under his regular activities, pursuant to a decision by the Presidency.
- 4 Orders for reimbursement of expenditure and payment of persons from paragraph 1 of this Article shall be issued by a Vice-president of the Court or a member of the Presidency of the Court, to whom that money is not being paid.
- 5 Other payment orders from the funds of the Court shall be issued by the President or Registrar of the Court.

Article 14

The Croatian Chamber of Economy shall undertake supervision of the administrative and material-financial business of the Court and provide the funding needed for its work.

Article 15

The bodies of the Court elected according to previous regulations shall remain in function until the expiration of their term of office.

Article 16

The general acts of the Court, the lists of arbitrators and decisions on appointment of Presidents, members of the Presidency and the Registrar from Article 10, paragraph 3 of the Rules shall be published in the Official Gazette.

Article 17

When these Rules come into force, the Rules on the Permanent Arbitration Court at the Croatian Chamber of Economy (Official Gazette nos. 150/2002; 25/2004) shall no longer be in force.

Article 18

These Rules shall enter into force on the eight day from their publication in the "Official Gazette".

**RULES
OF ARBITRATION AT THE
PERMANENT ARBITRATION COURT
OF THE CROATIAN CHAMBER OF
ECONOMY
(ZAGREB RULES)***

I. GENERAL PROVISIONS

Content of the Rules

Article 1

The Rules of Arbitration at the Permanent Arbitration Court of the Croatian Chamber of Economy (hereinafter: The Rules) regulate the jurisdiction of the Permanent Arbitration Court of the Croatian Chamber of Economy (hereinafter: Arbitration Court), the composition and establishment of arbitral tribunals at the Arbitration Court and the rules on arbitration before arbitral tribunals.

Scope of Application

Article 2

(1) These rules shall apply to all disputes for which, according to the provisions of the Rules, the jurisdiction of the Permanent Arbitration Court or an arbitral tribunal at the Court has been agreed, unless it is expressly prescribed for some provisions that they only apply to disputes which are not international by nature.

(2) The parties may agree not to apply the provisions of the Rules, except the provisions of Articles 26 and 53 of the Rules and the *ius cogens* rules of the law which is relevant for the arbitration proceedings.

(3) The parties may agree for the Court to undertake only some of the activities prescribed by the Rules, and particularly:

- to act with authorization for appointments in ad hoc

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arbitrations and arbitrations conducted by other arbitration institutions;

- to provide administrative and other services, organize hearings and make premises and equipment available for conducting arbitration according to other arbitration rules.

(4) Provisions of bilateral or multilateral agreements on cooperation in dispute resolution concluded between the Arbitration Court and other arbitration institutions shall be deemed an integral part of the Rules, subject to the condition that in the arbitration agreement or subsequently the parties agree to their application.

(5) When the rules from these Rules or of the law relevant for arbitration proceedings refer to an agreement between the parties or to the possibility of their agreement on an issue, such an agreement shall also cover all the rules of arbitration mentioned in the agreement or to which the agreement refers.

(6) The agreement referred to in Paragraph 5 of this Article may be concluded in any of the manners provided for concluding arbitration agreements. Such an agreement may also be concluded by concurring statements of the parties given at a hearing before the arbitral tribunal, in which case it must be recorded in the minutes of this hearing which the parties shall sign.

Jurisdiction of the Arbitration Court

Article 3

(1) The jurisdiction of the Arbitration Court and the arbitral tribunal at the Arbitration Court shall be established by the arbitration agreement.

(2) If the venue of arbitration is in the Republic of Croatia, parties may stipulate the jurisdiction of the Arbitration Court and arbitral tribunal at the Arbitration Court for resolution of disputes on rights of which the parties may freely dispose.

(3) If the venue of arbitration is outside of the Republic of Croatia, parties may stipulate the jurisdiction of the Arbitration Court and arbitral tribunal at the Arbitration

Court for resolution of disputes on rights of which the parties may freely dispose only if at least one of them is physical person with domicile or habitual residence abroad or a legal entity established under foreign law, except when special law prescribes that such dispute may be resolved only by a court in the Republic of Croatia.

(4) It shall be deemed that when parties stipulated jurisdiction of the Arbitration Court for the resolution of certain of their disputes, they also stipulated the jurisdiction of arbitral tribunal which shall be established pursuant to these Rules.

(5) If the arbitration agreement does not expressly provide otherwise, it shall be deemed that, in stipulating the jurisdiction of the Court, the parties also agree to the jurisdiction of the bodies of the Court:

- to appoint arbitrators and decide on their exemption and dismissal,
- to order interim measures and issue payment orders,
- to perform other tasks prescribed by these Rules.

(6) As an exception from paragraph 1, the jurisdiction of the Court and the arbitral tribunal at the Court shall also be established when this is prescribed by a separate law.

Refusal of Jurisdiction

Article 4

(1) The Presidency of the Arbitration Court shall refuse, by a conclusion, at the latest until the establishment of the arbitral tribunal, the jurisdiction of the Arbitration Court to hear certain disputes even if the jurisdiction of the arbitration court has been agreed, if the arbitration agreement concluded relates to rights of which the parties may not freely dispose or if reasons referred to in Article 3 of these Rules exist due to which the jurisdiction of an arbitral tribunal at the Arbitration Court may not be stipulated.

(2) The Presidency of the Arbitration Court may also refuse jurisdiction when parties stipulated such venue, language, composition, manner of establishment of arbitral tribunal or rules on arbitration procedure which make

the conduct of arbitration before the arbitral tribunal possible only with disproportional difficulties or expenses, or if they essentially divert from the manner of dispute resolution laid down in these Rules.

(3) When the Presidency of the Arbitration Court refuses jurisdiction by a conclusion pursuant to the provisions of paragraphs 1 and 2 of this Article, it shall be deemed that no valid agreement exists on the jurisdiction of the arbitral tribunal at the Arbitration Court.

(4) The Presidency of the Arbitration Court may render a decision on jurisdiction pursuant to the provisions of paragraph 1 of this Article upon the motion of the Registry of the Arbitration Court and the President of the Arbitration Court, and pursuant to the provisions of paragraph 2 of this Article upon the motion of the President, the Registrar of the Arbitration Court and the arbitral tribunal

Determination of the Value of the Subject Matter of Dispute

Article 5

(1) If the action or counteraction comprises several main claims, the value of the subject matter of the dispute shall be determined separately for each of those claims. Interest, the costs of the proceedings and other incidental claims are not taken into account if they are not part of the main claim.

(2) A claim for payment of an agreed penalty is deemed a main claim.

(3) If by the claim the payment of a certain sum of money is sought, the value of the subject matter of the dispute is determined according to the amount of that sum.

(4) If the claim does not seek payment of a certain sum of money, the value of the subject matter of the dispute which the plaintiff and counter-claimant indicated in the claim or counter-claim shall be taken as relevant. If, at the suggestion of the Registrar of the Arbitration Court, the opposing party or the arbitral tribunal, the President of the Arbitration Court assesses that the value of the subject matter of the dispute as indicated is manifestly

too high or too low, after giving the parties the opportunity to make a statement, he shall determine the value of the subject matter of the dispute to which the claim relates by a conclusion.

(5) The value of the subject matter of the dispute in collective employment disputes and "enforced arbitration" may not be lower than 2,000,000.00 HRK.

Stay of Arbitration Proceedings in Case of Proceedings before a Court

Article 6

(1) If civil contentious proceedings or some other form of proceedings have been instituted on the same matter between the same parties, the arbitral tribunal may, if it finds that there are particularly important reasons for this, order the arbitration proceedings to be stayed until the civil contentious proceedings before a court are concluded.

(2) If bankruptcy proceedings are instituted during the arbitration proceedings in relation to any of the parties, the arbitration proceedings shall be stayed or some other legal effects shall occur in line with the relevant arbitration and bankruptcy law. The continuation of the arbitration proceedings and their effects shall also be governed by these laws.

The Venue of Arbitration

Article 7

(1) The parties may agree for the venue of arbitration to be in the Republic of Croatia or some other state. After instituting arbitration proceedings, the parties may not agree to set the venue of arbitration in a place outside the territory of the state in which the arbitration was located at the time the arbitration proceedings were instituted.

(2) The arbitral tribunal is not authorized to determine the venue of the arbitration without the agreement of the parties on this.

(3) If the parties have not agreed otherwise, the venue of arbitration shall be the seat of the Arbitration Court.

(4) If the parties stipulate the venue of arbitration outside the seat of the Arbitration Court, the arbitration shall be held at the agreed venue only if the parties, at the request of the Registrar of the Arbitration Court, pay an advance deposit to cover the costs so incurred. If the parties do not pay the advance deposit within the time limit set, it shall be deemed that they have agreed for the arbitration to be conducted at the seat of the Arbitration Court.

(5) If the parties do not oppose this in agreement, the arbitral tribunal is authorized to determine that hearings in the proceedings are held outside the venue of the arbitration. These hearings shall be held outside the venue of the arbitration only if the parties, at the request of the Registrar of the Arbitration Court, pay an additional advance deposit to cover the costs incurred in that way. If the parties do not pay the advance deposit within the time limit set, the hearing outside the location of the arbitration shall not be held.

(6) It shall be deemed that the arbitration award and other decisions by the arbitral tribunal are rendered at the venue of the arbitration.

The Language of Arbitration

Article 8

(1) The parties may agree on the language or languages in which the arbitration will be conducted. If there is no such agreement, the arbitral tribunal shall decide in which language or languages the proceedings are conducted. The agreement by the parties, or the decision by the arbitral tribunal, if it does not establish otherwise, shall apply to all written statements by the parties, the oral proceedings and all decisions and other notifications by the arbitral tribunal.

(2) The arbitral tribunal may order a translation into the language or languages agreed on by the parties or established by the arbitral tribunal to be enclosed with all written evidence.

(3) Until the language of the proceedings is established, the action, reply to the action and other submissions may

be filed in the language of the main agreement, the language of the arbitration agreement or in Croatian.

Representation and Counselling

Article 9

The parties may appoint representatives and advisors of their choice. The names and addresses, including e-mail addresses, of these persons must be sent in writing to the Court and the other party. This notification should indicate whether the appointment relates to representation or advising.

II. SUBMISSION AND SERVICE OF DOCUMENTS

Submissions and Other Written Communications

Article 10

(1) The parties and intervenors in the proceedings shall submit the action and the reply to the action and other submissions and written notifications, together with the enclosures to those submissions, to the Court Registrar, at the address of the Court, in a sufficient quantity for the Court Registrar, the opposing party, intervenors and members of the arbitral tribunal.

(2) If several persons are taking part in the proceedings as litigants, the parties and the intervenors shall file a sufficient number of copies of their submissions with enclosures for each of the co-litigants, regardless of which side of the proceedings they are on, unless they have a joint representative.

(3) Other participants in the proceedings shall file their written notifications with the Court Registrar at the address of the Court.

(4) In the copy of the file kept at the Court there should be at least one copy of every submission on the basis of which the arbitral tribunal deliberated and ruled. At the request of the parties or the arbitral tribunal the Court Registrar shall issue a copy of certain documents from the file kept at the Court.

(5) The Court Registrar or the arbitral tribunal may also require the parties to file their submissions and enclosures with the Court in electronic form.

Direct Submission of Documents

Article 11

(1) The parties, intervenors and other participants in the proceedings may send each other specific submissions with enclosures and other documents directly only with the approval of the Court Registrar or, after the arbitral tribunal has been established, with the approval of that tribunal.

(2) The Court Registrar and the arbitral tribunal may order the parties, unless they oppose this unanimously, to send their submissions with enclosures during the proceedings directly to each other by registered mail with record of delivery, to the address specified.

(3) A party acting on an order from paragraph 1 of this Article shall enclose with the submission sent to the Court the original or a copy of the certificate of registered mail sent to the opposing party, and, at the request of the Court Registrar or the arbitral tribunal, also the record of delivery proving orderly service.

Service of documents

Article 12

(1) If the parties have not agreed otherwise, it shall be deemed that the documents of the arbitral tribunal and, depending on the case, the enclosures to these documents, have been served on the day they are handed over at the postal address of the addressee or to the person authorized to receive documents.

(2) The postal address is the address the parties indicated as such in the arbitration agreement, in the main agreement or in the document defining the tasks of the arbitral tribunal as the address where service is to be made to them, according to which of those addresses they have marked as such. The parties may indicate their address for receipt of documents subsequently during the proceedings in a submission or at a hearing.

(3) If the parties have not indicated their address pursuant to paragraph 2 of this Article, service shall be performed on them at the registered address of their permanent or habitual residence or their business seat, or to another address registered for receipt of communications - if that address may be established by means of the usual measures to establish addresses, or if it cannot be established, at the last known address.

(4) If the service of documents by post to the parties does not succeed at the address from paragraph 2 of this Article because they are unknown at that address, the service shall be conducted at the address from paragraph 3 of this Article if that address differs from the address in paragraph 2 of this Article.

(5) If service is not successful at the address from paragraph 2 or paragraph 3 of this Article, even after two consecutive attempts, after a gap of 30 days, by registered mail with a delivery note, leaving notice to the party about when the service would be attempted again or that the document could be collected from the post office, it shall be deemed that the service has been carried out after the expiration of the time limit within which the party was able to collect the document from the post office.

(6) If the parties stipulated in the arbitration agreement or subsequently for service to be made to the address of a specific person, e.g. a notary public or attorney, and that service does not succeed at that address because that person no longer exists or refuses to receive the correspondence for the party, the service shall be conducted according to the provisions of paragraph 2 or paragraph 3 of this Article.

(7) The Registrar of the Arbitration Court or the arbitral tribunal, with the agreement of the parties, may order during the proceedings the use of another delivery service apart from the post office.

(8) If necessary, service in arbitration proceedings may also be performed through a notary public. In that case, the notary public's certificate of completed service shall be valid proof of the same.

Electronic Communications

Article 13

(1) The parties may agree in the arbitration agreement or later during the arbitration proceedings to send their submissions or any enclosures to the Arbitration Court by electronic mail, to exchange them or for the Arbitration Court to send all or only some documents (e.g. summons to hearings etc.) also by electronic mail.

(2) In the case from paragraph 1 of this Article the parties are obliged, at the request of the Arbitration Court or the opposing party, to furnish their submissions and enclosures to them in paper/hard copy format as well.

(3) The possibility and manner of electronic communication may also be established in the document defining the task of the arbitral tribunal.

(4) In the cases from paragraphs 1-3 of this Article the parties are obliged to confirm by electronic mail the receipt of specific submissions and enclosures.

III. THE ARBITRAL TRIBUNAL

1. The Number of Arbitrators and the Constitution of the Arbitral Tribunal

Number of Arbitrators

Article 14

(1) The parties may agree for the arbitration to be conducted by an arbitral chamber or a sole arbitrator

(2) If the parties have not reached a prior agreement about the number of arbitrators in disputes in which the foreign currency value of the subject matter of the dispute does not exceed 100,000.00 EUR, the arbitration shall be conducted by a sole arbitrator, whilst in other disputes, the arbitration shall be conducted by a chamber of three arbitrators.

Persons who can be Appointed Arbitrators

Article 15

- (1) The parties may also appoint a person to be arbitrator who is not on the list of arbitrators of the Court.
- (2) The person authorized for appointment may only appoint a sole arbitrator and members or the President of the chamber from the relevant list of arbitrators from Article 4 of the Rules of the Court.

Appointment of Sole Arbitrators

Article 16

- (1) If the parties have agreed for only one arbitrator to be appointed, they shall inform the Court Registrar of the name of the sole arbitrator. The name of the sole arbitrator may in that case be already established in the agreement on arbitration, in a subsequent agreement or during the arbitration proceedings.
- (2) If the parties do not act in line with the provisions of paragraph 1 of this Article within the appropriate time period set by the Court Registrar, which may not be shorter than 15 days from the day the reply to the action is submitted to the Court or from the day of failure to file a reply to the action, the sole arbitrator shall be appointed by the person authorized for appointments (Article 19).

Appointment of the arbitral chamber

Article 17

- (1) If the arbitration is to be conducted by a chamber of three arbitrators, each party shall appoint one member of the chamber. The members of the chamber so appointed shall select the third member who will be the President of the chamber.
- (2) If the plaintiff does not appoint an arbitrator to be member of the chamber in the action or even following a time period of 15 days after he has subsequently been invited to do so, or if the respondent does not appoint an arbitrator to be member of the chamber in the reply to the action or within 15 days after he has subsequently invited

to do so, the members of the chamber shall be appointed by the person authorized for appointments (Article 19) instead of the parties.

- (3) If the two members of the chamber appointed pursuant to the provisions of the previous paragraphs cannot agree about the choice of President of the chamber within a period of 30 days from the appointment of the member of the chamber who was appointed later, the President of the chamber shall be appointed by the person authorized for appointments (Article 19).

Appointment in Case of Co-litigants

Article 18

- (1) If several plaintiffs are participating in a single dispute as co-litigants, they are obliged to reach prior agreement on the appointment of a common arbitrator. If they fail to do so even within 15 days after they have been invited to do so, the arbitrator shall be appointed by the person authorized for appointments (Article 19) from the list of arbitrators of the Court.
- (2) If several respondents are participating in a single dispute, who in terms of the subject matter of the dispute are in a legal community, or whose rights and obligations which are the subject matter of the dispute are founded on the same factual and legal grounds, they are obliged to appoint a common arbitrator in their reply to the action or within 15 days of being invited to do so. If they fail to do so the arbitrator shall be appointed by the person authorized for appointments (Article 19) from the list of arbitrators of the Court.
- (3) If in a single dispute there are several respondents participating, who in terms of the subject matter of the dispute are not in legal community, or whose rights and obligations are not founded on the same factual and legal grounds, and they do not appoint a common arbitrator at the latest within 15 days of being invited to do so, the person authorized for appointment shall appoint all the members of the chamber regardless whether the plaintiff has appointed an arbitrator or whether the plaintiffs have appointed a common arbitrator (Article 19).

Person Authorised for Appointment

Article 19

- (1) The parties may agree to designate the person authorized for appointment.
- (2) If the parties do not reach agreement on the person authorized for appointment or if the person authorized for appointment designated by agreement declines to serve, the person authorized for appointment shall be the President of the Court.

Actions by Person Authorised for Appointment

Article 20

- (1) The person authorized for appointment is obliged to appoint the arbitrator without delay. The person authorized for appointment shall make the appointment by applying the procedure according to the list (paragraphs 2 to 4) only if the parties have expressly agreed on its application or if he deems that this is appropriate in the specific case.
- (2) Applying the procedure according to the list:
 - (a) at the request of one of the parties or both parties, the person authorized for appointment shall send both parties identical lists containing at least three names;
 - (b) within 15 days of receiving the list each party may return the list to the person authorized for appointment after they have crossed out the name or names they do not accept and indicated by number the remaining names on the list in their desired order.
 - (c) after the expiry of the time limit from point (b) the person authorized for appointment shall appoint the arbitrator from the persons whose names are approved on the returned lists, according to the order indicated by the parties;
 - (d) if the appointment cannot be conducted in this way, the person authorized for appointment may appoint the arbitrator according to his own assessment.
- (3) When appointing the arbitrator, the person authorized for appointment is obliged to take into account all the facts

to ensure the appointment of an independent and impartial arbitrator and the justification of appointing an arbitrator who does not have the same citizenship as the parties.

- (4) If the two appointed arbitrators do not agree on the choice of the President of the arbitral chamber within a time limit of 30 days after the appointment of the second arbitrator, he shall be appointed by the person authorized for appointment in the manner prescribed in paragraphs 1 and 2 of this Article.

Appointment of Arbitrators having Permanent or Habitual Residence outside the Venue of Arbitration

Article 21

- (1) A party who appoints an arbitrator who is not on the list of arbitrators of the Court and whose permanent or habitual residence is outside the venue of the arbitration, is obliged to make an advance of the additional funds needed to cover the costs of the arbitrator's travel and stay in the venue of the arbitration - if the Court Registrar deems that this appointment causes inappropriate expenditure in relation to the participation of this arbitrator in the proceedings.
- (2) If the party does not make an advance payment of the funds from paragraph 1 of this Article within the time limit set by the Court Registrar in its invitation to do so, it shall be deemed that they have not appointed an arbitrator within the time limit set.
- (3) The additional costs of the arbitrator from paragraph 1 of this Article shall be included in the costs of the arbitration proceedings.

Foundation of Arbitral Tribunal

Article 22

- (1) It shall be deemed that the arbitral tribunal is founded on the day when the Court receives a statement from the single arbitrator appointed or a statement from all the members of the arbitral tribunal on their independence and accepting their duties.

(2) The Court shall inform the sole arbitrator or the members of the arbitral tribunal and the parties of this date.

2. Independence and Impartiality of Arbitrators; Substitution, Revocation and Dismissal of arbitrators

Independence and Impartiality of Arbitrators

Article 23

(1) A person who has been approached regarding appointment as an arbitrator is obliged to state all circumstances which could bring their independence or impartiality into question.

(2) Even after appointment, an arbitrator is obliged to inform the parties without delay of such circumstances, unless he has already informed them about them earlier.

Substitution of Arbitrator

Article 24

If during the arbitration proceedings for any reason at all an arbitrator needs to be substituted, the arbitrator who will substitute him shall be appointed according to the provisions of the Rules by which a substitute arbitrator is appointed. This is also the case when a party did not take part in the appointment procedure to appoint the arbitrator who is being substituted.

Exemption of Arbitrator

Article 25

(1) If circumstances exist which bring the independence and impartiality of an arbitrator into reasonable doubt, the President of the Court shall exempt him at the request of one of the parties.

(2) A party may request the exemption of an arbitrator whom they appointed or in whose appointment they participated only if the reason for exemption occurred or if the party learned of it after the arbitrator was appointed.

(3) A request for exemption shall be filed in writing, giving the reasons why exemption is requested. The request may be filed within 30 days of when the party requesting exemption learned of the appointment of the arbitrator or of a circumstance from paragraph 1 of this Article.

(4) If the arbitrator whose exemption is requested does not withdraw or the other party does not agree with the request for exemption, the person authorized for appointment shall decide on that request, after the arbitrator whose exemption is requested and the other party are given the opportunity to make a statement about this. The decision must be given with a statement of reasons.

Termination of an Arbitrator's Mandate due to Failure to Perform his Duties

Article 26

(1) A party may ask the President of the Court to conduct proceedings to render a decision on the termination of the mandate of an arbitrator for the failure to perform his duty.

(2) The proceedings to render a decision from paragraph 1 of this Article may also be instituted by the President of the Court or the Presidency of the Court *sua sponte*.

(3) A conclusion to terminate the mandate of an arbitrator due to the failure to perform his duty shall be rendered by the Presidency of the Court on the basis of a reasoned motion by the President of the Court or the Vice-President appointed by him.

(4) The Presidency shall decide on the proposal to terminate after the arbitrator has been given the opportunity to make a statement regarding that motion.

(5) The mandate of the arbitrator, whose mandate has been terminated, shall end when the decision by the Presidency is served on the parties.

(6) An arbitrator whose mandate has been terminated shall only have the right to reimbursement of the expenses he incurred in the proceedings and to an appropriate fee for work done if the failure to perform his duty occurred for justified reasons.

(7) The arbitrator is obliged to submit his claim for reimbursement of expenses and an appropriate fee within 15 days from receipt of the decision to terminate his mandate. If he does not do so he shall lose the right to request reimbursement of expenses and an appropriate fee .

(8) A chamber composed of the President of the Court and two Vice-Presidents shall decide on the reimbursement of expenses and the appropriate fee, unless the Presidency of the Court decides otherwise.

(9) arbitrators give their consent to the application of the provisions of this Article by signing a statement of impartiality and acceptance of duties.

Retrial in Case of Change of the Composition of Arbital Tribunal

Article 27

(1) If the composition of the arbitral tribunal is altered, there shall be a retrial. The arbitral tribunal may decide not to hold a retrial if the parties so agree.

(2) If a new sole arbitrator is chosen or appointed, there must be a retrial.

IV. ARBITRATION PROCEEDINGS

1. The Action and Reply to the Action

Action

Article 28

(1) Arbitration proceedings are instituted by an action, unless the parties have agreed otherwise.

(2) The action shall be submitted to the Court and shall contain:

- (a) the names and addresses of the parties, including their e-mail addresses,
- (b) the claim
- (c) statements of the facts on which the claim is founded,
- (d) statements and proposed evidence

(e) statements on the arbitration agreement, if it has been concluded,

(f) statements on the appointment of arbitrators

(g) an indication of the value of the subject matter of the dispute,

(3) The action must also have enclosed a copy of the main agreement and the arbitration agreement (if it is not contained in the main agreement), if these documents exist.

(4) Arbitration proceedings at the Court begin on the day when the Court receives the action.

Reply to the action

Article 29

(1) The Court Registrar sends the respondent the action and its enclosures, and sets a time limit for filing a written reply to the action. The reply shall be filed with the Court, and the Court Registrar sends it to the plaintiff together with its enclosures.

(2) The provisions of paragraphs 2 and 3 of Article 28 of the Rules shall be applied in the appropriate manner to the reply to the action.

(3) The action shall not be sent to the respondent before the plaintiff pays the entire amount of the advance of the costs of the arbitration proceedings.

Loss of the Right to Object

Article 30

A party who knows or who should have known that a provision of the relevant law on arbitration which the parties may not wave or a condition arising from the arbitration agreement has not been respected, and despite this fact continues to take part in the arbitration and does not object without delay to this omission, or does not object within the time limit set for objections, shall lose the right to invoke that omission.

2. Counter-action and Objection of Set-off

Counter-action

Article 31

The respondent may file a counter-action with the Court right up until the conclusion of the deliberations if the claim from the counter-action stems from the legal relationship covered by the arbitration agreement concluded.

Objection of Set-off

Article 32

(1) The respondent may file an objection of set-off right up to the conclusion of the litigation, requesting the arbitral tribunal to declare the claim referred to in the counter-action and set it off against the plaintiff's claim, only if the arbitral tribunal finds that the plaintiff's claim is well-founded.

(2) The respondent may only file an objection of set-off pursuant to paragraph 1 of this Article if it stems from a legal relation covered by the arbitration agreement concluded. It shall be deemed that the objection of set-off stems from a legal relation covered by the arbitration agreement concluded if the plaintiff does not object to the jurisdiction of the arbitral tribunal for litigation and decision-making on that counter-action no later than before beginning litigation on its merits.

(3) The rules that apply to a counter-action shall also apply to an objection of set-off in terms of the duty of the party to pay a registration fee and an advance deposit for the costs of the arbitration proceedings.

(4) The arbitral tribunal may, if it deems it to be purposeful, render a decision to separate the proceedings on the action and the objection of set-off and set the respondent a time limit in which to amend his/her objection of set-off into an action in which he presents an unconditional claim.

(5) The fees and advance deposit paid before the separation of the proceedings will be taken into account in the separated proceedings

(6) The effects of filing an objection of set-off in the separated proceedings on the action which the respondent files on the basis of an objection (e.g. the interruption of the statute of limitations) shall be calculated from the time that objection was filed in the proceedings before separation.

(7) In the case of separation of proceedings, the arbitral tribunal which conducted the proceedings shall retain jurisdiction for conducting the proceedings on the action founded on the objection of set-off after the separation of the proceedings.

(8) If the respondent does not file an action instead of an objection for set-off within the time limit set by the arbitration tribunal (paragraph 4), it shall be deemed that he has withdrawn his objection of set-off and in that case he is obliged to reimburse the costs to the plaintiff as in the case of withdrawal of a counter-action.

3. Defining the Task of the Arbitral Tribunal

Document defining the task of the arbitral tribunal

Article 33

(1) Immediately after its foundation, the arbitral tribunal may draw up a document defining the task of the arbitral tribunal. This document may in particular contain:

- the names and data on the parties
- postal and electronic addresses of the parties and their representatives to which notifications may be sent and through which communication may be undertaken for the needs of the arbitration proceedings;
- the names, data and postal and electronic addresses of the arbitrators to which notifications may be sent and through which communication may be undertaken for the needs of the arbitration proceedings;
- data on the composition of the arbitral tribunal;
- the referral to the arbitration agreement between the parties as the grounds of the jurisdiction of the arbitral tribunal
- the venue of arbitration

- the language of arbitration
- data on the relevant substantive law;
- data on the relevant rules of proceedings;
- data on the manner of rendering procedural decisions by the arbitral tribunal;
- rules on the form and manner of proposing evidence to the arbitral tribunal;
- rules on the manner of hearing witnesses and expert witnesses in the arbitration proceedings
- rules on the content and form of submissions by parties and the manner of filing them with the arbitration court and to the parties;
- the summary of statements and allegations by the parties and their requests;
- disputed questions which the arbitral tribunal needs to resolve;
- an indication that the arbiters have accepted their appointment, that the parties accept the jurisdiction of the arbitral tribunal and that it is authorized to resolve the dispute pursuant to this document, that the parties have no objection to any of the arbiters, that they deem the arbiters to be impartial and independent, and that the arbitral tribunal has been correctly founded, or an indication that a dispute exists between the parties regarding jurisdiction.
- a preliminary time table for undertaking tasks in the proceedings.

(2) A draft document from paragraph 1 of this Article shall be sent by the arbitral tribunal to the parties and a reasonable time limit set for their observations. In order to draw up this document, reach agreement on its content and sign it, a special meeting may be held if the arbitral tribunal deems that this is necessary.

(3) The arbitral tribunal shall draw up a document defining the tasks of the arbitral tribunal if the parties have agreed on this in the manner prescribed for concluding the arbitration agreement or subsequently during the proceedings by an exchange of submissions or at a hearing.

(4) The document defining the task of the arbitral tribunal shall not be drawn up if the parties agree that it is not necessary to do so.

(5) If, in case referred to in paragraph 1 of this Article, the arbitral tribunal does not render a conclusion on drawing up a document defining its task within two months of its foundation, it shall be deemed that it has decided that such document will not be drawn up.

Signing and Approval of the Document Setting the Tasks of the Arbitral Tribunal

Article 34

(1) The document setting the tasks of the arbitral tribunal shall be signed by the arbitrators and the parties.

(2) The documents from paragraph 1 of this Article must be drawn up and signed within two months of the foundation of the arbitral tribunal. This time limit may be extended by the President of the Court or the person he/she authorizes following a reasoned request by the arbitral tribunal.

(3) If one of the parties refuses to take part in drawing up the document or refuses to sign it, the document shall be sent to the Court for approval. The President of the Court or the member of the presidency of the Court appointed by him/her shall rule on approval.

4. General Rules of Procedure

Conduct of Proceedings

Article 35

(1) If the Rules do not prescribe otherwise, the arbitral tribunal shall conduct the proceedings in the manner it deems appropriate.

(2) If it deems that in view of the circumstances of the case it is appropriate and if this has not already been done in the documents setting the task of the arbitral tribunal, the arbitral tribunal may immediately define a basic schedule for the arbitration, after allowing the parties to express their opinions about this.

Jointer and Severance of Proceedings

Article 36

(1) If the parties to the dispute file independent actions against one another from the same or different legal relations, for which they have agreed the jurisdiction of the arbitral tribunal at the Court, if it would be purposeful in view of the disputes instituted by those actions, the Registrar of the Court shall endeavour for the debate and decision making on them to be merged and continued before the arbitral tribunal in the same composition.

(2) At the request of any of the parties, in proceedings being conducted against several respondents, where the dispute does not need to be resolved solely in an equal manner according to the law or the nature of the legal matter, the arbitral tribunal may decide for the severance of the proceedings in relation to some of them if it is not possible to conduct proceedings in relation to one or some of them for a certain period of time.

(3) The arbitral tribunal may decide, at the request of any of the parties, unless the parties jointly object to this, for proceedings instituted jointly by several plaintiffs, and where the dispute must not be resolved solely in an equal manner according to the law or the nature of the legal matter, for the severance of the proceedings in relation to some of them if it is not possible to conduct them in relation to one or some of them for a certain period of time.

(4) In the cases from paragraphs 2 and 3 of this Article, the parties are obliged to pay an additional registration fee and advance deposit for the conduct of separated proceedings as though they were instituted as separate proceedings. If these amounts are not paid in within the time limit set by the Registrar of the Court, the proceedings will not be separated.

(5) The arbitral tribunal shall decide whether the procedural actions undertaken in the proceedings before the separation will be repeated in the separated proceedings.

(6) After the reasons for the separation of the proceedings no longer exist (paragraph 2 and 3), the separated proceedings may be re-merged (paragraph 1).

Co-litigants

Article 37

(1) Several people may sue or be sued by a single action as co-litigants only if they are in legal community in terms of the subject-matter of the dispute or if their rights and obligations are founded on essentially the same facts and legal grounds, and especially if the dispute may only be resolved for them in the same manner according to the law or the nature of the legal relationship.

(2) Solidary creditors and solidary debtors may be encompassed by the same action as co-litigants.

(3) The plaintiff may only encompass two respondents in the action, asking the arbitral tribunal to accept the claim against the subsequent respondent if it has been dismissed against the one given previously in the action, if both respondents agree to this.

Intervenor

Article 38

A person who has a legal interest to join one of the parties in the dispute as an intervenor may join that party if both parties agree to this.

Time Limits

Article 39

(1) The parties may agree together to extend the time limits for performing certain procedural tasks by the parties established by the Rules or a conclusion by the arbitral tribunal.

(2) The Registrar of the Court and the arbitral tribunal are authorized, in justified cases and within the bounds of their jurisdiction, to extend the time limits for performing certain procedural tasks established by the Rules or a conclusion by the arbitral tribunal, taking care to prevent unnecessary stalling of the proceedings.

(3) The arbitral tribunal, taking all the circumstances into account, shall assess if procedural tasks undertaken by the parties after the expiry of the time limits set may be recognized.

(4) The provisions of paragraph 2 of this Article do not apply to failure to meet time limits for filing objections against payment orders.

Conclusion of the Trial

Article 40

(1) When the arbitral tribunal finds that a case has been has been litigated sufficiently and a decision may be rendered, it shall announce the conclusion of the litigation.

(2) The arbitral tribunal may decide to re-open litigation once it has been concluded if this is necessary in order to supplement the proceedings or clarify important issues.

5. Decision on the composition of the arbitral tribunal

Objection of Lack of Jurisdiction

Article 41

(1) The arbitral tribunal may decide on its own jurisdiction, including deciding on every objection regarding the existence or validity of an arbitration agreement. For that purpose, the arbitration clause, which is an integral part of a contract, shall be deemed an agreement regardless of the other provisions of that contract. A decision by the arbitral tribunal about whether that contract is null and void in itself does not mean that the arbitration clause is also void.

(2) An objection to the effect that the arbitral tribunal does not have jurisdiction must be filed no later than the reply to the action or, in relation to a counter-action or objection of set-off, in the reply to the counter-action or the objection of set-off. The fact that a party appointed an arbitrator or participated in appointing an arbitrator does not deny them the right to this objection. An objection that the arbitral tribunal is exceeding the bounds of its jurisdiction must be filed as soon as the case in which it is alleged that it is exceeding the scope of its jurisdiction is presented in arbitration proceedings. The arbitral tribunal may in both cases allow the subsequent filing of an objection if it deems that the delay was justified.

(3) The arbitral tribunal may decide on the objection from paragraph 2 of this Article as a preliminary question or in the decision on the merits of dispute. The arbitral tribunal may continue with the proceedings and render a judgement, regardless of any proceedings being conducted before a state court in relation to its jurisdiction.

6. Evidence

General Provisions

Article 42

(1) The arbitral tribunal shall decide on the admissibility, importance, significance and strength of the evidence proposed and heard and which party has the burden of proving the truth of certain factual assertions.

(2) The arbitral tribunal, if it finds it to be purposeful, may ask the parties to send the arbitral tribunal and the other party, within the time limit set by the arbitral tribunal, a summary overview of the documents and other evidence which that party intends to present in order to establish disputed facts presented in the action or in the reply to the action.

(3) During the arbitration proceedings the arbitral tribunal may within the bounds of its authority ask the parties to present documents or other evidence within a time limit it sets.

(4) The arbitral tribunal may decide to entrust the hearing of evidence to the arbitrator who is president of the chamber or an arbitrator who is a member of the arbitral chamber.

(5) The Registrar of the Court shall undertake what is necessary to provide for taking of shorthand notes, sound recordings or writing of minutes of the hearing of evidence in a foreign language if one of the parties so requests, or if the arbitral tribunal so orders, and if an advance payment is made to cover the costs incurred. If the advance payment is not deposited within the time limit set by the arbitral tribunal, or if this is not done at all, the Registrar of the Court shall as a rule not undertake these tasks.

Witnesses

Article 43

(1) If the parties have not agreed otherwise, the arbitral tribunal may determine the manner in which the witnesses are heard.

(2) The arbitral tribunal may order a witness or witnesses to be removed whilst other witnesses are being heard.

Expert Witnesses

Article 44

(1) The arbitral tribunal, after it has given the parties the opportunity to express their opinions, may appoint one or more expert witnesses to provide findings and an opinion on specific issues about which the arbitral tribunal must decide. The arbitral tribunal shall send the parties a copy of the decision on appointing an expert witness and defining his task.

(2) When it receives the findings and opinion of the expert witness, the arbitral tribunal shall send a copy of the report to the parties and enable them to give written observations on them. The parties are authorized to examine every document referred to by the expert witness in his report.

(3) The arbitral tribunal may appoint an expert for specific legal issues and ask him to present his opinion.

Costs of Taking Evidence

Article 45

(1) The arbitral tribunal, when arranging the hearing of witnesses, expertise or taking of other evidence, in agreement with the Court Registrar, shall establish by a conclusion an advance payment to cover the costs of taking certain evidence and set a time limit in which that advance payment must be paid.

(2) If the advance is not paid within the time limit set the evidence will not be taken.

7. Oral Hearing

Scheduling of the Oral Hearing and its Public Nature

Article 46

(1) The arbitral tribunal shall inform the parties of the schedule for the oral hearing in good time, giving the date, time and place where the hearing will be held.

(2) The oral hearing shall be held with the exclusion of the public if the parties have not agreed otherwise.

Preparation of the Oral Hearing

Article 47

(1) If it is necessary to hear witnesses, each party is obliged to inform the arbitral tribunal and the other party by means of a submission at least 15 days before the hearing, if they have not already done so at the previous hearing, of the names and addresses of the witnesses they intend to propose and indicate the subject of the testimony and language in which the witnesses are to be heard.

(2) The arbitral tribunal, in agreement with the Court Registrar, shall provide interpretation of oral statements given at the hearing and translation of the minutes of the hearing if it deems this necessary in view of the circumstances of the case or if the parties have so agreed and informed the arbitral tribunal accordingly no more than 15 days before the hearing is held.

8. Interim Measures

Types of Interim Measures

Article 48

(1) By stipulating the jurisdiction of the Court, the parties agree to the jurisdiction of the Arbitration Court and the arbitral tribunal for ordering interim measures in line with the provisions of these Rules.

(2) If the parties have not agreed otherwise, the arbitral tribunal may, at the request of one of them, order by an

interim security measure any of them to undertake a certain measure, which the arbitral tribunal considers to be necessary, and in particular:

- (a) order them to undertake specific actions to maintain or establish a certain status of the matter during the course of the arbitration proceedings.
- (b) prohibit one of the parties to undertake a specific action;
- (c) allow one of the parties to undertake certain actions in order to maintain the existing status or establish a prior status; depending on the subject matter of the dispute;
- (d) order the seizure of certain things or for them to be entrusted to the safe-keeping of the proposer or a third person;
- (e) regulate the relationship between the parties, on a temporary basis;
- (f) order each of the parties to make a guarantee deposit as a condition for ordering some other interim measures, or as a condition for not ordering those measures, or as a measure to reinforce the effectiveness of other measures imposed, or as insurance from which the proposer of the interim measure would be able to settle his claim from his action, including the right to reimbursement of the costs of the proceedings.
- (g) order and conduct securing of evidence.

The Costs of Ordering Interim Measures

Article 49

- (1) The arbitral tribunal shall order interim measures as a rule only after it gives an opportunity to other party to express their opinion on the motion to order them.
- (2) The arbitral tribunal may order interim measures before it has given the other party an opportunity to express their opinion on the motion only if the party asking for them to be ordered gives plausible reasons why this is necessary for the effectiveness of the interim measure.
- (3) In the case from paragraph 2 of this Article, the party asking for interim measures to be ordered, is obliged to

inform the arbitral tribunal of all the important facts for the decision by the arbitral tribunal and state that they will be liable for harm caused by failing to inform about facts known to them or which they should have known. In each case the arbitral tribunal is obliged to give each party an opportunity to express their opinion about the motion as soon as this is possible by the nature of the matter and after receiving the statement by the other party to examine the decision rendered on interim matters.

(4) The decision on the interim measure shall be issued in a form of an award and shall include the statement of reasons. In especially urgent cases, interim measures may be ordered without a statement of reasons. If it is necessary to apply to a court for enforcement of interim measures or if this is requested by the opposing party, a written document shall be drawn up with a statement of reasons on the interim measures.

(5) The parties are obliged to inform the Court without delay on action taken pursuant to specific insurance measures.

Ordering Interim Measures before Foundation of arbitral tribunal

Article 50

(1) If the prerequisites are met for ordering interim measures before the foundation of the arbitral tribunal (Article 20), those measures may be ordered by the President of the Court as a sole arbitrator or an arbitrator from the list of arbitrators of the Court appointed by him, pursuant to the provisions of these Rules (Article 17). The President of the Court and the arbitrator appointed shall have all the authority which the arbitral tribunal has in the arbitration proceedings in relation to ordering, executing and keeping interim measures in force until the foundation of the arbitral tribunal.

(2) In exceptionally urgent cases, the President of the Court or the arbitrator he appoints may on the motion of a party order an interim measure pursuant to the provisions of paragraph 1 of this Article even before the action is filed with the court. In this case, a time limit shall be

set in the decision to order the interim measures for filing the action. If the action is not filed within that time limit the interim measure will be rescinded.

(3) After it is founded the arbitral tribunal may proceed on the interim measures ordered pursuant to the provisions of paragraph 1 of this Article as though they had ordered them themselves .

The Costs of Ordering Interim Measures

Article 51

(1) A party who moves for interim measures to be ordered is obliged, at the request of the Registrar of the Court, to pay an administrative fee and an advance to cover the costs of ordering and executing measures to be taken by the Registrar, the President of the Court, the appointed arbitrator or arbitral tribunal, with the appropriate application of the provisions on costs of proceedings before the Court.

(2) Before payment is made of the administrative fee and the advance set to cover the costs of ordering and executing the interim measures, no action shall be taken on the motion to order interim measures.

9. Award

Service of Award

Article 52

(1) The final award shall be sent to the parties when the Court Registrar establishes that they have settled all the costs of the arbitration proceedings.

(2) The certificate of legal effectiveness and enforceability of the award shall be issued by the Court Registrar.

Remedy to Higher Instance Arbitral Tribunal not Permitted

Article 53

No remedy is permitted to an arbitration court of a higher instance against the award.

10. Powers of the Court

Powers of the Registrar of the Court

Article 54

(1) The Court Registrar may attend the trial hearings.

(2) The Court Registrar is obliged to take part in trial hearings if the sole arbitrator or at least one member of the arbitral chamber is not a law graduate.

(3) The Court Registrar, whilst respecting the right of the arbitral tribunal's right decide on the merits of the dispute, is authorized to draw the arbitrators' attention to the questions of law, and especially questions related to the content and form of procedural tasks being taken.

Examination and Approval of Awards and Conclusions

Article 55

(1) Before signing the award and conclusions related to the management of the proceedings, the arbitral tribunal is obliged to present a draft to the Court.

(2) The Court may order amendment of the form of the draft presented. The Court is authorized, with respect for the right of the arbitral tribunal to decide on the merits of the dispute, to draw the attention of the arbitral tribunal to questions related to the merits of the dispute.

(3) The examination of the draft award and conclusion shall be undertaken on behalf of the Court by the President or the member of the Presidency of the Court to whom the Presidency of the Court entrusts that task.

(4) If the arbitral tribunal does not accept the cautions regarding the need to amend the form of the draft presented, the President of the Court shall rule on the justification of those cautions.

(5) The award by the arbitral tribunal may not be sent to the parties before its form is approved by the authorized member of the Presidency of the Court.

11. Payment Order

(Award in the Form of a Payment Order)

Issuance of Payment Order

Article 56

(1) If the prerequisites are met on the basis of which a payment order may be issued pursuant to the provisions of the Civil Procedure Act of the Republic of Croatia, the President of the Court shall issue a payment order as the sole arbitrator in cases without international character, upon a motion by the plaintiff.

(2) The payment order, together with the action and enclosures, shall be sent to the respondent.

(3) The respondent may file an objection against the payment order within 8 days, or in matters involving promissory notes or cheques, within 3 days of the service of the payment order. In the objection the respondent is obliged to appoint an arbitrator within the meaning of the provisions of the Arbitration Act and the Rules.

(4) If the respondent files an objection within the time limit from paragraph 3 of this Article, the Registrar of the Court shall do what is needed to found an arbitral tribunal, after which the arbitration proceedings shall continue before the arbitral tribunal pursuant to the provisions of these Rules in order to reach a final decision.

(5) In the final decision from paragraph 4 of this Article, the arbitral tribunal shall decide to retain the payment order in force in full or partially or to revoke it.

12. Costs

Article 57

(1) At the request of a party, the arbitral tribunal shall determine in the award or the decision concluding the proceedings which party is obliged to reimburse the other party for the necessary costs of conducting the proceedings, and to what extent, including the costs of representation and payment of the arbitrators, and to bear their own costs.

(2) The arbitral tribunal shall decide on costs according to their discretion, taking all the circumstances of the case into account, and especially the outcome of the arbitration proceedings.

(3) If the arbitral tribunal fails to decide on the costs, or this decision is only possible after the conclusion of the arbitration proceedings, the arbitral tribunal shall render a separate judgement on costs.

Article 58

If the arbitration proceedings end before the arbitral tribunal is founded, for example by the withdrawal of the action, the President of the Court shall decide by a judgement as a sole arbitrator on the requests by the parties for reimbursement of the costs of the proceedings.

Article 59

The rules on costs of proceedings before the Court (payment of arbitrators, administrative costs, advance deposits of costs, taking of evidence and other expenditure), unless they are contained in these Rules, shall be established by a decision of the Managing Board of the Croatian Chamber of Economy.

13. Relevant Rules of Procedure

Acceptance of Relevance of the Rules

Article 60

(1) By concluding an agreement on arbitration to be conducted by an arbitral tribunal at the Court, the parties accept the provisions of these Rules.

(2) If it is not contrary to the relevant arbitration law or the Rules, the parties may agree on the rules of proceedings which the arbitrators will follow, either by establishing them themselves or by choosing specific rules or a law, or in some other appropriate manner.

(3) If the parties have not agreed on the rules of the proceedings, the arbitral tribunal shall conduct the proceedings pursuant to the provisions of these Rules, taking into account the rules of the laws relevant for the arbitration.

(4) For questions which are not regulated by the Rules or the rules of the laws relevant for the arbitration, the arbitral tribunal is authorized to establish the rules of the proceedings itself either by deciding them itself, or by referring to specific rules, a law, or in some other appropriate manner.

V. TRANSITIONAL AND FINAL PROVISIONS

Application of the Rules

Article 61

(1) The Rules shall apply to arbitration proceedings in which an arbitration agreement is concluded after they came into force.

(2) If the parties do not agree for the Rules to be applied to proceedings already being conducted, in those proceedings the rules of arbitration shall be applied which the parties already agreed to previously.

(3) As an exception from the provisions of paragraphs 1 and 2 of this Article, Article 26 of the Rules shall also be applied to all proceedings currently pending before the Court.

Entry into Force

Article 62

These Rules shall enter into force on the eight day from their publication in the "Official Gazette".

DECISION ON THE COSTS OF ARBITRATION PROCEEDINGS*

I. GENERAL PROVISIONS

Article 1

This Decision establishes the rules on costs in proceedings to which the Rules on Arbitration before the Permanent Arbitration Court at the Croatian Chamber of Economy apply (the Zagreb Rules).

Article 2

The parties participating in proceedings before the Permanent Arbitration Court (hereinafter: the Court) at the Croatian Chamber of Economy shall bear the costs of the proceedings.

The costs of the proceedings consist of:

- a) the registration fee (Tariff no. 1);
- b) the fees of the arbitrators and mediators (Tariffs nos. 2-5);
- c) the administrative costs (Tariff no. 6);
- d) the material costs of the proceedings (expenditure of arbitrators, fees and expenditure of expert witnesses, costs of interpretation and translation and other expenditure).

Article 3

The arbitration tribunal shall decide on claims for reimbursement of the costs of the proceedings in the final decision rendered in arbitration proceedings.

Article 4

When filing a claim, counter-claim or objection of set-off, the plaintiff (counter-plaintiff or respondent) shall pay the Court a registration fee according to the Court Tariff, which is an integral part of this Decision.

If more than two parties are participating in the proceed-

* Published in „Narodne novine“ (Official Gazette) No. 142/2011 of 9 December 2011; in force as of 17 December 2011.

ings as co-litigants, the fee shall increase by 10 percent for each additional party.

The Registry of the Court shall only send the claim for a reply or undertake other procedural action after payment of the registration fee.

The registration fee is non-refundable.

Article 5

After establishing the number of arbitrators in the proceedings (that is: one or three), the amount of the advance payment for the predictable costs of the proceedings from Articles 2, paragraph 2, points b), c) and d) shall be regulated by the president of the Court.

The Court Registrar shall order the plaintiff and the respondent to pay the Court the amount from paragraph 1 of this Article within 30 days of service of the order.

Before payment of the sum from paragraph 1 of this Article, the claim shall not be forwarded to the arbitration tribunal.

During the proceedings, if there is an increase in the value of the subject-matter of the dispute or the advance paid is not sufficient to cover the material costs, the Court may order the parties to pay an additional advance payment.

The increase in the value of the subject-matter of the dispute shall not be taken into consideration until the additional advance payment has been made.

If an additional advance payment is requested to cover the material costs of the arbitrators, the arbitration proceedings shall not continue until the additional advance payment has been made.

A reduction in the value of the subject-matter of the dispute shall only be taken into consideration when calculating the administrative costs and the arbitrators' fees if the Court is informed of this before the file is submitted to the arbitration tribunal.

Article 6

If the advance payment is not paid within the time limit, the President of the Court shall render a decision to delete

the filed complaint from the Court's Register of Disputes. A deleted complaint may be filed again, with repeat payment of the registration fee.

Article 7

The parties shall pay the advance payment into the account defined by the Court.

II. TARIFF

Article 8

ARBITRATION COSTS

Tariff no. 1

Registration Fee

The registration fee for conducting arbitration proceedings is 200 EUR or, if the payment is made in the currency of the seat of the Court, in the equivalent value of that sum in the currency of the seat of the Court.

The equivalent value of the registration fee in the currency of the seat of the Court shall be calculated using the sales exchange rate from the Exchange Rate list of the Croatian National Bank valid on the day the registration fee is paid, increased by 3 percent.

ARBITRATORS' FEES

Tariff no. 2

For conducting arbitration with international character, if conducted by a single arbitrator, the advance payment and arbitrator's fee shall be payable according to the values from this Table:

The equivalent value of the subject of the dispute (from-to) in EUR		Amount of fee base (C) + percentage (D) for sums above (A) – in EUR	
from (A)	to (B)	base(C)	% (D)
	5,000	600	
5,000	20,000	600	6
20,000	50,000	1,500	4
50,000	100,000	2,700	3
100,000	500,000	4,200	1
500,000	2,000,000	8,200	0.5
2,000,000	and more	15,700	0.2

For conducting arbitration without international character, if conducted by a single arbitrator, the advance payment and arbitrator's fee shall be payable according to the values from this Table:

The equivalent value of the subject of the dispute (from-to) in EUR		Amount of fee base (C) + percentage (D) for sums above (A) – in EUR	
from (A)	to (B)	base(C)	% (D)
	5,000	300	
5,000	20,000	300	3
20,000	50,000	750	2
50,000	100,000	1,350	1.5
100,000	500,000	3,150	0.75
500,000	2,000,000	6,150	0.35
2,000,000	and more	11,850	0.15

The foreign currency equivalent of the subject-matter of the dispute which is not expressed in EUR shall be recalculated into EUR using the sales exchange rate for the relevant currency from the Exchange Rate list of the Croatian National Bank valid on the day when the Court is informed of the value of the subject matter of the dispute or the change in value of the subject-matter of the dispute.

If it is not possible to calculate the foreign currency value of the subject-matter of the dispute using the method from paragraph 3 of this Tariff (e.g. because the value of the subject-matter of the dispute is not in a convertible currency), another appropriate method shall be used.

Tariff no. 3

If the parties are to pay the advance of administrative costs and the arbitrators' fees in equal parts, in order to calculate the amount of those costs the value of the subject-matter of the dispute from the claim and the counter-claim shall be added together. Otherwise, the advance payment of those costs shall be calculated separately for the claim and the counter-claim or the objection of set-off (separate calculation).

Separate calculation shall also be used if the claim in the counter-claim or objection of set-off is not connected to the claim in the complaint.

If several claims or counter-claims are presented in the same proceedings, the President of the Court may calculate the costs of the arbitrators' fees separately for each claim presented.

Tariff no. 4

If a Chamber is to rule, the sum from Tariff no. 2 shall be increased by two and a half times. In especially complex cases, the President of the Court may determine that the sum from Tariff no. 2 is increased by three times.

If more than two parties are participating in the proceedings as co-litigants, the sum from Tariff no. 2 shall be increased by 10 percent for each additional party.

Tariff no. 5

If the arbitration proceedings are not concluded by an award, the President of the Court shall define an appropriate amount for the arbitrators' fees and administrative costs, and render a Decision on returning the amount of the advance that has not been spent to the parties.

If the arbitrator was paid as an advance for his fee a sum greater than that defined pursuant to paragraph 1 of this Article, the President of the Court shall order the arbitrator to return the excess amount of advance paid.

ADMINISTRATIVE COSTS

Tariff no. 6

If a single arbitrator is to rule, the administrative costs shall be 20 percent of the amount of the costs of the fee for a single arbitrator.

If an arbitral Chamber is to rule, the administrative costs shall be 10 percent of the amount of the costs of the fee for the arbitral Chamber.

Administrative costs calculated pursuant to paragraphs 1 and 2 of this Tariff shall be added to the amount of the costs of the arbitrators' fees pursuant to Tariffs 2-5.

PAYMENT OF ADVANCES AND RE-CALCULATION

Tariff no. 7

A party who is a physical person with permanent or habitual residence abroad, or a legal person with its seat abroad (a foreign party) shall pay the costs of the proceedings in EUR.

If the party from paragraph 1 of this Article possesses a non-resident's account in the currency of the seat of the Court in the Republic of Croatia, they may pay the costs of the proceedings in the currency of the seat of the Court.

Parties other than the parties from paragraph 1 of this Article (domestic parties) shall pay the costs of the proceed-

ings in the currency of the seat of the Court or in EUR.

The equivalent value of the costs of the proceedings from points b) and c) of paragraph 2 of Article 2 in the currency of the seat of the Court shall be calculated using the sales exchange rate for EUR from the exchange rate list of the Croatian National Bank valid on the day of payment of the sum being paid or advanced.

III. TRANSITIONAL AND FINAL PROVISIONS

Article 9

This Decision shall be applied to all disputes instituted after it has come into force, and to all disputes instituted before it has come into force, if the registration fee has not yet been paid.

Article 10

When this Decision comes into force, the Decision on Arbitration Proceedings and Mediation (Official Gazette nos. 108/2003 and 59/2007) shall no longer be in force in the part relating to arbitration.

Article 11

This decision shall enter into force on the eighth day from its publication in the "Official Gazette".

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