

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).

The costs of the arbitration proceedings which are, according to the parties' arbitration agreement concluded before **the Permanent Arbitration Court** at the Croatian Chamber of Economy (**hereinafter: the PAC**), carried out in line with the arbitration rules of another arbitration institution, shall be defined, unless explicitly agreed otherwise by the parties in their arbitration agreement, in line with the tariff of court fees of that specific arbitration institution, provided that the tariff of court fees of that specific arbitration institution is not lower than the PAC's applicable tariff of court fees.

Depending on the circumstances of a specific case, the President of the PAC may order, subject to a response from the parties, that the costs of the arbitration proceedings even in cases provided in Paragraph 2 above should be defined according to the PAC's applicable tariff of court fees.

Article 2

The parties participating in the proceedings before the PAC at the Croatian Chamber of Economy shall bear the costs of the proceedings.

The costs of the proceedings consist of the following:

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

Article 2a

When the PAC or authorities of the PAC act as appointing authorities in *ad hoc* arbitration proceedings and in arbitration proceedings conducted by other arbitration institutions, the parties are obligated to pay the registration fee in line with Article 8 Tariff no. 1 hereof.

In cases where the PAC provides other services regarding the undertaking of other procedural actions in *ad hoc* arbitration proceedings and in arbitration proceedings organised by other arbitration institutions, such as e.g. activities relating to organisation of hearings, including the service of sending invitations to formal hearings, ensuring the premises for the hearing, provision of court reporter services, delivery of official letters, filing of documents etc., the parties are obligated to pay the fees according to the values in the Table below:

The consolidated text of the Secretariat of the Permanent PAC at the Croatian Chamber of Commerce includes the **Decision on the Costs of Arbitration Proceedings (hereinafter: Decision)** published in the Official Gazette no. **142/2011**, Amendments to the Decision published in the Official Gazette no. **37/2015**, Amendments to the Decision published in the Official Gazette no. **109/2016** and Amendments to the Decision published in the Official Gazette no. **87/2018**.

The equivalent value of the subject of the dispute in EUR (from)	(to)	Fee in EUR
	100,000	500
100,000	2,000,000	1,000
2,000,000	and more	1,500

Should the fee paid in line with the amounts shown in the Table in Paragraph 2 above prove to be insufficient for coverage of all costs, the Secretary of the PAC is authorised to invite the parties to pay additional fees in agreement with the actually incurred costs for the conducted actions as described in Paragraph 2 hereof.

The fee shall be defined in EUR, and the payment shall be carried out in HRK using the sales exchange rate from the Exchange Rate list of the Croatian National Bank valid on the date of the fee payment.

If the cooperation agreement between the PAC and some other arbitration institution provides for a mutual exchange of services concerning the organisation and implementation of arbitration proceedings, the fees referred to in Paragraphs 1 and 2 hereof shall not be charged under the condition of reciprocity.

Article 3

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

Article 4

When filing a claim, counterclaim or objection of set-off, i.e. a proposal for imposing interim measures, the claimant, counterclaimant or creditor shall pay the registration fee to the PAC, according to the PAC Tariff, which is an integral part of this Decision.

If there are more than two parties participating as co-litigators in the proceedings, each additional party shall pay the registration fee increased by 10%.

The PAC Secretariat shall send the claim for a reply or undertake other procedural actions only upon the payment of the registration fee.

The registration fee is non-refundable.

Article 5

Upon establishing the number of arbitrators in the proceedings (i.e. one or three), the amount of the advance payment for expected costs of the proceedings referred to in Article 2, Paragraph 2, Items (b), (c) and (d) shall be determined by the President of the PAC.

The Secretary of the PAC shall order the claimant and the defendant to pay the PAC the amount from Paragraph 1 hereof within 15 days of the order's delivery.

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A claim, counterclaim or objection of set-off, i.e. a proposal for imposing interim measures, shall not be forwarded to the PAC and the counter-party before the payment of the sum indicated in Paragraph 1 hereof had been made.

During the proceedings, if there is an increase in the value of the subject-matter of the dispute or the advance payment proves insufficient to cover the material costs, the PAC 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 PAC had been informed of this before the file was submitted to the PAC.

Based on a party's substantiated written request and by considering the circumstances of a specific case, the President of the PAC may extend the deadline for advance payment referred to in Paragraph 2 hereof.

Article 6

If the advance payment has not been made within the deadline, the President of the PAC shall render a decision to delete the filed claim or counterclaim from the PAC's Register of Disputes.

The deleted claim or counterclaim may be filed again, with repayment of the registration fee.

Article 7

The parties shall make the advance payment into the account defined by the PAC.

II TARIFF

Article 8

ARBITRATION COSTS

Tariff No. 1

Registration Fee

The registration fee shall be payable according to the values indicated in the Table below:

THE EQUIVALENT VALUE OF THE SUBJECT OF THE DISPUTE in EUR (from)	(to)	Registration Fee in EUR
	5,000	100
5,000	20,000	200
20,000	50,000	300
50,000	100,000	400

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100,000	500,000	500
500,000	2,000,000	1,000
2,000,000	and more	1,500

The registration fee for conducting arbitration proceedings is indicated in EUR, and the payment is made in the currency of the PAC's seat in the equivalent value of that sum in the currency of the PAC's seat.

The equivalent value of the registration fee in the currency of the PAC's seat 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.

ARBITRATORS' FEES

Tariff No. 2

For conducting arbitration proceedings, if conducted by a sole arbitrator, the advance payment and arbitrator's fee shall be payable according to the values indicated in the Table below:

THE EQUIVALENT VALUE OF THE SUBJECT OF THE DISPUTE from – to in EUR		AMOUNT OF FEE BASE C + PERCENTAGE D FOR THE SUM ABOVE A – IN EUR	
from (A)	to (B)	base C)	% D)
	5,000	550	
5,000	20,000	550	6.5%
20,000	50,000	1,376	4.4%
50,000	100,000	2,477	3.3%
100,000	150,000	3,853	1.1%
150,000	300,000	4,771	1.1%
300,000	500,000	5,963	1.1%
500,000	750,000	7,321	0.5%
750,000	1,000,000	8,786	0.5%
1,000,000	1,500,000	10,543	0.5%
1,500,000	2,000,000	13,179	0.5%
2,000,000	4,000,000	14,018	0.2%
4,000,000	6,000,000	16,821	0.2%
6,000,000	8,000,000	21,026	0.2%
8,000,000	10,000,000	26,283	0.2%
10,000,000	and more	32,854	0.2%

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For conducting arbitration proceedings, if conducted by an arbitration panel, the advance payment and arbitrator's fee shall be payable according to the values indicated in the Table below:

THE EQUIVALENT VALUE OF THE SUBJECT OF THE DISPUTE from – to in EUR		AMOUNT OF FEE BASE C + PERCENTAGE D FOR THE SUMS ABOVE A – IN EUR	
from (A)	to (B)	base C)	% D)
	5,000	1,339	
5,000	20,000	1,339	13.39%
20,000	50,000	3,348	8.93%
50,000	100,000	6,027	6.70%
100,000	150,000	9,375	2.23%
150,000	300,000	11,607	2.23%
300,000	500,000	14,509	2.23%
500,000	750,000	18,303	1.12%
750,000	1,000,000	22,879	1.12%
1,000,000	1,500,000	23,717	1.12%
1,500,000	2,000,000	25,809	1.12%
2,000,000	4,000,000	35,045	0.45%
4,000,000	6,000,000	43,806	0.45%
6,000,000	8,000,000	54,757	0.45%
8,000,000	10,000,000	68,447	0.45%
10,000,000	and more	85,558	0.45%

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 PAC is informed of the value of the subject matter of the dispute or the change in value of the subject-matter of the dispute.

The consolidated text of the Secretariat of the Permanent PAC at the Croatian Chamber of Commerce includes **the Decision on the Costs of Arbitration Proceedings (hereinafter: Decision)** published in the Official Gazette no. **142/2011**, Amendments to the Decision published in the Official Gazette no. **37/2015**, Amendments to the Decision published in the Official Gazette no. **109/2016** and Amendments to the Decision published in the Official Gazette no. **87/2018**.

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 will be used.

When the competent court, in the insolvency proceedings and upon the creditor's request, has issued a decision to entrust the dispute resolution to the PAC, the sum of the fees referred to in Paragraphs 1 and 2 hereof (base C + percentage D for the sums above A – in EUR) shall be decreased by 50%.

Tariff No. 3

If the parties are to pay the advance of administrative costs and 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 PAC may calculate the costs of the arbitrators' fees separately for each claim presented.

Tariff No. 4

In extremely complex cases, the President of the PAC may regulate an increase of the sum in Tar. No. 2 by 20%.

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 PAC shall define an appropriate amount for the arbitrators' fees and administrative costs, and render a Decision on returning to the parties the amount of the advance payment that has not been spent.

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

ADMINISTRATIVE COSTS

Tariff No. 6

If the sole arbitrator is to rule, the administrative costs shall be 32% of the amount of the sole arbitrator's fee costs.

If the arbitration panel is to rule, the administrative costs shall be 25% of the amount of the arbitration panel's fee costs.

Administrative costs calculated pursuant to Paragraphs 1 and 2 hereof shall be added to the amount of the costs of the arbitrators' fees pursuant to Tariffs 2–5.

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COLLECTION OF ADVANCES AND CONVERSION

Tariff No. 7

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

If the party referred to in Paragraph 1 hereof possesses a non-resident's account in the currency of the PAC's seat in the Republic of Croatia, they may pay the costs of the proceedings in the currency of the seat of the PAC.

Parties other than the ones referred to in Paragraph 1 hereof (domestic parties) shall pay the costs of the proceedings in the currency of the PAC's seat or in EUR.

The equivalent value of the costs of the proceedings referred to in Article 2, Paragraph 2, Items (b) and (c) in the currency of the PAC's seat shall be calculated using the sales exchange rate for EUR from the exchange rate list of the Croatian National Bank valid on the payment date of the sum being paid or advanced.

Article 8a

In case of issuing a payment order, the party shall pay 50% of the advance costs of arbitration calculated according to the parameters indicated in Tariff no. 2 and 6 of Article 8 hereof.

III TRANSITIONAL AND FINAL PROVISIONS

Article 9

This Decision shall be applied to all disputes initiated after it has come into effect, and to all disputes initiated prior to its entry into force, if the registration fee had not been paid for them.

Article 10

Upon this Decision's entry 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".