DECISION

ON COSTS OF ARBITRATION PROCEEDINGS*

I GENERAL PROVISIONS

Article 1

The Decision defines the Rules on the Costs of the Proceedings which are subject to the Rules of Arbitratic of the Permanent Arbitration Court at the Croatian Chamber of Economy (Zagreb Rules).

The costs of the arbitration proceedings which are, according to the parties' arbitration agreement of the Permanent Arbitration Court at the Croatian Chamber of Economy (hereinafter: the Arbitration Court), carried out in line with the arbitration rules of another arbitration institution, shall de defined, if the parties have not explicitly agreed otherwise in their arbitration agreement, in line with the tariff of costs of the concerned arbitration institution, provided the tariff of costs of the concerned arbitration institution is not lower than the applicable costs tariff of the Arbitration Court.

Depending on the circumstances of the case, and based on the observations submitted by the parties, the President of the Arbitration Court may order that the costs of the arbitration proceedings in cases provided Paragraph 2 hereof also be defined according to the applicable tariff of the Arbitration Court.

Article 2

The parties involved in the proceedings at 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 shall consist of:

- a) registration fees (tariff no. 1);
- b) arbitrators' awards (tariff no. 2-5);
- c) administrative costs (tariff no. 6);

d) material costs of the proceedings (arbitrators' expenses, expert witnesses' awards and expenses, translation costs and other expenses).

Article 2.a

When the Court or its bodies act as the appointing authority in *ad hoc* arbitrations or those administered by other arbitration institutions, the parties are obliged to pay a registration fee under Article 8, Item 1 of this Decision.

In cases where the Court provides other services related to procedural actions in *ad hoc* arbitration or arbitrations organized by other arbitration institutions, such as the organization of hearings, including the delivery of hearing notices, provision of hearing venues, stenographic services at hearings, document service, case file archiving, etc., the parties are required to pay a fee accordin to the following table:

Value of the dispute in EUR (from)	(to)	Fee in EUR
	100.000	500
100.000	2.000.000	1.000
2.000.000	and above	1.500

If the fee paid under the amounts established in the table in paragraph 2 of this Article is insufficien to cover all costs, the Secretary of the Court is authorized to request additional payment from the parties to cover actual expenses for the actions described in paragraph 2 of this Article.

If a cooperation agreement between the Court and another arbitration institution provides for reciprocal services in organizing and conducting arbitration proceedings, the fees specified in paragraphs 1 and 2 of this Article shall not be charged, provided there is mutual reciprocity.

When the Court or its bodies act as the appointing authority in proceedings for appointing member of a Dispute Resolution Board (DRB), party costs in this procedure consist of administrative fees a organizational expenses of the Court, as well as fees for the appointing authority's decision-making in the process DRB members' appointment.

The fee for the administrative actions of the Court in the aforementioned procedure is set at a flat rate of 500.00 EUR per each respective party.

Administrative actions of the Court in appointing DRB members include, for example, receiving parties' proposals or requests, creating case files, organizing meetings and document service/delivery upon parties' request, and other similar administrative or organizational tasks.

If the flat-rate Court administrative fee for appointing DRB members described in the preceding paragraph is insufficient to cover all costs, the Court may request an additional payment based on the actual expenses incurred.

The fee for the appointing authority's decision-making on DRB members' appointments is set at a rate of 500.00 EUR per each respective party.

In exceptional cases, if the extent of the appointing authority's activities during the DRB members' appointing proceedings is significantly greater, the fee determined in the preceding paragraph may be increased by up to 30%.

All amounts are determined and paid in Euros.

Article 3

In the final decision reached in the arbitration proceedings, the arbitration court will decide about the request for reimbursement of the proceedings costs.

Article 4

While filing a claim, counterclaim or complaint for offsetting, i.e. the proposal to define interim measures, the claimant, counterclaimant or creditor shall make a payment to the Court for the registration fee, according to the Court's tariff, which is an integral part hereof.

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

The Secretariat of the Court will submit the claim for reply or conduct any other action only upon the payment of the registration fee.

The paid registration fee shall not be returned.

Article 5

Upon establishing the number of arbitrators in the proceedings (one or three), the amount of the advance of expected costs of the proceedings referred to in Article 2(2)(b), (c) and (d) shall be determined by the president of the Court.

The Secretary of the Court will invite the claimant and the defendant to make the payment to the Court in the amount indicated in Paragraph 1 hereof within 15 days of the service of the invitation.

Before the payment of the amount indicated in Paragraph 1 hereof, the claim, counterclaim or complaint for offsetting, i.e. the proposal to define interim measures will not be forwarded to the arbitration court and the other party.

If, during the proceedings, the value of the subject matter of the dispute is increased or the paid advance is not sufficient to cover the material costs, the Court may invite the parties to pay an additional advance.

The increase will not be taken into account until the additional advance due to the increase of the value of the subject matter of the dispute is paid.

If the additional advance is required to cover the material costs incurred by the arbitrators, the arbitration proceedings will not continue until the additional advance is paid.

A decrease of the value of the subject matter of the dispute will be taken into account in the calculation of administrative costs and arbitrators' awards, only if the Court has been notified thereupon before the files have been submitted to the arbitration court.

Based on a reasoned written request made by a party, and considering the circumstances of the exact case, the president of the Court may extend the deadline for advance payment referred to in Paragraph 2 hereof.

Article 6

If the advance is not paid within the deadline, the president of the Court will make a decision according to which the lodged claim, or counterclaim, is removed from the register of the Court's proceedings.

A removed claim, or counterclaim, may be lodged again, but the registration fee shall be paid again.

Article 7

The parties shall pay the advance to the account determined by the Court.

II TARIFF

Article 8

ARBITRATION COSTS Tar. no. 1

Registration fee

Registration fee shall be charged according to the values indicated in the table below:

The value of the subject matter 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

100,000	500,000	500	
500,000	2,000,000	1,000	
2,000,000	round up	1,500	

The registration fee for arbitration proceedings is determined and paid in euros.

If the registration fee is paid in a different currency, the equivalent value of the registration fee relative to the currency of the Court's seat is calculated using the selling exchange rate from the Croatian National Bank's exchange list valid on the date of registration fee payment.

ARBITRATORS' FEES

Tar. no. 2

For arbitration proceedings carried out by one arbitrator, the advance, or the fee for arbitrator's award will be charged according to the values indicated in the table below:

VALUE OF THE SUBJECT MATTER OF THE DISPUTE (from to) In EUR		ROYALTIES SUM: 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	round up	32,854	0.2%

If arbitration proceedings are carried out by the arbitration panel, the advance, or the fee for arbitrators' awards will be charged according to the values indicated in the table below:

VALUE OF THE SUBJI DISPUTE In E	(from to)	ROYALTIES SU BASE C + PERCENTAGE SUM ABOVE A – I	E D FOR THE
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	round up	85,558	0.45%

The foreign exchange value of the subject matter of the dispute which is not expressed in EUR is converted in EUR according to the selling rate for the concerned currency indicated in the exchange rates of the Croatian National Bank applicable on the date of notifying the Court on the value of the dispute, i.e. the change of the value of the dispute.

In case the foreign exchange value of the subject matter of the dispute cannot be calculated using the method indicated in Paragraph 3 hereof (for example, because the value of the subject matter of the dispute is expressed in a non-convertible currency), another adequate method will be used.

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

Tar. no. 3

If the advance of administrative costs and arbitrators' fees are distributed among the parties equally, for the purpose of calculating the amounts of such costs, the values of the subject matter of the dispute in the claim and the counterclaim are added together. Otherwise, the advance of such costs is calculated separately for the claim and the counterclaim, i.e. the complaint for offsetting (separate calculation).

Separate calculation is also applied when the request of the counterclaim, or the complaint concerning offsetting is not linked with the claim.

If there are multiple claims and counterclaims in the same proceedings, the president of the Arbitration Court may calculate the costs of arbitrators' fees separately for each claim.

Tar. no. 4

In extremely complicated cases, the president of the Court may order the increase of the sum in Tar. no. 2 by 20%.

If there are more than two co-litigators in the proceedings, the sum in Tar. no. 2 is increased by 10% for each additional party.

Tar. no. 5

In case the arbitration proceedings did not result in a procedural order, the president of the Court will determine adequate arbitrators' awards and administration costs and adopt a decision to return the underspent part of the advance to the parties.

If the sum of the arbitrator's fee advance was greater than the one indicated in Paragraph 1 hereof, the president of the Arbitration Court will ask the arbitrator to return the excess part of the advance.

ADMINISTRATIVE COSTS

Tar. no. 6

If the sole arbitrator is making the decision, administrative costs are defined in the amount of 32% of the sum of the sole arbitrator's fee costs.

If the arbitration panel is making the decision, administrative costs are defined in the amount of 25% of the sum of arbitration panel's fee costs.

Administrative costs calculated according to Paragraphs 1 and 2 hereof are added to the amounts of the costs of arbitrators' fees in line with Tar. no. 2–5.

COLLECTION OF ADVANCES AND CONVERSION

Tar. no. 7

Parties shall pay or advance procedural costs in euros.

If procedural costs are paid or advanced in another currency, their equivalent value in relation to the currency of the Court's seat is calculated using the selling exchange rate from the Croatian National Bank's exchange list valid on the date of registration fee payment.

Article 8a

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

III TRANSITIONAL AND FINAL PROVISIONS

Article 9

This Decision shall apply to all disputes initiated after it came into effect, and to all disputes initiated prior to its entry into force, if the entry fee within the dispute had not been paid until then.

Article 10

Upon this Decision's entry into force, the part of the Decision on the arbitration and conciliation proceedings

("Official Gazette" no. 108/2003 and 59/2007) concerning the arbitration shall expire.

Article 11

This Decision shall enter into force on the eighth day of the date of its publication in the Official Gazette.