

Pursuant to Article 19, paragraph 4 of the Act on Croatian Chamber of Economy (Official Gazette No. 66/91, 73/91) and Article 21 of the Statute of the Croatian Chamber of Economy (Official Gazette No. 11/94. – consolidated text, 108/95, 19/96, 64/01, 142/11 and 9/14), the Assembly of the Croatian Chamber of Economy adopted at its 12th meeting held on 19 November 2015 the following

RULES OF ARBITRATION
OF 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 of 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: “the Court”), the composition and establishment of arbitral tribunals at the 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 Court or an arbitral tribunal at the Court has been agreed, unless some provisions expressly apply only to disputes without international character.

(2) 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 law applicable to the arbitration proceedings.

(3) Parties may agree for the Court to perform only some of the activities prescribed by the Rules, and in particular:

– To act as an appointing authority in *ad hoc* 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 Court and other arbitration institutions shall be considered an integral part of the Rules, provided that in the arbitration agreement or subsequently the parties agree to their application.

(5) When these Rules or the law applicable to the arbitration procedure refer to an agreement between the parties or to the possibility of their agreement on an issue, such an agreement shall also include all the rules of arbitration mentioned or referred to in such agreement.

(6) If the parties agree on the competence of the Court or the arbitral tribunal at the Court in their arbitration agreement, but define that the procedure is to be conducted in accordance with the rules of some other court of arbitration or according to arbitration rules determined by some other institution, those rules shall not apply to the composition and

constitution of the arbitral tribunal or the powers of the bodies of the Court in the organizing and administering of the procedure, unless the parties have agreed otherwise.

(7) The rules referred to in paragraph 6 of this Article shall also not apply to the duty to pay the registration fee or to the amount thereof, nor to the determining of the amount and method of payment of administrative costs.

(8) The agreed rules on procedure before another court or agreed rules determined by another institution with regard to advance payment of funds for covering of the fee and reimbursement of expenses of arbitrators shall only apply if, according to those rules, the arbitrators would be entitled to a higher fee and higher reimbursement of costs.

(9) The agreement referred to in Paragraph 5 of this Article may be concluded in any of the ways provided for conclusion of 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 Court

Article 3

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

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

(3) If the place of arbitration is outside of the Republic of Croatia, the parties may stipulate the jurisdiction of the Court and arbitral tribunal at the Court for resolution of disputes pertaining to rights of which the parties may freely dispose only if at least one of them is a natural person with permanent residence abroad or a legal entity established under foreign law, except when a special act provides that such a dispute may only be resolved by a court in the Republic of Croatia.

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

(5) Unless the arbitration agreement expressly provides otherwise, it shall be deemed that, in stipulating the jurisdiction of the Court, parties also agree to the jurisdiction of the bodies of the Court:

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

(6) By way of derogation 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 special act.

Refusal of Jurisdiction

Article 4

(1) Until the establishment of the arbitral tribunal at the latest, the Presidency of the Court shall, in the form of a procedural order, refuse the jurisdiction of the Court to hear certain disputes even if jurisdiction of the Court has been agreed, if the concluded arbitration agreement pertains 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 Court may not be stipulated.

(2) The Presidency of the Court may also refuse jurisdiction when parties stipulated such place, 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 Court refuses jurisdiction by a procedural order 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 Court.

(4) The Presidency of the 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 Court and the President of the Court, and pursuant to the provisions of paragraph 2 of this Article upon the motion of the President, the Secretary of the Court and the arbitral tribunal.

Determination of the Value of the Subject Matter of Dispute

Article 5

(1) If the statement of claim or statement of counterclaim 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 shall not be taken into account if they are not part of the main claim.

(2) A claim for payment of liquidated damages is deemed a main claim.

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

(4) If the claim does not relate to the payment of a certain sum of money, the value of the subject matter of the dispute which the claimant and counter-claimant indicated in the statement of claim or counter-claim shall be taken as relevant. If, at the suggestion of the Secretary of the Court, the opposing party or the arbitral tribunal, the President of the Court decides 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 express their views, the President shall determine the value of the subject matter of the dispute to which the claim relates by a procedural order.

(5) The value of the subject matter of the dispute in collective employment disputes and "mandatory arbitrations" may not be lower than HRK 3,000,000.00.

Stay of Arbitration Proceedings in Case of Court Proceedings

Article 6

(1) If contentious proceedings or some other form of court 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 procedure to be stayed until the contentious proceedings before a court are concluded.

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

Place of Arbitration

Article 7

(1) In disputes without international character, the parties may agree on a place of arbitration in the Republic of Croatia.

(2) In disputes with international character, the parties may agree that the place of arbitration be in another country. After initiation of arbitration procedure, the parties cannot in

their agreement nominate a place of arbitration that is outside the territory of the country of the place of arbitration at the moment of institution of arbitration procedure.

(3) The arbitral tribunal shall not be authorized to determine the place of arbitration without the agreement of the parties on this.

(4) Unless the parties have agreed otherwise, the place of arbitration shall be at the seat of the Court.

(5) If the parties have stipulated the place of arbitration outside the seat of the Court, the arbitration shall be held at the agreed place only if the parties, at the request of the Secretary of the Court, have paid an advance deposit to cover the costs so incurred. If the parties do not pay the advance deposit within the time limit set, they shall be deemed to have agreed for the arbitration to be conducted at the seat of the Court.

(6) Unless the parties oppose this in mutual agreement, the arbitral tribunal shall be authorized to determine that hearings in the proceedings be held outside the place of the arbitration. The hearings shall be held outside the place of the arbitration only if the parties, at the request of the Secretary of the Court, pay an additional advance deposit to cover the costs so incurred. If the parties do not pay the advance deposit within the time limit set, the hearing outside the place of arbitration shall not be held.

(7) The arbitral award and other decisions by the arbitral tribunal shall be deemed to have been rendered at the place of arbitration.

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 shall be conducted. The agreement by the parties, or the decision by the arbitral tribunal about the language of the arbitration, unless otherwise specified, shall apply to all written statements by the parties, to the oral proceedings and all decisions and other notifications by the arbitral tribunal as well as to communications by the Secretary and other bodies of the Court.

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

(3) Until the language of the proceedings is established, the statement of claim, reply to the statement of claim and other submissions may be filed in the language of the main agreement, the language of the arbitration agreement or in the Croatian language.

(4) The parties' submissions and enclosures with such submissions that have not been translated into languages to which they should be translated according to the provisions of the previous paragraphs shall not be taken into consideration.

(5) The funds for the covering of costs of interpretation at hearings before the arbitral tribunal, the costs of translating awards and other communications of the arbitral tribunal, as well as the costs of translating communications of the Secretary and other bodies of the Court shall be paid in advance, at the request of the Court, by the party that is obligated to pay an advance deposit for the costs of the arbitration procedure. If no such advance deposit is paid within the time limit set for that purpose for the relevant party, the parties shall be informed that the procedure cannot be conducted and the remuneration for the arbitrators' work performed by that time shall be paid from such advance deposit, and they will also receive reimbursement of any expenses that they may have incurred in relation to that. The amount of the remuneration and the reimbursement of expenses shall be determined by the President of the Court.

(6) The arbitral tribunal may decide that the provisions of the arbitration agreement prescribing the arbitration to be conducted in two or more languages shall not apply if it finds, considering the citizenship of the parties or their representatives, that the translation to all those languages would significantly increase the costs of procedure and slow down the conduct of the procedure or make it more difficult, and that such decision would not result in significantly compromising the rights of the parties to participate in the procedure. An objection against such a decision of the arbitral tribunal may be filed by the party within eight days, and it shall be decided upon by the Presidency of the Court.

Representation and Advising

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 to the other party. This notification should indicate whether the appointment pertains 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 statement of claim and the reply to the statement of claim as well as other submissions and written notifications, together with the enclosures to such documents, to the Secretary of the Court, at the address of the Court, in a sufficient quantity for the Secretary, the opposing party, intervenors and members of the arbitral tribunal.

(2) If several persons are taking part in the proceedings as co-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 communications to the Secretary at the address of the Court.

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

(5) The Secretary 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 transmit to each other specific submissions with enclosures and other documents and communications directly only with the approval of the Secretary of the Court or, after the arbitral tribunal has been established, with the approval of the tribunal.

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

(3) A party acting on an order referred to in 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 Secretary of the Court or the arbitral tribunal, also the record of delivery proving orderly service.

Service of Documents

Article 12

(1) Unless the parties have agreed otherwise, the documents of the arbitral tribunal and, depending on the case, the enclosures to such documents, shall be deemed to 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 indicated by the parties as such in the arbitration agreement, in the main agreement or in the document defining the terms of reference of the arbitral tribunal as the address where service is to be made to them, depending on which of those addresses they have indicated for that purpose. The parties may also 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 effected on them at the registered address of their permanent or habitual residence or to registered office of their business, or to another address registered for receipt of documents – if such address may be identified by means of the usual measures to identify addresses, or if it cannot be identified, at the last known address.

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

(5) If service by registered mail with a delivery note is not successful at the address referred to in paragraph 2 or paragraph 3 of this Article, even after two consecutive attempts 30 days apart, 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 such service does not succeed at that address because that person no longer exists or refuses to receive correspondence for the party, the service shall be conducted according to the provisions of paragraph 2 or paragraph 3 of this Article.

(7) The Secretary of the 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 thereof.

(9) At a hearing where the argument has been closed and where all parties and intervenors who are on their side were present, the arbitral tribunal can issue a procedural order deciding that the award is to be served to the parties at the office of the Secretary of the Court within a certain time period. In that case, the parties are obligated to collect the award

within eight days after expiry of that time period. If they fail to do so, it shall be regarded that the award has been served to them at the moment of expiry of the mentioned eight-day period.

Electronic Communications

Article 13

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

(2) In the event referred to in paragraph 1 of this Article, the parties shall, at the request of the Court or the opposing party, furnish their submissions and enclosures thereto in paper/hard copy as well.

(3) The possibility and manner of electronic communication may also be established in the terms of reference of the arbitral tribunal.

(4) In the events referred to in paragraphs 1 to 3 of this Article, the parties shall confirm by electronic mail the receipt of specific submissions and enclosures.

(5) The party that fails to fulfil its obligations under the previous provisions of this Article shall reimburse the costs to the opposing party who has suffered such costs as a result, irrespective of the outcome of the dispute. The arbitral tribunal shall take that into consideration upon deciding about the reimbursement of the costs of procedure.

(6) The amount of costs caused by failure to fulfil the obligations under the previous provisions of this Article shall be assessed by the arbitral tribunal at its own discretion.

III. ARBITRAL TRIBUNAL

1 Number of Arbitrators and Constitution of the Arbitral Tribunal

Number of Arbitrators

Article 14

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

(2) If the parties have not reached a prior agreement about the number of arbitrators in disputes in which the counter-value of the subject matter of the dispute does not exceed EUR 200,000.00, the arbitration shall be conducted by a sole arbitrator, whilst in other disputes the arbitration shall be conducted by a tribunal 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 appointing authority may only appoint a sole arbitrator and member or the president of the tribunal from the relevant list of arbitrators referred to in 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 Secretary of the Court of the name of that sole arbitrator. The name of the sole arbitrator

may in that case be already established in the arbitration agreement, in a subsequent agreement or during the arbitration procedure.

(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 Secretary, which may not be shorter than 15 days from the day the reply to the statement of claim is submitted to the Court or from the day of failure to file a reply to the statement of claim, the sole arbitrator shall be appointed by the appointing authority (Article 19).

Appointment of the Arbitral Tribunal

Article 17

(1) If the arbitration is to be conducted by a tribunal of three arbitrators, each party shall appoint one member of the tribunal. The members of the tribunal so appointed shall select the third member who shall be the president of the tribunal.

(2) If the claimant does not appoint an arbitrator to be member of the tribunal in the statement of claim or even following a time period of 15 days after having been subsequently invited to do so, or if the respondent does not appoint an arbitrator to be member of the tribunal in the reply to the statement of claim or within 15 days after having been subsequently invited to do so, the members of the tribunal shall be appointed by the appointing authority (Article 19) instead of the parties.

(3) If two members of the tribunal appointed in accordance with the provisions of previous paragraphs fail to inform the Secretary of the Court about the selection of tribunal president within 15 days of the appointment of the member of the tribunal who was appointed last, the president of the tribunal shall be appointed by the appointing authority (Article 19). In the notification about appointment and in the statement of acceptance of appointment, members of the tribunal shall be informed of the fact that, should they fail to appoint one in the mentioned time period, the president of the tribunal shall be appointed by the appointing authority.

Appointment in Case of Co-Litigants

Article 18

(1) If several claimants are participating in a single dispute as co-litigants, they are obligated to reach prior agreement on the appointment of a common arbitrator. If they fail to do so even within 15 days after having been invited to do so, the arbitrator shall be appointed by the appointing authority (Article 19) from the list of arbitrators of the Court.

(2) If in a single dispute there are several respondents participating who in terms of the subject matter of the dispute are in a legal community, or whose rights and obligations that are the subject matter of the dispute are founded on the same factual and legal grounds, they are obligated to appoint a common arbitrator in their reply to the statement of claim or within 15 days of having been invited to do so. If they fail to do so, the arbitrator shall be appointed by the appointing authority (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 fail to appoint a common arbitrator within no more than 15 days of having been invited to do so, the appointing authority shall appoint all the members of the tribunal regardless of whether the claimant has appointed an arbitrator or whether the claimants have appointed a common arbitrator (Article 19.).

Appointing Authority

Article 19

- (1) The parties may designate the appointing authority in mutual agreement.
- (2) If the parties do not reach an agreement on the appointing authority or if the appointing authority designated by such agreement declines to serve, the appointing authority shall be the President of the Court.

Actions by the Appointing Authority

Article 20

- (1) The appointing authority is obligated to appoint the arbitrator without delay. The appointing authority shall make the appointment by applying the list procedure (paragraphs 2 to 4) only if the parties have expressly agreed on its application or if the appointing authority deems that this is appropriate in the specific case.
- (2) The applicable list procedure shall be as follows:
 - (a) At the request of one of the parties or both parties, the appointing authority shall transmit to 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 appointing authority 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 expiry of the time limit referred to in item (b), the appointing authority shall appoint an arbitrator from the persons whose names are approved on the returned list, according to the order indicated by the parties;
 - (d) If the appointment cannot be conducted in this way, the appointing authority may appoint an arbitrator according to the appointing authority's own assessment.
- (3) When appointing an arbitrator, the appointing authority is obligated to take into account all the circumstances to ensure the appointment of an independent and impartial arbitrator and the justification of appointing an arbitrator who does not have the same nationality as the parties.

*Appointment of Arbitrators having Permanent or Habitual Residence
Outside the Place 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 place of arbitration, shall make an advance deposit of the additional funds needed to cover the costs of the arbitrator's travel and stay in the place of arbitration – if the Secretary of the Court finds that such appointment causes inappropriate expenditure in relation to the participation of this arbitrator in the proceedings.
- (2) If the party fails to make an advance deposit of the funds referred to in paragraph 1 of this Article within the time limit set by the Secretary of the Court in its invitation to do so, it shall be deemed that such party has not appointed an arbitrator within the time limit set.
- (3) The additional costs of the arbitrator referred to in paragraph 1 of this Article shall be included in the costs of the arbitration proceedings.

Constitution of Arbitral Tribunal

Article 22

- (1) The arbitral tribunal shall be deemed to have been constituted on the day when the Court receives a statement from the appointed sole arbitrator or a statement from all the members of the arbitral tribunal on their independence and acceptance of 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 shall disclose all circumstances that might bring their independence or impartiality into question.

(2) Even after appointment, an arbitrator is obligated to immediately inform the parties of such circumstances, unless he or she has already informed them thereof.

Substitution of Arbitrators

Article 24

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

Challenge of Arbitrators

Article 25

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

(2) A party may request the challenge of an arbitrator appointed by such party or in whose appointment such party participated only if the reason for challenge occurred or if the party learned of it after the arbitrator had already been appointed.

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

(4) If the arbitrator whose challenge is requested does not withdraw or the other party does not agree with the request for challenge, the appointing authority shall decide on that request, after the arbitrator whose challenge is requested and the other party have been given the opportunity to make a statement about this. Such decision shall be substantiated.

(5) An arbitrator who has withdrawn or who has been challenged shall have no right to remuneration or reimbursement of expenses in the procedure. He/she shall consent to such consequences of withdrawal or challenge by signing the statement of impartiality and acceptance of duties.

Termination of an Arbitrator's Mandate due to Failure to Perform His/her Duties

Article 26

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

(2) The proceedings to render a decision referred to in paragraph 1 of this Article may also be instituted by the President of the Court or the Presidency of the Court *ex officio*.

(3) A procedural order to terminate the mandate of an arbitrator due to the failure to perform his/her duty shall be rendered by the Presidency of the Court, on the basis of an explained motion by the President of the Court or the Vice-President appointed by him/her.

(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/she incurred in the proceedings and to an appropriate fee for work done if the failure to perform his/her duty occurred for justified reasons.

(7) The arbitrator is obligated to submit his/her request for reimbursement of expenses and an appropriate fee within 15 days from receipt of the decision to terminate his/her mandate. If the arbitrator fails to do so, he/she shall lose the right to request reimbursement of expenses and an appropriate fee.

(8) A tribunal comprising 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 shall give their consent to the application of the provisions of this Article by signing a statement of impartiality and acceptance of duties.

Repeated Argument in Case of Change of Composition of Arbitral Tribunal
Article 27

(1) If the composition of the arbitral tribunal is altered, the argument before the tribunal shall be repeated. The arbitral tribunal may decide for the argument not to be repeated if the parties so agree.

(2) If a new sole arbitrator is chosen or appointed, the argument must be repeated.

IV. ARBITRATION PROCEEDINGS

1 Statement of Claim and Reply to the Statement of Claim

Statement of Claim
Article 28

(1) Arbitration proceedings are instituted by a statement of claim, unless the parties have agreed otherwise.

(2) The statement of claim 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 arbitrator,

(g) An indication of the value of the subject matter of the dispute.

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

(4) Arbitration proceedings at the Court shall commence on the day when the Court receives the statement of claim.

Reply to the Statement of Claim

Article 29

(1) The Secretary of the Court shall transmit to the respondent the statement of claim and its enclosures, and set a time limit for filing a written reply to the statement of claim. The reply shall be filed with the Court, and the Secretary of the Court shall transmit it to the claimant together with its enclosures.

(2) The provisions of paragraphs 2 and 3 of Article 28 of the Rules shall apply *mutatis mutandis* to the reply to the statement of claim.

(3) The statement of claim shall not be transmitted to the respondent before the claimant has paid the entire amount of the advance deposit for the costs of the arbitration proceedings.

Loss of the Right to Object

Article 30

A party who is aware or who ought to be aware that a provision of the law applicable to the arbitration which the parties may not waive or that a condition arising from the arbitration agreement has not been fulfilled, but despite this fact continues to take part in the arbitration and fails to object to this omission without delay, or fails to object within the time limit set for such objections, shall lose the right to invoke such omission.

2 Statement of Counterclaim and Set-off Defense

Statement of Counterclaim

Article 31

(1) The respondent may in his/her reply to the statement of claim file a statement of counterclaim with the Court if the claim referred to in the statement of counterclaim stems from the legal relationship covered by the arbitration agreement concluded. If the claimant agrees with that, the respondent may file a statement of counterclaim until the moment of closing of the argument.

(2) The provisions of these Rules pertaining to the statement of claim shall also apply *mutatis mutandis* to the statement of counterclaim.

Set-off Defense

Article 32

(1) The respondent may in his/her reply to the statement of counterclaim file a set-off defense requesting the arbitral tribunal to determine the claim sought in the set-off defense and set it off against the claimant's claim, only if the arbitral tribunal finds that the claimant's claim is well-founded. If the claimant agrees with that, the respondent may file a statement of counterclaim until the moment of closing of the argument.

(2) The respondent may only file a set-off defense pursuant to paragraph 1 of this Article if it arises from the legal relationship covered by the arbitration agreement. The set-off defense shall be deemed to arise from the legal relation covered by the arbitration agreement if the claimant does not object to the jurisdiction of the arbitral tribunal to hear and adjudicate such defense no later than before it enters the argument on its merits.

(3) The rules applicable to the statement of counterclaim shall also apply to a set-off defense 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 finds it to be purposeful, render a decision to separate the proceedings on the statement of claim and the set-off defense and set the respondent a time limit in which to amend his/her set-off defense into an action in which he/she presents an unconditional claim.

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

(6) The effects of filing a set-off defense 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 moment that objection was filed in the proceedings before separation.

(7) In the event of separation of proceedings, the arbitral tribunal which conducted the proceedings shall retain jurisdiction also for conducting the proceedings on the action based on the set-off defense after the separation of the proceedings.

(8) If the respondent does not file an action instead of a set-off defense within the time limit set by the arbitration tribunal (paragraph 4), it shall be deemed that he/she has withdrawn his set-off defense and in that case he/she shall be obligated to reimburse the costs to the claimant as in the case of withdrawal of a statement of counterclaim.

3 Defining the Terms of Reference of the Arbitral Tribunal

Terms of Reference of the Arbitral Tribunal

Article 33

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

- Names and data on the parties;
- Postal and electronic addresses of the parties and their representatives to which notifications may be transmitted and through which communication may be undertaken for the purposes of the arbitration proceedings;
- Names, data and postal and electronic addresses of the arbitrators to which notifications may be transmitted and through which communication may be undertaken for the purposes of the arbitration proceedings;
- Data on the composition of the arbitral tribunal;
- A reference to the arbitration agreement between the parties as the grounds for jurisdiction of the arbitral tribunal;
- Place of arbitration;
- 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 Court and to the parties;
- The summary of statements and allegations by the parties and their requests;
- Disputed issues that the arbitral tribunal needs to resolve;
- An indication that the arbitrators have accepted their appointment, that the parties accept the jurisdiction of the arbitral tribunal and that the arbitral tribunal is authorized to resolve the dispute pursuant to this document; that the parties have no objection to any of the

arbitrators, that they deem the arbitrators 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 timetable for undertaking tasks in the proceedings.

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

(3) The arbitral tribunal shall draw up the terms of reference of the arbitral tribunal if the parties have agreed thereon 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 terms of reference in the event referred to in paragraph 3 of this article shall not be drawn up if the parties agree that it is not necessary to do so.

(5) If, in the event referred to in paragraph 1 of this Article, the arbitral tribunal does not render a procedural order on drawing up its terms of reference within two months of its constitution, it shall be deemed that it has decided that such document will not be drawn up.

Signing and Approval of the Terms of Reference of the Arbitral Tribunal
Article 34

(1) The terms of reference shall be signed by the arbitrators and the parties.

(2) The documents referred to in paragraph 1 of this Article must be drawn up and signed within two months of the constitution of the arbitral tribunal. This time limit may be extended by the President of the Court or the person he/she authorizes, at the request by the arbitral tribunal accompanied by an explanation.

(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 such approval.

4 General Rules of Procedure

Conduct of Proceedings
Article 35

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

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

(3) Unless the prerequisites for issuing of an award without holding a hearing have been fulfilled, the arbitral tribunal shall be obligated to hold the first hearing within sixty days from the day of constitution of the arbitral tribunal (Article 22).

(4) The arbitral tribunal shall be obligated to complete the arbitration proceedings within one year from the day of constitution of the arbitral tribunal (Article 22).

(5) The President of the Court can extend the time limit referred to in paragraph 4 of this Article, at the request of the arbitral tribunal accompanied by an explanation, if he/she finds that there are justified reasons to do so.

Joinder and Severance of Proceedings

Article 36

(1) If the parties to the dispute file independent actions against one another arising from the same or different legal relationships, for which they have agreed on the jurisdiction of the arbitral tribunal at the Court, in cases where this would be purposeful in view of the disputes instituted by those actions, the Secretary of the Court shall endeavour for the argument and decision-making on them to be joined and continued before the arbitral tribunal in the same composition.

(2) At the request of any of the parties, in proceedings 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 the proceedings in relation to one or some of them for a certain period of time.

(3) At the request of any of the parties, the arbitral tribunal may decide, unless the parties jointly object to this, for proceedings instituted jointly by several claimants, 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, 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 events referred to in paragraphs 2 and 3 of this Article, the parties are obligated 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 Secretary 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 separation of the proceedings cease to exist (paragraphs 2 and 3), the separated proceedings may be re-joined (paragraph 1).

Co-litigants

Article 37

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

(2) Joint and several creditors and joint and several debtors may be encompassed by the same action as co-litigants.

(3) The claimant may only encompass two respondents in the action, requesting the arbitral tribunal to accept the claim against the subsequent respondent if it has been dismissed against the one indicated first in the action, if both respondents agree to this.

Intervenor

Article 38

A person who has a legal interest to join any 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 in mutual consent to extend the time limits for performing certain procedural tasks by the parties established by the Rules or by a procedural order by the arbitral tribunal.

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

(3) Taking all the circumstances into account, the arbitral tribunal shall assess whether the procedural tasks undertaken by the parties after the expiry of the set time limits may be accepted.

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

Conclusion of the Argument

Article 40

(1) When the arbitral tribunal finds that a case has been argued sufficiently and a decision can be rendered, it shall announce that the argument has been concluded.

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

5 Decision on the Jurisdiction of the Arbitral Tribunal

Objection of Lack of Jurisdiction

Article 41

(1) The arbitral tribunal may decide about its own jurisdiction, including deciding on any 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 separate from the other provisions of that contract. A decision by the arbitral tribunal on whether that contract is null and void in itself does not mean that the arbitration clause is also void.

(2) An objection that the arbitral tribunal does not have jurisdiction must be filed no later than the reply to the statement of claim or, in relation to a statement of counterclaim or set-off defense, in the reply to the statement of counterclaim or to the set-off defense. The fact that a party has 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 limits of its jurisdiction shall be filed as soon as the case in which it is alleged that the tribunal 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 referred to in paragraph 2 of this Article as a preliminary question or in the decision on the merits of the dispute. The arbitral tribunal may continue with the proceedings and render an award, 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 it shall decide which party has the burden of proving certain factual assertions.

(2) If it finds it to be purposeful, the arbitral tribunal may invite the parties to submit to the arbitral tribunal and to the opposing party, within the time limit set by the arbitral tribunal, a brief overview of the documents and other evidence which that party intends to present in order to establish disputed facts presented in the statement of claim or in the reply to the statement of claim.

(3) During the arbitration proceedings, the arbitral tribunal may within the limits of its powers invite the parties to present documents or other evidence within a time limit it sets.

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

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

Witnesses

Article 43

(1) Unless the parties have 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) After it has given the parties the opportunity to express their opinions on that issue, the arbitral tribunal may appoint one or more expert witnesses to provide findings and opinions on specific issues about which the arbitral tribunal must decide. The arbitral tribunal shall send the parties a copy of the decision on appointment of an expert witness and on his/her terms of reference.

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

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

Costs of Taking Evidence

Article 45

(1) When arranging the hearing of witnesses, expert witness assessment or taking of other evidence, the arbitral tribunal shall, in agreement with the Secretary of the Court, define by a procedural order 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 set time limit, the evidence shall 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 scheduling of an oral hearing in good time, indicating the date, time and place where the hearing is to be held.

(2) The oral hearing shall be held with the exclusion of the public unless the parties have agreed otherwise.

Preparation of the Oral Hearing

Article 47

(1) If witnesses are to be heard, each party shall file a submission to the arbitral tribunal and to the opposing party at least 15 days before the hearing, informing them of the names and addresses of the witnesses the party intends to propose and indicating the subject of the testimony and language in which the witnesses are to be heard, unless they have already done so at the previous hearing.

(2) In agreement with the Secretary of the Court, the arbitral tribunal shall provide for interpretation of oral statements given at the hearing and for 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 later than 15 days before the hearing.

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 Court and the arbitral tribunal for ordering interim measures in line with the provisions of these Rules.

(2) Unless the parties have agreed otherwise, the arbitral tribunal may, at the request of any one of the parties, issue an interim security measure ordering any of the parties to undertake a certain measure that the arbitral tribunal considers necessary, in particular it can do the following:

(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 items or for them to be entrusted to the safe-keeping of the proposer or a third party;

(e) Regulate the relationship between the parties, on a temporary basis;

(f) Order a party to make a guarantee deposit as a prerequisite for ordering some other interim measure, or as a prerequisite for not ordering such measure, or as a measure to reinforce the effectiveness of other measures imposed, or as a security based on which the proposer of the interim measure would be able to settle his/her claim from his/her action, including the right to reimbursement of the costs of the proceedings;

(g) Order and conduct securing of evidence.

The Procedure of Ordering Interim Measures

Article 49

(1) The arbitral tribunal shall order an interim measure as a rule only after it gives an opportunity to other party to express an opinion on the motion to order such a measure.

(2) The arbitral tribunal may order an interim measure before it has given the other party an opportunity to express their opinion on the motion only if the party requesting such a measure gives plausible reasons why this is necessary for the effectiveness of the interim measure.

(3) In the event referred to in paragraph 2 of this Article, the party requesting an interim measure to be ordered shall inform the arbitral tribunal of all the circumstances relevant for the decision by the arbitral tribunal and that party shall also provide a statement declaring that they will be liable for any harm caused by failing to inform about circumstances they knew about or should have known about. In any case, the arbitral tribunal is obligated to give each party an opportunity to express their opinion about the motion as soon as this is possible depending on the

nature of the matter and to re-examine the decision rendered on an interim measure after receiving the statement by the other party.

(4) The decision on the interim measure shall be issued in the form of an award and it shall include a 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 for the interim measure.

(5) The parties are obligated to inform the Secretary of the Court without delay of the actions taken pursuant to specific interim measures.

Ordering Interim Measures before the Constitution of the Arbitral Tribunal

Article 50

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

(2) In exceptionally urgent cases, the President of the Court or the arbitrator appointed by the President 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 for filing the action shall be set in the decision to order the interim measure. If the action is not filed within that time limit the interim measure will be rescinded.

(3) After the arbitral tribunal has been constituted, it may proceed to act on the interim measures ordered pursuant to the provisions of paragraph 1 of this Article as though it had ordered them itself.

Costs of Ordering Interim Measures

Article 51

(1) The party who proposes an interim measure shall, at the request of the Secretary of the Court, pay an administrative fee for ordering of such measure and an advance deposit to cover the costs of ordering and enforcing the measures that are to be taken by the Secretary, the President of the Court, the appointed arbitrator or the arbitral tribunal, with appropriate application of the provisions on costs of proceedings before the Court.

(2) Until payment is made of the administrative fee and the advance deposit for covering the costs of ordering and enforcing the interim measures, no action shall be taken on the motion to order interim measures.

9 Award

Issuing and Service of Award

Article 52

(1) The arbitral tribunal shall submit to the Secretary of the Court a draft award for the purpose of review and approval (Article 55) within sixty days after conclusion of the hearing for the main argument, or until fulfilment of other prerequisites for its issuing, taking into consideration the time limits for the completion of the arbitration procedure referred to in Article 35 of these Rules. At a request of the arbitral tribunal accompanied by an explanation, the President of the Court can extend the time limit for submitting a draft award by an additional period of thirty days.

(2) The final award shall be delivered to the parties when the Secretary of the Court has established that they have settled all the costs of the arbitration proceedings.

(3) The certificate of *res iudicata* and enforceability of the award shall be issued by the Secretary of the Court.

Remedy to Higher Instance Arbitral Tribunal not Permitted

Article 53

No remedy shall be permitted to an arbitral tribunal of a higher instance against the award.

10 Powers of the Court

Powers of the Secretary of the Court

Article 54

(1) The Secretary of the Court may attend the hearings for argument.

(2) The Secretary of the Court is obligated to take part in hearings for argument if the sole arbitrator or at least one member of the arbitral tribunal is not a law graduate.

(3) The Secretary of the Court is authorized to draw the arbitrators' attention to legal issues that are relevant for the decision-making process, especially issues related to the content and form of procedural tasks being taken, whilst at the same time respecting the right of the arbitral tribunal to decide on the merits of the dispute.

Examination and Approval of Awards and Procedural Orders

Article 55

(1) Before signing the award and procedural orders related to the management of the proceedings, the arbitral tribunal shall present a draft to the Court.

(2) The Court may order an 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 issues relating to the merits of the dispute.

(3) The examination of the draft award and procedural order 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.

10a Award Without Holding a Hearing

Issuing an Award Without Holding a Hearing

Article 56

(1) If the arbitral tribunal finds, based on a statement of claim, reply to a statement of claim and enclosures with those submissions that the facts are certain beyond doubt, i.e. that the facts can be determined based on the documents submitted by the parties, it can issue an award without holding a hearing, unless there are other circumstances preventing the issuing thereof.

(2) In the event referred to in paragraph 1 of this Article, the arbitral tribunal shall provide prior notification to the parties about its position that the conditions for issuing an award without holding a hearing have been fulfilled and about the fact that the award shall be issued, unless any of the parties requests that a hearing be held for the purpose of discussing

the tribunal's position that the conditions for issuing an award without holding a hearing have been fulfilled.

(3) The request for holding of a hearing has to be filed by the party within eight days after delivery of the notification of the arbitral tribunal referred to in paragraph 2 of this Article.

11 Payment Order (Award in the Form of a Payment Order)

Issuance of Payment Order Article 57

(1) If the requirements 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 claimant.

(2) The payment order, together with the statement of claim 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 obligated 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 referred to in paragraph 3 of this Article, the Secretary of the Court shall do what is needed to establish 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 referred to in 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 58

(1) At the request of a party, the arbitral tribunal shall nominate, in the award or in the decision terminating the proceedings, which party is obligated 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' fees, and to bear their own costs.

(2) The arbitral tribunal shall decide on costs at its own 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 if such decision is only possible after the termination of the arbitration proceedings, the arbitral tribunal shall render a separate award on costs.

Article 59

If the arbitration proceedings are terminated before the arbitral tribunal is constituted, for example by the withdrawal of the statement of claim, the President of the Court shall decide on the requests by the parties for reimbursement of the costs of the proceedings, as a sole arbitrator by virtue of an award.

Article 60

The rules on costs of proceedings before the Court (arbitrators' fees, 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 61

(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 shall follow, either by establishing them themselves or by choosing specific rules or a law, or in some other appropriate manner.

(3) Where 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 law relevant for the arbitration.

(4) For issues not regulated by these Rules or the rules of the law relevant for the arbitration, the arbitral tribunal shall be authorized to establish the rules of the proceedings itself either by determining them itself, or by referring to specific rules, a law, or in some other appropriate manner.

V. SPECIAL RULES OF FAST TRACK ARBITRATION PROCEDURE

Scope of Application

Article 62

(1) Special rules about fast track arbitration procedure shall apply:

1 In disputes without international character the value of the subject matter of which does not exceed the HRK counter-value of EUR 100,000.00, unless the parties have determined otherwise in their arbitration agreement,

2 In disputes without international character the value of the subject matter of which exceeds EUR 100,000.00 and in disputes with international character if the parties have determined in their arbitration agreement that the procedure shall be conducted in accordance with such rules in the legal matters to which the agreement in question pertains.

(2) Unless the following provisions of these rules define otherwise, the provisions of Chapters I to IV of these Rules shall apply *mutatis mutandis* in the fast track arbitration procedure.

Composition and Constitution of the Arbitral Tribunal

Article 63

(1) The fast track arbitration procedure shall be conducted by a sole arbitrator.

(2) If the parties have not agreed in the arbitration agreement or at some point prior to filing of a statement of claim about the person who is to settle their dispute as the sole arbitrator, the sole arbitrator shall be appointed by the appointing authority selected from the valid list of arbitrators of the Court within eight days, counting from the day of payment of the advance deposit for covering of the costs of the arbitration procedure.

Submission and Service of Documents

Article 64

(1) The statement of claim, reply to the statement of claim and other submissions, as well as enclosures with those submissions in the procedure to which the provisions of this Chapter pertain shall be submitted in paper/hard copy and in electronic form.

(2) In the claimant's statement of claim and in the respondent's reply to the statement of claim, they shall be obligated to indicate their e-mail addresses to which the documents are

to be delivered electronically. Those e-mail addresses shall be a compulsory part of the parties' identification in the procedure.

(3) The Court and the sole arbitrator shall deliver their documents to the parties electronically and in paper/hard copy, unless the parties waive delivery in paper/hard copy. The sole arbitrator shall deliver its documents addressed to the parties electronically. The Court shall deliver its documents addressed to the parties electronically, and it shall also deliver them to the sole arbitrator.

(4) In cases referred to in paragraphs 1 to 3 of this Article, the parties shall be obligated to electronically confirm the receipt of the document sent by the opposing party, the Court and the sole arbitrator, together with enclosures with those documents, within no more than three days thereafter. The electronic form of confirmation of receipt shall be determined by the Court in a special decision, or the provisions on electronic sending of documents from the E-Idas Regulation of the European Commission shall apply, once implemented.

(5) A party's document sent electronically to the opposing party shall also be sent to electronically the Court, which shall forward it the same way to the relevant party and to the sole arbitrator. The sole arbitrator's document sent electronically to the parties shall also be sent to the Court, which shall forward it the same way to the parties.

(6) It shall be considered that the party's, the Court's and the sole arbitrator's document has been delivered to the opposing party(ies) upon expiry of the third day after the Court forwarded it electronically to the opposing party(ies) (paragraph 5).

(7) The party that fails to fulfil or that fails to duly fulfil its obligations under the previous provisions of this Article shall be obligated to compensate to the opposing party, at the opposing party's request, the costs incurred in such way, irrespective of the outcome of the dispute. Such acts of the party shall be taken into consideration by the sole arbitrator also in the process of deciding on that party's request for reimbursement of the costs of procedure.

(8) The Court or the sole arbitrator can define a special electronic format that the parties shall be obligated to use.

(9) The amount of the costs caused by failure to fulfil or by undue fulfilment of obligations defined in the previous paragraphs of this Article shall be assessed by the sole arbitrator at his/her own discretion.

(10) The service of the award shall be performed according to the provisions of Article 12 of these Rules.

(11) The Court and the sole arbitrator shall communicate with each other electronically.

(12) The Court shall publish at its website the e-mail address at which it shall receive submissions referred to in paragraph 1 of this Article as well as other documents in this procedure.

Reply to a Statement of Claim

Article 65

(1) The respondent may reply to the statement of claim within a period of fifteen days. A reply to the statement of claim that has not been submitted in due time shall not be taken into consideration during the making of the final award.

(2) If the respondent fails to file a reply to the statement of claim referred to in paragraph 1 of this Article, the sole arbitrator shall be authorized to issue an award based on the assertions made in the statement of claim and the evidence enclosed with the statement of claim.

(3) If the assertions made in the statement of claim and the evidence enclosed with the statement of claim do not show the statement of claim to be well-founded, the sole arbitrator shall issue an award denying the claim as unfounded.

(4) If the respondent files a reply to the statement of claim in due time, the reply and any potential enclosures shall be delivered to the claimant, so that the claimant may provide a comment about it within fifteen days. The claimant shall be obligated to enclose all documents with his/her comments that he/she finds relevant for the settling of the dispute.

(5) Claimant's comments referred to in paragraph 4 of this Article shall be delivered to the respondent, who can make his/her own comments within fifteen days. The respondent shall be obligated to enclose all documents that he/she finds relevant for the settling of the dispute.

(6) After expiry of time limits referred to in paragraphs 4 and 5 of this Article, the parties may only present new facts and propose new evidence if the opposing party and the sole arbitrator agree with that.

(7) The sole arbitrator can, as an exception and if he/she finds it necessary in order to ensure a fair trial, allow for new facts and evidence to be presented even if the opposing party opposes it.

Statement of Counterclaim and Set-off Defense

Article 66

(1) The statement of counterclaim and set-off defense can be filed by the respondent only in the reply to the statement of claim.

(2) After filing the reply to statement of claim, the respondent may file a statement of counterclaim and a set-off defense only if the opposing party and the sole arbitrator agree with that. The sole arbitrator can, as an exception and if he/she finds it necessary in order to ensure a fair trial, allow for new facts and evidence to be presented even if the opposing party opposes it.

Award Without Holding a Hearing

Article 67

(1) Unless the claimant proposes otherwise in his/her statement of claim or unless the respondent proposes otherwise in his/her reply to the statement of claim, the sole arbitrator can issue an award without holding a hearing based on the assertions made by the parties in the statement of claim and the reply to the statement of claim, or in the submissions of the parties referred to in Article 65, paragraphs 4 and 5 of these Rules, and based on evidence enclosed with the statement of claim and the reply to the statement of claim, as well as other mentioned submissions.

(2) If he/she finds that the conditions for issuing an award without holding a hearing have been met, the sole arbitrator shall, within eight days, inform the parties of his/her position, and the parties shall be entitled to request within eight days that a hearing be held to discuss the position of the sole arbitrator that the conditions for issuing an award without holding a hearing have been met, and to discuss the grounds for deciding on the merits of the dispute.

(3) The sole arbitrator can, as an exception, at his/her own incentive and if he/ she finds that the circumstances of the case and the principle of fair trial require it, decide that in the event referred to in paragraph 1 of this Article, a hearing be held in which he/she shall present to the parties his/her positions with regard to the material elements of the dispute in accordance with Article 17, paragraph 3 of the Arbitration Act (Official Gazette No. 88/01).

(4) The hearing referred to in paragraphs 2 and 3 of this Article shall be held by the sole arbitrator within 30 days after the day of filing the request of the party referred to in paragraph 2 of this Article, or from the day of receipt of submission referred to in Article 65, paragraphs 4 and 5 of these Rules that the sole arbitrator received last.

Obtaining Witnesses' and Parties' Testimonies

Article 68

(1) If it is required to hear witnesses or parties in order to determine relevant facts, the sole arbitrator shall decide whether a hearing is to be held for the purpose of taking such evidence or whether he/she shall request from the mentioned persons to submit their testimonies in writing.

(2) If he/she decides to request from the mentioned persons to submit their testimonies in writing, the sole arbitrator shall invite the parties to provide, within eight days, a list of questions that the witness or the other party shall need to answer. The list of questions drafted by one of the parties shall be delivered to the opposing party, who can supplement their list of questions with further questions, within a period of eight days.

(3) Witnesses' testimonies referred to in paragraph 3 of this Article have to be publically certified, unless the parties agree that such certification is not necessary.

(4) Witnesses' and parties' testimonies shall be delivered to the relevant parties and to the opposing party by the sole arbitrator, and the parties shall be allowed to make a comment about them within eight days. Based on those comments, the sole arbitrator may request that the witnesses' or parties' testimonies be supplemented.

(5) As a rule, written testimonies of witnesses shall be obtained by the parties that presented them as evidence. If the party that was instructed to do so fails to obtain witnesses' testimonies within the time limit set for that purpose, it shall be considered that the hearing of those witnesses had never even been proposed.

(6) If it finds that the party was unable to obtain a witness's testimony for justified reasons, the sole arbitrator may, as an exception, decide to request directly from the witness to provide a written testimony. In that case, the provisions of paragraphs 2 to 4 of this Article shall apply *mutatis mutandis*. Once he/she finds it necessary, the sole arbitrator may decide to obtain witnesses' testimonies via the state court in accordance with the rules on legal assistance.

(7) After he/she receives witnesses' and parties' testimonies and the parties' comments about such testimonies, the sole arbitrator may decide to still hold the hearing for the purpose of hearing the witnesses and the parties, or for clarifying disputed issues. The sole arbitrator shall be obligated to hold that hearing within no more than thirty days after receipt of the last of the mentioned testimonies or the last of the parties' comments.

Expert Witness Assessment

Article 69

(1) If any of the parties have suggested expert witness assessment for the purpose of determining certain facts, the sole arbitrator shall, if he/she finds it necessary and unless the parties have agreed otherwise, nominate within eight days a natural or legal person that shall be entrusted with the task of expert witness assessment, and he/she shall determine the time limit for such expert witness assessment to be performed. On that occasion, the sole arbitrator shall decide which of the parties shall be obligated to provide an advance deposit of the funds required for the taking of such evidence, as well as the amount and the time limit for it. That time limit cannot be longer than fifteen days.

(2) If the party that was instructed to provide an advance deposit of the funds for the performance of expert witness assessment referred to in paragraph 1 of this Article fails to do so, the expert witness assessment shall not be performed.

(3) Expert witnesses are obligated to perform their tasks within the time limit set by the arbitral tribunal. The expert witnesses shall make a statement to that effect in writing, accepting the offered task of performing expert witness assessment.

(4) The sole arbitrator may decide for each of the parties to entrust the task of performing expert witness assessment to a person of their own choosing. In that case, the parties shall be given a time limit for obtaining and submitting the findings and opinion of such person. The finding and opinion of such person can be obtained even prior to filing a statement of claim or reply to a statement of claim.

(5) In the event referred to in paragraph 4 of this Article, each of the parties shall be allowed to make a written comment to the obtained findings and opinion of the person that the opposing party has entrusted with the task of performing the expert witness assessment and to ask him/her questions, within eight days after receipt of the findings and opinion of that person. The party that obtained the findings and the opinion shall be obligated to obtain the answers to those questions from the person who provided the findings and the opinion, within a time limit set by the sole arbitrator. The parties shall be allowed to make comments about those answers within eight days after having received them.

(6) In the events referred to in paragraphs 4 and 5 of this Article, the sole arbitrator shall, at his/her own discretion, evaluate the obtaining of the findings and the opinion, as well as the answers to the questions that were asked to the person who drafted the findings and the opinion and the parties' comments about such findings and opinion, and also about the answers to the questions asked.

(7) If he/she finds it necessary, the sole arbitrator can decide to hold a hearing for the purpose of hearing an expert witness nominated by him/her or of the person to whom the parties themselves have entrusted the performance of expert witness assessment. That hearing shall be held by the sole arbitrator within no more than thirty days after the day of receipt of the parties' comments referred to in paragraph 5 of this Article.

Issuing an Award

Article 70

(1) The sole arbitrator shall be obligated to issue an award within a period of fifteen days after the fulfilment of conditions for its issuing without holding a hearing (Article 67), or after the obtaining of the witnesses', the parties' and the expert witnesses' testimonies and the parties comments in accordance with the provisions of Articles 68 and 69 of these Rules.

(2) At the sole arbitrator's request accompanied by an explanation, the President of the Court can authorize an extension of the time limit referred to in paragraph 1 of this Article by no more than thirty days.

(3) If a hearing has been held, the time limits for the issuing of the award referred to in paragraphs 1 and 2 of this Article shall be counted from the day of conclusion of argument at that hearing.

Time Limits

Article 71

(1) In determining of the time limits for undertaking of activities of the parties and also in undertaking of his/her own activities, the sole arbitrator shall take into account the urgency of fast track arbitration procedure.

(2) The time limits in which parties are obligated to undertake certain activities in accordance with the provisions of this Chapter can only be extended unless otherwise defined in those provisions, provided that the motion for extension had been submitted before the time limits expired and provided that the sole arbitrator found the motion to be well-founded.

(3) Activities of parties that have not been undertaken in due time shall not be taken into consideration in the issuing of the award.

VI. TRANSITIONAL AND FINAL PROVISIONS

Application of the Rules

Article 72

(1) The Rules shall apply to arbitration proceedings where the arbitration agreement was concluded after they came into force.

(2) Unless the parties agree for these or some other Rules to be applied to proceedings already being conducted, the Rules that were in effect at the moment of conclusion of the arbitration agreement shall apply in such proceedings.

(3) By way of derogation 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 73

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

Class:

File No.:

Zagreb,

President
Luka Burilović, m.p.