

**Latvian Chamber of Commerce and Industry
COURT OF ARBITRATION
RULES OF ARBITRATION***

**Chapter I
Introductory provisions**

Article 1. Jurisdiction of the Latvian Chamber of Commerce and Industry Court of Arbitration

- (1) Where the parties have agreed to arbitrate existing or future dispute in the Latvian Chamber of Commerce and Industry Court of Arbitration (further referred to as “LCCI Court of Arbitration”) but have not determined what rules should be applied, it shall be considered that they have agreed on the application of Rules of Arbitration of the LCCI Court of Arbitration or on the application of the LCCI Rules of Arbitration for the Settlement of Small Disputes.
- (2) The question on jurisdiction of the dispute shall be decided by the Arbitral Tribunal.

Article 2. Terms

- (1) The parties shall perform all procedural actions within the terms as defined by these Rules.
- (2) Upon a written request by any party and after clarification of the other party’s opinion the Council of the LCCI Court of Arbitration or the Arbitral Tribunal can extend terms as defined by these Rules.

Article 3. Notices and Communications

- (1) Any notices or other communications shall be delivered via registered letter or other means of communications that provides a record of the sending thereof or delivered to the addressee personally upon signing the confirmation.
- (2) Any notices or other communications shall be deemed to have been received on the day it has been delivered to the addressee personally or to the mail address as indicated by the addressee, or to the location or the legal address of a legal entity or to the declared place of residence address of a natural person, however, if the place of residence is not declared delivery shall be made to the addressee’s last-known address.

Article 4. Language of Arbitration

If the parties have not agreed otherwise in the arbitration agreement, the Arbitral Tribunal shall determine the language of the arbitration after clarification of the parties’ opinions.

Article 5. Place of Arbitration

The place of arbitration shall be the seat of the LCCI unless otherwise agreed by the parties or determined by the Arbitral Tribunal in absent of such parties’ agreement.

* Translation from Latvian. In case of controversies the Latvian version is decisive.

Article 6. Representation

The parties shall lead their cases by themselves or by authorised representatives.

Article 7. Confidentiality of Arbitration

The arbitration proceedings shall be confidential unless otherwise agreed by the parties.

Article 8. Evidences

Each party shall have burden of proving the facts relied on to support its claim. The Arbitral Tribunal shall determine the admissibility and relevance of evidences.

Article 9. Failure of Party to Appear

If a party, without a sufficient cause, fails to appear in the arbitral proceedings, the arbitral proceedings shall be continued and the dispute shall be settled without such party's participation.

Article 10. Waiver of right to object

If a party has failed to submit written objections to the Court of Arbitration immediately after learning on the violation or non-compliance with any provisions it shall be deemed that it has waives its rights to raise such objections.

Chapter II Commencement of Arbitral Proceedings

Article 11. Commencement of Arbitral Proceedings

The date on which the Statement of Claim is received in the Secretariat of the LCCI Court of Arbitration shall be deemed to be the date of commencement of the arbitral proceedings. The number of copies of the Statement of Claim shall be as many as the number of arbitrators and respondents participating in the case.

Article 12. Statement of Claim

The Statement of Claim shall be submitted in writing to the Secretariat of LCCI Court of Arbitration and shall contain information on the parties, a summary of the dispute and the amount of the claim, the name and address of the appointed arbitrator if the parties have agreed on a three Arbitrator's Tribunal as well as other relevant information. Arbitration agreement, evidences and other documents the Claimant makes reference to shall be attached to the Statement of Claim.

Article 13. Respondent's Reply

The Respondent shall submit a reply to the claim to the Secretariat of LCCI Court of Arbitration within 15 days after the Statement of Claim has been sent out and shall include

the objections if any and evidences to them as well as the name and address of the appointed arbitrator if the parties have agreed on a three Arbitrator's Tribunal.

Article 14. Counterclaim

The counterclaim shall be submitted within 15 days after the Statement of Claim has been sent out. The counterclaim shall contain information on the parties, information on the dispute and amount of the claim as well as other relevant information.

Article 15. Reply to the counterclaim

The reply to the counterclaim shall be submitted within 15 days after the counterclaim has been sent out. The reply to the counterclaim shall contain objections if any and the evidences justifying them.

Article 16. Transmission of the File to the Arbitral Tribunal

- (1) The Secretariat of LCCI Court of Arbitration shall transmit the file to the Arbitral Tribunal as soon as it has been constituted and the parties have paid the costs of arbitration.
- (2) Arbitral Tribunal shall set the hearing date within 15 days after receiving the file.

**Chapter III.
Composition of Arbitral Tribunal**

Article 17. Number of Arbitrators and Their Appointment

- (1) Where the parties have not agreed on the number of arbitrators, the Arbitral Tribunal shall consist of sole arbitrator, unless the Council of the LCCI Court of Arbitration, after request of a party taking in account the complexity of the case and other circumstances, decides that the dispute is to be settled by three arbitrators. Such request by a party shall be submitted with the Statement of Claim or Reply to the Claim to the Secretariat of the LCCI Court of Arbitration. The Council of the LCCI Court of Arbitration shall take a decision on such request within 15 days after receiving it taking in account the opinion of other party.
- (2) Where the parties have agreed that the dispute shall be settled by a sole arbitrator the parties shall nominate the arbitrator within 15 days after the Statement of Claim has been sent to Respondent.
- (3) Where the parties have agreed on the Arbitral Tribunal consisting of three arbitrators, each of the parties shall nominate one arbitrator in the Statement of Claim and Reply to the Claim.
- (4) Where the Council of the LCCI Court of Arbitration has decided on the Arbitral Tribunal consisting of three arbitrators according to (1) of this article, each of the parties shall nominate one arbitrator within 15 days after the relevant decision of the Council of the LCCI Court of Arbitration has been sent out.
- (5) The Council of the LCCI Court of Arbitration shall nominate the third arbitrator who will act as the chairman of Tribunal within 15 days from the date when the Reply to the Claim has been received.

- (6) Where the parties do not agree on an arbitrator within the periods of time according to these Rules or any of the parties does not nominate the arbitrator, the Council of the LCCI Court of Arbitration shall appoint the arbitrator within 15 days after expiry of the set period of time.
- (7) Where an arbitrator refuses to fulfil his duties or cannot fulfil his duties due to some other objective reasons after commencement of arbitral proceedings he shall be replaced by a new arbitrator according to the procedure as defined in this article.

Article 18. Impartiality of Arbitrator

The person who has agreed to act as an arbitrator shall immediately in writing notify the parties, the Arbitration Tribunal if the parties have agreed on the Arbitration Tribunal consisting of three members and the Secretariat of the LCCI Court of Arbitration on circumstances likely to give rise to justifiable doubts as to his impartiality and independence in a particular case.

Article 19. Challenge of Arbitrator

- (1) Challenge of the arbitrator shall be submitted to the Secretariat of the LCCI Court of Arbitration within 10 days from day when the party becomes aware of circumstances that may constitute grounds for challenge. If the party fails to submit such a statement within the said term it shall be considered as waived its right to challenge the arbitrator.
- (2) The Secretariat of the LCCI Court of Arbitration notifies the other party and the Arbitration Tribunal on the fact of challenge of the arbitrator and its grounds. The Arbitration Tribunal shall decide on the challenge and its grounds within 10 days after receiving of this statement.
- (3) Where such statement of challenge has been received before appointment of the arbitrator and the challenged arbitrator voluntarily does not withdraw, the decision on the matter of challenge of the arbitrator shall be taken by the Council of the LCCI Court of Arbitration within 10 days from receiving the statement of challenge.

Article 19.¹ Termination of Arbitrators' Power

- (1) Power of Arbitrators shall be terminated:
 - a) when the arbitrator resigns himself before reviewing the case,
 - b) when the Arbitral Tribunal rules on challenge of arbitrator,
 - c) when the Council of the LCCI Court of Arbitration rules on challenge of arbitrator.
- (2) Power of Arbitrators shall be terminated when the Award is made, unless any of the parties do not ask the Arbitral Tribunal to correct the existing mistakes in calculations, grammar or typographical error, to interpret an Award or to issue a Separate Award.

Article 19.² Confirmation of Arbitrators' Signature

The signature of Arbitrator shall be confirmed with the seal of the LCCI.

Chapter IV Arbitral Proceedings

Article 20. Rules Governing the Proceedings

The Arbitral Tribunal shall decide the dispute in accordance with the rules the parties have agreed upon in the arbitration agreement and these Rules.

Article 21. Applicable Rules of Law

- (1) The Arbitral Tribunal shall decide a dispute in accordance with the rules of law and legal norms as may be agreed by the parties.
- (2) If the parties have failed to agree on applicable rules of law, the Arbitral Tribunal shall apply the laws or normative acts in accordance with the legislation in force.

Article 22. Hearings

- (1) Where the parties have not agreed on settlement the dispute based on the documents and without oral hearing, the Arbitral Tribunal, taking in account the parties' opinion, shall determine the procedure, time and place for hearing the case as well the manner in which evidence is to be presented.
- (2) Where any of the arbitrators is replaced, the newly composed Arbitral Tribunal shall decide whether and to what extent a previously held oral hearing is to be repeated if there has been one.

Article 23. Measures for Ensuring Arbitral Proceedings

The Arbitral Tribunal upon its initiative or upon grounded request of any party may take measures for ensuring arbitral proceedings, and other provisional decisions taking into consideration principles of the international arbitration.

Article 23.¹ Reprising of Arbitral Proceedings and Suspension of the Settlement of Dispute

Upon grounded request of any party the Arbitral Tribunal shall decide on repriving of arbitral proceedings and suspension of the settlement of dispute.

Article 24. Termination of Arbitral Proceedings

- (1) If, before the Award is rendered, the parties agree on settlement or otherwise wish to terminate the arbitral proceedings, or the Claimant has revoked the Statement of Claim, as well as in other cases provided by law, the Arbitration Tribunal or, when the Arbitral Tribunal has not been appointed yet, the Secretariat of the LCCI Court of Arbitration shall make a decision on termination of the arbitration proceedings.
- (2) If the parties have agreed on settlement of dispute, the Arbitral Tribunal, upon both parties' request, may record the settlement in the form of an award.

- (3) If the parties have not paid the costs of arbitration in due time or the Claimant has not appointed the arbitrator, the Secretariat of the LCCI Court of Arbitration may issue a decision on termination of the arbitral proceedings.

Article 25. Rulings of Arbitral Tribunal

- (1) All the rulings (awards and decisions) shall be mandatory ones and binding to both parties. Rulings of the Arbitral Tribunal shall be carried out voluntarily within the term determined in the ruling.
- (2) All the rulings of the Arbitral Tribunal shall be made by majority of votes. In the absence of a majority, vote of Chairman of Arbitral Tribunal shall be deciding unless parties have agreed on different voting procedure in the arbitration agreement.
- (3) Ruling of the Arbitral Tribunal shall be signed by all arbitrators.
- (4) If signature of one arbitrator is missing on the award, the award shall be valid if it has been signed by majority of arbitrators and the arbitrator whose signature is missing on the award has participated in rendering the award.
- (5) If the Claimant revokes the Statement of Claim or asks to leave the Statement of Claim without hearing, the Arbitral Tribunal shall make a relevant decision where the costs of arbitration shall be stated.
- (6) After completion of proceedings the Arbitral Tribunal shall submit the accepted resolutions to the Secretariat of the LCCI Court of Arbitration the adopted rulings which shall be stored in archives.

Article 26. Terms for Rendering an Award

The award shall be rendered within three months from the date when the case has been transmitted to the Arbitral Tribunal. The Council of the LCCI Court of Arbitration may extend this term upon a written request made by the Arbitral Tribunal.

Article 27. Correction, Interpretation of an Award and Separate Award

- (3) Within 10 days after receipt of written award, a party, notifying other party, may ask the Arbitral Tribunal to correct the existing mistakes in calculations, typographical or grammar errors.
- (4) Within 10 days after receipt of any Award, a party may ask the Arbitral Tribunal for interpretation of the Award. Interpretation of the Award shall become an indispensable part of the Award.
- (5) Arbitral Tribunal shall make the corrections in the Award or provide interpretation of the Award within 15 days from the receipt of the relevant request.
- (6) At the request of a party the Arbitral Tribunal may decide a separate issue or a part of the matter in dispute in a Separate Award.
- (7) Within 10 days after receipt of the written Award, any party, notifying other party, may ask the Arbitral Tribunal to make a Separate Award according to claim submitted in the arbitral proceeding but omitted from the Award. If the Arbitral Tribunal considers such request to be justifiable it shall complete its award within 15 days.

Chapter V.
Costs of Arbitration

Article 28. Costs of Arbitration

- (1) The Costs of Arbitration consist of the arbitration expenses and arbitrator's fee.
- (2) The Costs of Arbitration are fixed in the appendix Nr.2 of these Rules, however the other expenses incurred during arbitral proceedings shall be fixed by the Arbitral Tribunal.
- (3) The Arbitral Tribunal shall take a decision on settlement of costs of arbitration between the parties taking in to account all the circumstances and the outcome of the case.

THE LCCI RULES OF ARBITRATION
1st APPENDIX

STATUTES OF THE LCCI COURT OF ARBITRATION

Article 1. The LCCI Court of Arbitration

- (1) The Latvian Chamber of Commerce and Industry Court of Arbitration (LCCI Court of Arbitration) is an institutional arbitration attached to the Latvian Chamber of Commerce and Industry.
- (2) The LCCI Court of Arbitration provides for the settlement of international and local commercial disputes in accordance with the LCCI Rules of Arbitration.
- (3) Where parties have agreed, the LCCI Court of Arbitration may provide for the settlement of disputes in accordance with UNCITRAL Arbitration Rules.
- (4) Where the parties agreed on resolution of disputes in the LCCI Court of Arbitration in accordance with UNCITRAL Arbitration Rules, it shall be considered that the Council of the LCCI Court of Arbitration is an Appointing Authority, and the functions of General Secretary of Hague Arbitration shall be fulfilled by the Council of the LCCI Court of Arbitration if the parties have not agreed otherwise in the arbitration agreement.
- (5) Where the amount of claim do not exceed 1000 LVL and parties have agreed to arbitrate a dispute the LCCI Court of Arbitration in accordance with its Rules, the dispute shall be settled in accordance with the LCCI Court of Arbitration Rules of Arbitration for the Small Dispute Settlement if not agreed otherwise.

Article 2. The Council of the LCCI Court of Arbitration

- (1) The Council of the LCCI Court of Arbitration shall be composed of three members who shall be appointed by the LCCI Council for the period of four years. The members of the Council of the LCCI Court of Arbitration shall appoint the Chairman from among the members of the Board and the Chairman shall governs the Council of the LCCI Court of Arbitration.
- (2) The Council of the LCCI Court of Arbitration meetings are valid where at least two members participate in a meeting. The Council of the LCCI Court of Arbitration shall make decisions by means of simple majority of those present. In a case of distribution of votes Chairman shall have a decisive vote.

Article 3. The Secretariat of the LCCI Court of Arbitration

The LCCI Court of Arbitration shall have the Secretariat managed by the Secretary of the LCCI Court of Arbitration. The Secretary of the LCCI Court of Arbitration shall assist the Council of the LCCI Court of Arbitration and perform administrative tasks indicated in these Rules.

Article 4. Confidentiality

The Council and the Secretariat of the LCCI Court of Arbitration shall maintain the confidentiality fulfilling their functions in relation to disputes between the parties.

LCCI RULES OF ARBITRATION
2nd APPENDIX
LCCI COSTS OF ARBITRATION AND PAYMENT PROCEDURE

Article 1. Costs of Arbitration and Payment Procedure

- (1) The costs of arbitration shall be calculated in accordance with the amount of the claim and counterclaim in accordance with Articles 2 and 3 of these Rules' 2nd Appendix.
- (2) Where any of the parties does not settle the costs of arbitration, the Secretariat of the LCCI Court of Arbitration shall within 15 days offer the other party to pay the missing amount. Where other party does not pay the missing amount, the decision on termination of the arbitration proceedings shall be rendered.
- (3) The Council of the LCCI Court of Arbitration shall calculate the arbitration costs in case of immaterial claim within 10 days from the date of submitting such a claim taking in account the complexity of the case, the time needed for such decision and the forecasted expenses. The calculated costs shall not be less than the minimum rates of the relevant arbitration costs.
- (4) If the parties agree on settlement of dispute or a decision on termination of the arbitration proceedings is taken due to suspension of the claim or any other reason before the case has been transmitted to the Arbitral Tribunal, the Secretariat of the LCCI Court of Arbitration shall refund the arbitration costs paid by the parties withholding the minimum of administrative expenses for starting the arbitration proceedings – LVL 250 (Two hundred and fifty lats)

Article 2. Arbitrator's Fee

Sum in dispute (LVL)	Arbitrator's Fee (LVL)*
<i>up to 5 000</i>	<i>250</i>
<i>from 5 001 to 25 000</i>	<i>375</i>
<i>from 25 001 to 50 000</i>	<i>500</i>
<i>from 50 001 to 250 000</i>	<i>1 000</i>
<i>from 250 001 to 500 000</i>	<i>2 000</i>
<i>from 500 001 to 1 000 000</i>	<i>3 500</i>
<i>from 1 000 001 to 2 500 000</i>	<i>5 000</i>
<i>over 2 500 001</i>	<i>6 000</i>

** Value Added Tax not included*

Article 3. Administrative Expenses

Sum in dispute (LVL)	Administrative Expenses (LVL)*
Up to 12 500	250
from 12 501 to 25 000	375
from 25 001 to 50 000	375 + 1% of amount over 25 001
from 50 001 to 250 000	625 + 0,7% of amount over 50 001
from 250 001 to 500 000	975 + 0,5 % of amount over 250 001
from 500 001 to 1 000 000	2225 + 0,2% of amount over 500 001
from 1 000 001 to 2 500 000	3225 + 0,1 % of amount over 1 000 001
over 2 500 001	4225 + 0,05% of amount over 2 500 001

** Value Added Tax not included*

Article 4. Expenses for Minutes of the Hearing of the Arbitral Tribunal and for Delivering Additional Ruling Approved by the Secretariat of the LCCI Court of Arbitration

- (1) Expenses for minutes of the hearing of the Arbitral Tribunal shall be LVL 60* (sixty lats).
- (2) Expenses for delivering additional ruling approved by the Secretariat of the LCCI Court of Arbitration shall be 6 LVL* (six lats)

** Value Added Tax not included*