

RULES OF THE ST. PETERSBURG INTERNATIONAL COMMERCIAL ARBITRATION COURT

General Provisions

The St. Petersburg International Commercial Arbitration Court ("SPICAC") is an independent permanent commercial arbitration court established by the St. Petersburg Foundation for Protection of Investments ("SPFPI") with the assistance of the Mayor's Office of St. Petersburg.

SPICAC shall resolve economic disputes in accordance with applicable legislation, international agreements and international practice. These Rules are based on the Law of the Russian Federation "On International Commercial Arbitration" and the Arbitration Rules of the United Nations Commission on International Trade Law ("UNCITRAL").

The "competent body" of SPICAC authorized to represent SPICAC and carry out executory actions pursuant to these Rules shall be the President of SPICAC or his deputy, or in their absence, the Executive Director of SPFPI or his deputy.

Section I. Introductory Provisions

Article 1. Scope of Application

1. Where the parties to a contract have agreed in writing that disputes in relation to that contract shall be referred to SPICAC for consideration, then such disputes shall be settled in accordance with these Rules subject to such modifications as the parties may agree in writing.

Such arbitration agreement may be concluded in the form of an arbitration clause in a contract or in the form of a separate agreement.

The agreement shall be deemed concluded in writing if it is contained in a document signed by the parties or concluded by means of exchange of letters, teletype, facsimile or telegraph messages, or other means of electronic communication which provide a record of the agreement, or by means of exchange of statements of claim and defense in which the existence of an agreement is alleged by one party and not denied by another. A reference in a contract to a document containing an arbitration clause constitutes an arbitration agreement, provided that the contract is in writing and the reference is such as to make that clause part of the contract.

2. These Rules shall govern the arbitration proceedings, except that, where any of these Rules is in conflict with a provision of the law applicable to the arbitration from which the parties cannot deviate, such provision shall prevail.

3. By agreement between the parties, SPICAC may hear:

disputes concerning contractual and other civil law relations, arising out of foreign trade and other types of international economic activity, if the commercial enterprise of at least one of the parties is located abroad;

disputes between organizations with foreign investment, international associations, and organizations established on the territory of the Russian Federation, disputes between their participants, as well as their disputes with other subjects of the law of the Russian Federation; and

other economic disputes which under Russian legislation may be heard by an arbitration [*] court.

4. For purposes of paragraph 3 of this Article:

if a party has more than one commercial enterprise, the commercial enterprise shall be considered the one which has the closest relationship to the arbitration agreement;

if a party has no commercial enterprise, its permanent place of residence shall be taken into account.

[* In Russian treteisky - ed.]

Article 2. Notice, Calculation of Periods of Time

1. For purposes of these Rules, any notice, including a notification, communication or proposal, is deemed to have been received if it is physically delivered to the addressee or if it is delivered at his habitual residence, the commercial enterprise's location or the addressee's mailing address, or, if none of these can be found after making reasonable inquiry, then at the addressee's last-known residence or the last-known location of the commercial enterprise. Notice shall be deemed to have been received on the day it is so delivered.

2. For purposes of calculating a period of time under these Rules, such period shall commence on the day following the day when a notice, notification, communication or proposal is received. If the last day of such period is an official holiday or non-business day at the residence of the addressee or the commercial enterprise's location, the period shall be extended until the first business day which follows. Official holidays or non-business days occurring during the running of the period of time are not excluded in the calculation thereof.

Article 3. Notice of Arbitration

1. The party initiating recourse to arbitration (hereinafter called the "claimant") shall give to the other party (hereinafter called the "respondent") and to SPICAC a written notice of arbitration.

2. Arbitral proceedings shall be deemed to commence on the date on which the notice of arbitration is received by the respondent.

3. The notice of arbitration shall include the following:

(a) A demand that the dispute

be referred to arbitration;

(b) The names and addresses of

the parties;

(c) A reference to the arbitration clause or the separate arbitration agreement that is invoked;

(d) A reference to the contract out of or in relation to which the dispute arises;

(e) A general description of the nature of the claim and an indication of the amount involved, if any;

(f) The relief or remedy sought;

(g) A proposal as to the number of arbitrators (ie, one or three), if the parties have not previously agreed thereon.

4. The notice of arbitration may also include:

(a) A proposal for the appointment of a sole arbitrator referred to in Article 6, paragraph 1;

(b) The notification of the appointment of a sole arbitrator referred to in Article 6;

(c) The statement of claim referred to in Article 18.

5. Simultaneously with its sending of the notice of arbitration, the claimant shall pay to SPICAC the registration fees in accordance with the current Regulation on Arbitration Costs of SPICAC.

6. If, after receiving the notice of arbitration, it is obvious that such dispute is not within the competence of SPICAC, SPICAC shall stop the arbitral proceeding.

7. In the event that one of the parties to the arbitration agreement brings an action to a court, the arbitration may nevertheless be commenced or continued and an arbitration award may be made, while the issue of jurisdiction is pending before the court.

Article 4. Representation and Assistance

The parties may be represented or assisted by persons of their choice. The names and addresses of such persons must be communicated in writing to the other party and to SPICAC; such communication must specify whether the appointment is being made for purposes of representation or assistance.

Section II. Composition of the Arbitral Tribunal

Article 5. Number of Arbitrators

If the parties have not previously agreed on the number of arbitrators (ie, one or three), and if, within 15 days after the receipt by the respondent of the notice of arbitration, the parties have not agreed that there shall be only one arbitrator, three arbitrators shall be appointed.

Article 6. Appointment of a Sole Arbitrator

1. If a sole arbitrator is to be appointed, either party may propose to the other party the names of one or more persons, one of whom would serve as the sole arbitrator.

2. If, within 30 days after receipt by a party of a proposal made in accordance with paragraph 1, the parties have not reached agreement on the choice of a sole arbitrator, the sole arbitrator shall be appointed by the competent body of SPICAC.

If, within 45 days after the submission of the statement of claim, none of the parties has proposed a nominee for the sole arbitrator, the sole arbitrator shall be appointed by the competent body of SPICAC.

3. The competent body of SPICAC shall, at the request of one of the parties, appoint the sole arbitrator as promptly as possible. In making the appointment, the competent body of SPICAC

shall use the following list-procedure, unless both parties agree that the list-procedure should not be used or unless SPICAC determines in its discretion that the use of the list-procedure is not appropriate for the case:

- (a) At the request of one of the parties, SPICAC shall communicate to both parties an identical list containing at least three names;
- (b) Within 15 days after the receipt of this list, each party may return the list to SPICAC after having deleted the name or names to which it objects and numbered the remaining names on the list in the order of its preference;
- (c) After the expiration of the above period of time, SPICAC shall appoint the sole arbitrator from among the names approved on the lists returned to it and in accordance with the order of preference indicated by the parties; and
- (d) If for any reason the appointment cannot be made according to this procedure, the competent body of SPICAC may exercise its discretion in appointing the sole arbitrator.

4. In making the appointment, the competent body of SPICAC shall have regard to such considerations which are likely to secure the appointment of an independent and impartial arbitrator, and shall take into account as well the advisability of appointing an arbitrator of a nationality other than the nationalities of the parties.

Article 7. Appointment of Three Arbitrators

- 1. If three arbitrators are to be appointed, each party shall appoint one arbitrator. The two arbitrators thus appointed shall choose the third arbitrator, who will act as the presiding arbitrator of the tribunal.
- 2. If, within 30 days after the receipt of a party's notification of the appointment of an arbitrator, the other party has not notified the first party of the arbitrator whom it has appointed, the first party may request the competent body of SPICAC to appoint the second arbitrator.
- 3. If, within 30 days after the appointment of the second arbitrator, the two arbitrators have not agreed on the choice of the presiding arbitrator, the presiding arbitrator shall be appointed by the competent body of SPICAC under the same procedure as the procedure applied for the appointment of a sole arbitrator under Article 6.

Article 8. Information Necessary for the Appointment of the Arbitrators

- 1. When the competent body of SPICAC is requested to appoint an arbitrator pursuant to Article 6 or Article 7, the party which makes the request shall send to the competent body a copy of the notice of arbitration, a copy of the contract out of or in relation to which the dispute has arisen, and a copy of the arbitration agreement if it is not contained in the contract. The competent body may require from either party such information as it deems necessary to fulfil its function.
- 2. Where the names of one or more persons are proposed for appointment as arbitrators, their full names, addresses and nationalities shall be indicated, together with a description of their qualifications.
- 3. SPICAC shall maintain a list of arbitrators, from which the competent body may appoint an arbitrator in accordance with these Rules. The competent body may also appoint as arbitrators persons not on such list.

Article 9. Notification of the Parties of Grounds for Challenge

A prospective arbitrator shall disclose, to those who approach him in connection with his possible appointment, any circumstances likely to give rise to justifiable doubts as to his

impartiality or independence. An arbitrator, from the time of his appointment and throughout the arbitral proceedings, shall without delay disclose any such circumstances to the parties unless they have already been informed by him of these circumstances.

Article 10. Grounds for Challenge

1. Any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence, or if he does not possess any of the qualifications agreed to by the parties.

2. A party may challenge the arbitrator appointed by it only for reasons of which it becomes aware after the appointment has been made.

Article 11. Challenge Procedure

1. A party, which intends to challenge an arbitrator shall send notice of his challenge within 15 days after the appointment of the challenged arbitrator has been notified to the challenging party, or within 15 days after the circumstances mentioned in Articles 9 and 10 became known to that party.

2. The challenge shall be notified to the other party, to the arbitrator who is challenged, and to the other members of the arbitral tribunal as well as to SPICAC. The notification shall be in writing and shall state the reasons for the challenge.

3. When an arbitrator has been challenged by one party, the other party may agree with the challenge. The arbitrator may also, after the challenge, withdraw from his office. In neither case shall such action be considered to imply acceptance of the validity of the grounds for the challenge. In both cases, the procedure provided in Article 6 or 7 shall be used in full for the appointment of a substitute arbitrator, even if, during the process of appointing the challenged arbitrator, a party had failed to exercise its right to appoint or to participate in the appointment.

Article 12. Consequences of Rejection and Sustainment of a Challenge

1. If the other party does not agree with the challenge and the challenged arbitrator does not withdraw, the decision on the challenge shall be made by the competent body of SPICAC.

2. If the competent body sustains the challenge, a substitute arbitrator shall be appointed or chosen pursuant to the procedure applicable to the appointment or choice of an arbitrator as provided in Articles 6 through 8.

Article 13. Replacement of an Arbitrator

1. In the event of the death or resignation of an arbitrator during the course of the arbitral proceedings, a substitute arbitrator shall be appointed or chosen pursuant to the same procedure provided for in Articles 6 through 8 which was applicable to the appointment or choice of the arbitrator being replaced.

2. In the event that an arbitrator fails to act, or in the event of the de jure or de facto impossibility of his performing his functions, the procedure in respect of the challenge and replacement of an arbitrator as provided in the preceding Articles shall apply.

Article 14. Repetition of Hearings in the Event of the Replacement of an Arbitrator

If, under Articles 11 through 13, the sole arbitrator or the presiding arbitrator is replaced, any hearings held previously shall be repeated; if any other arbitrator is replaced, such prior hearings may be repeated at the discretion of the arbitral tribunal.

Section III. Arbitral Proceedings

Article 15. General Provisions

1. Subject to these Rules, the arbitral tribunal may conduct the arbitration in such manner as it considers appropriate, provided that the parties are treated with equality and that at any stage of the proceedings each party is given the full opportunity of presenting its case.

2. If either party so requests at any stage of the proceedings, the arbitral tribunal shall hold hearings for the presentation of evidence by witnesses, including expert witnesses, or for oral argument. In the absence of such a request, the arbitral tribunal shall decide whether to hold such hearings or whether the proceedings shall be conducted on the basis of documents and other materials.

3. All documents or information supplied to the arbitral tribunal by one party shall at the same time be communicated by that party to the other party.

Article 16. Place of Arbitration

1. Unless the parties have agreed upon the place where the arbitration is to be held, such place shall be determined by the arbitral tribunal, having regard to the circumstances of the arbitration, including the convenience of the parties.

2. The arbitral tribunal may determine the place of the arbitration within the country or the city agreed upon by the parties. It may hear witnesses and hold meetings for consultation among its members at any place which it deems appropriate, having regard to the circumstances of the arbitration.

3. The arbitral tribunal may meet at any place which it deems appropriate for the inspection of goods, other property or documents. The parties shall be given sufficient notice to enable them to be present at such inspection.

4. The award shall be made at the place of the arbitration.

Article 17. Language

1. Subject to an agreement by the parties, the arbitral tribunal shall, promptly after its appointment, determine the language or languages to be used in the proceedings. This determination shall apply to the statement of claim, the statement of defense, and any further written statements and, if oral hearings take place, to the language or languages to be used in such hearings.

2. The arbitral tribunal may order that any documents annexed to the statement of claim or the statement of defense, and any supplementary documents or exhibits submitted in the course of

the proceedings, which are delivered in their original language, shall be accompanied by a translation into the language or languages agreed upon by the parties or determined by the arbitral tribunal.

Article 18. Statement of Claim

1. Unless the statement of claim was contained in the notice of arbitration, within a period of time to be determined by the arbitral tribunal, the claimant shall communicate its statement of claim in writing to the respondent and to each of the arbitrators. A copy of the contract, and of the arbitration agreement if not contained in the contract, shall be annexed thereto.

2. The statement of claim shall include the following particulars:

- (a) The names and addresses of the parties;
- (b) A statement of the facts supporting the claim;
- (c) The points at issue;
- (d) The relief or remedy sought.

The claimant may annex to its statement of claim all documents which it deems relevant, or it may add a reference to the documents or other evidence which it will submit.

Article 19. Statement of Defense

1. Within a period of time to be determined by the arbitral tribunal, the respondent shall communicate its statement of defense in writing to the claimant and to each of the arbitrators.

2. The statement of defense shall reply to the particulars (b), (c) and (d) of the statement of claim (Article 18, para. 2). The respondent may annex to its statement the documents on which it relies for its defense, or may add a reference to the documents or other evidence it will submit.

3. In its statement of defense, or at a later stage in the arbitral proceedings if the arbitral tribunal decides that the delay was justified under the circumstances, the respondent may make a counter-claim arising out of the same contract, or it may rely on a claim arising out of the same contract for the purpose of a set-off.

4. The provisions of Article 18, paragraph 2, shall apply to a counter-claim and to a claim relied on for the purpose of a set-off.

Article 20. Amendments to the Claim or Defense

During the course of the arbitral proceedings, either party may amend or supplement its claim or defense, unless the arbitral tribunal considers it inappropriate to allow such amendment, having regard to the delay in making it, or prejudice to the other party, or any other circumstances. However, a claim may not be amended in such a manner that the amended claim falls outside the scope of the arbitration clause or separate arbitration agreement.

Article 21. Pleas as to the Jurisdiction of the Arbitral Tribunal

1. The arbitral tribunal may rule on its own jurisdiction, including any objections with respect to the existence or validity of the arbitration agreement. For such purpose, an arbitration clause,

which forms part of a contract, shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitral tribunal that the contract is null and void shall not entail, ipso jure, the invalidity of the arbitration clause.

2. A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than in the statement of defense or, with respect to a counter-claim, in the reply to the counter-claim. A party is not precluded from raising such a plea by the fact that it has appointed, or participated in the appointment of, an arbitrator. A plea that the arbitral tribunal is exceeding the scope of its authority shall be raised as soon as the matter alleged by a party to be beyond the scope of its authority is raised during the arbitral proceedings. The tribunal may, in any of these cases, admit a later plea if it considers the delay justified.

3. The arbitral tribunal may rule on a plea referred to in paragraph 2 of this Article either as a preliminary question or in an award on the merits. If the arbitral tribunal rules as a preliminary question that it has jurisdiction, any party may request, within 30 days after having received notice of such ruling, a court of the subject of the Russian Federation located at the place of the arbitration to decide the matter, which decision shall not be subject to appeal. While such a request is pending, the arbitral tribunal may continue the arbitral proceedings and make an arbitral award.

Article 22. Further Written Statements

The arbitral tribunal shall decide which further written statements, in addition to the statement of claim and the statement of defense, shall be required from the parties or may be presented by them, and shall fix the periods of time for communicating such statements.

Article 23. Periods of Time

The periods of time fixed by the arbitral tribunal for the communication of written statements (including the statement of claim and the statement of defense) shall not exceed 45 days. However, the arbitral tribunal may extend the time limits if it concludes that an extension is justified.

Article 24. Evidence

1. Each party shall have the burden of proving the facts relied on to support its claim or defense.

2. The arbitral tribunal may, if it considers it appropriate, require a party to deliver to the arbitral tribunal and to the other party, within such a period of time as the arbitral tribunal shall decide, a summary of the documents and other evidence which that party intends to present in support of the facts in issue set out in its statement of claim or statement of defense.

3. At any time during the arbitral proceedings, the arbitral tribunal may require the parties to produce documents, exhibits or other evidence within such a period of time as the arbitral tribunal shall determine.

4. The arbitral tribunal, or a party with the approval of the arbitral tribunal, may request from a competent court of the Russian Federation assistance in taking evidence. The court may execute the request according to the rules on taking evidence and securing court orders.

Article 25. Hearings

1. In the event of an oral hearing, the arbitral tribunal shall give the parties adequate notice of the date, time and place thereof.

2. If witnesses are to be heard, at least 15 days before the hearing each party shall communicate to the arbitral tribunal and to the other party the names and addresses of the

witnesses whom it intends to present, as well as the subject upon and the languages in which the witnesses will give their testimony.

3. The arbitral tribunal shall make arrangements for the translation of oral statements made during the proceedings and for a record of the hearing if either is deemed necessary by the arbitral tribunal under the circumstances of the case, or if the parties have agreed thereto and have communicated such agreement to the tribunal at least 15 days before the hearing.

4. Hearings shall be held in camera unless the parties agree otherwise. During the testimony of witnesses, the arbitral tribunal may require the retirement of other witnesses. The arbitral tribunal is free to determine the manner in which witnesses are examined.

5. Evidence of witnesses may also be presented in the form of written statements signed by them.

6. The arbitral tribunal shall determine the admissibility, relevance, materiality and weight of the evidence offered.

Article 26. Interim Measures of Protection

1. At the request of either party, the arbitral tribunal may take any interim measures which it deems necessary in respect of the subject-matter of the dispute, including measures for the conservation of the goods forming the subject-matter in dispute, such as ordering their deposit with a third person or the sale of perishable goods.

2. Such interim measures may be established in the form of an interim award. The arbitral tribunal shall be entitled to require security for the costs of such measures.

3. A request for interim measures, which is addressed by any party to a judicial authority, and said authority's judgment on the application of such measures shall not be deemed incompatible with the agreement to arbitrate, or as a waiver of that agreement.

Article 27. Experts

1. The arbitral tribunal may appoint one or more experts to report to it in writing on specific issues to be determined by the arbitral tribunal. A copy of the expert's terms of reference, established by the arbitral tribunal, shall be communicated to the parties.

2. The parties shall give to the expert any relevant information, or shall produce for his inspection any relevant documents or goods, which he may require of them. Any dispute between a party and such expert as to the relevance of the required information or production shall be referred to the arbitral tribunal for decision.

3. Upon receipt of the expert's report, the arbitral tribunal shall deliver a copy of the report to the parties, who shall be given the opportunity to express, in writing, their opinion on the report. A party shall be entitled to examine any document on which the expert has relied in his report.

4. At the request of either party, the expert, after the delivery of his report, may be heard at a hearing where the parties shall have the opportunity to be present and to interrogate the expert. At this hearing either party may present expert witnesses in order to testify on the points at issue. The provisions of Article 25 shall be applied to such proceedings.

Article 28. Default

1. If, within the period of time fixed by the arbitral tribunal, the claimant has failed to communicate its claim without showing sufficient cause for such failure, the arbitral tribunal shall issue an order for the termination of the arbitral proceedings. If, within the period of time fixed by the arbitral tribunal, the respondent has failed to communicate its statement of defense, the arbitral tribunal shall order that the proceedings continue.
2. If one of the parties, duly notified under these Rules, fails to appear at a hearing, without showing sufficient cause for such failure, the arbitral tribunal may proceed with the arbitration.
3. If one of the parties, duly invited to produce documentary evidence, fails to do so within the established period of time, without showing sufficient cause for such failure, the arbitral tribunal may make the award on the evidence before it.

Article 29. Closure of Hearings

1. The arbitral tribunal may inquire of the parties if they have any further proof to offer or witnesses to be heard or submissions to make and, if there are none, the arbitral tribunal may declare the hearings closed.
2. The arbitral tribunal may, if it considers it necessary owing to exceptional circumstances, decide, on its own motion or upon the application of a party, to reopen the hearings at any time before the award is made.

Article 30. Waiver of Rules

A party, who knows that any provision of, or requirement under, these Rules has not been complied with and yet proceeds with the arbitration without promptly stating its objection to such non-compliance, shall be deemed to have waived its right to object.

Section IV. The Award

Article 31. Rendering of Decision by the Arbitrators

1. When there are three arbitrators, any award or other decision of the arbitral tribunal shall be made by a majority of the arbitrators.
2. In the case of questions of procedure, when there is no majority or when the arbitral tribunal so authorizes, the presiding arbitrator may decide on his own, subject to revisions, if any, by the arbitral tribunal.

Article 32. Form and Effect of the Award

1. In addition to making a final award, the arbitral tribunal shall be entitled to make interim, interlocutory, or partial awards.
2. The award shall be made in writing and shall be final and binding on the parties. The parties undertake to carry out the award without delay.

3. The award shall state the reasons upon which the award is based, conclude whether the claimant's demands shall be satisfied or rejected, and state the amount of the arbitration fees and the costs of the proceedings and their apportionment between the parties.

4. The award shall be signed by the arbitrators and it shall contain the date on which and the place where the award was made. Where there are three arbitrators and one of them fails to sign the award, the award shall state the reason for the absence of his signature.
5. The award may be made public only with the consent of both parties.
6. Copies of the award signed by the arbitrators shall be communicated by the arbitral tribunal to the parties and to the secretary of SPICAC.

Article 33. Applicable Law, Amiable Compositeur

1. The arbitral tribunal shall apply the law designated by the parties as applicable to the substance of the dispute. Any designation of the law or legal system of a given state shall be construed, unless otherwise expressed in the arbitration agreement, as directly referring to the substantive law of that state and not to its conflict-of-laws rules. Failing such designation by the parties, the arbitral tribunal shall apply the law determined by the conflict-of-laws rules which it considers applicable.
2. The arbitral tribunal shall decide as amiable compositeur or ex aequo et bono only if the parties have expressly authorized the arbitral tribunal to do so and if the law applicable to the arbitral procedure permits such arbitration.
3. In all cases, the arbitral tribunal shall decide in accordance with the terms of the contract and shall take into account the usages of the trade applicable to the transaction.

Article 34. Settlement or Other Grounds for Termination

1. If, before the award is made, the parties agree on a settlement of the dispute, the arbitral tribunal shall either issue an order for the termination of the arbitral proceedings, or, if requested by both parties and accepted by the arbitral tribunal, record the settlement in the form of an arbitral award on agreed terms.
2. If, before the award is made, the continuation of the arbitral proceedings becomes unnecessary or impossible for any reason not mentioned in paragraph 1, the arbitral tribunal shall inform the parties of its intention to issue an order for the termination of the proceedings. The arbitral tribunal shall have the power to issue such an order unless a party raises justifiable grounds for objection.
3. Copies of the order for termination of the arbitral proceedings or the arbitral award on agreed terms, signed by the arbitrators, shall be delivered by the arbitral tribunal to the parties. Where an arbitral award on agreed terms is made, the provisions of Article 32, paragraphs 2 through 6, shall apply.
4. An arbitral award on a settlement agreement has the same force and is subject to enforcement just as any other award on the merits of the case.

Article 35. Interpretation of the Award

1. Within 30 days after the receipt of the award, either party, with notice to the other party, may request the arbitral tribunal to give an interpretation of the award.

2. The interpretation shall be given in writing within 30 days after the receipt of the request. The interpretation shall form part of the award and the provisions of Article 32, paragraphs 2 through 6, shall apply.

Article 36. Correction of the Award

1. Within 30 days after the receipt of the award, either party, with notice to the other party, may request the arbitral tribunal to correct in the award any computational mistakes, miswritings or typographical errors, or any errors of a similar nature. The arbitral tribunal may, within 30 days after its delivery of the award to the parties, make such corrections on its own initiative.
2. Such corrections shall be made in writing, and the provisions of Article 32, paragraphs 1 through 6, shall apply.

Article 37. Additional Award

1. Within 30 days after its receipt of the award, either party, with notice to the other party, may request the arbitral tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted from the award.
2. If the arbitral tribunal considers the request for an additional award to be justified, and considers that the omission can be rectified without any further hearings and evidence, it shall complete its award within 60 days after the receipt of the request.
3. When an additional award is made, the provisions of Article 32, paragraphs 2 through 6, shall apply.

Section V. Costs determination procedure

Article 38. Costs of Arbitration

The arbitral tribunal shall fix the costs of arbitration in its award. The term "costs" includes only:

- (a) The fees of the arbitral tribunal, to be stated separately as to each arbitrator and to be fixed by the tribunal itself in accordance with Article 39;
- (b) The travel and other expenses incurred by the arbitrators;
- (c) The costs of expert advice and other assistance required by the arbitral tribunal;
- (d) The travel and other expenses of witnesses, to the extent such expenses are approved by the arbitral tribunal;
- (e) The costs for legal representation and assistance of the successful party, if such costs were claimed during the arbitral proceeding, and only to the extent that the arbitral tribunal determines that the amount of such costs is reasonable; and
- (f) The fees of SPICAC administration.

Article 39. Amount of the Fees of the Arbitral Tribunal

1. The fees of the arbitral tribunal shall be reasonable in amount, taking into account the amount in dispute, the complexity of the subject matter, the time spent by the arbitrators, and any other relevant circumstances of the case.

2. The arbitral tribunal in fixing its fees shall take the schedule of fees of the Regulation on Arbitral Costs of SPICAC into account to the extent that it considers the same to be appropriate in the circumstances of the case.

3. In the case referred to in paragraph 2, when a party so requests, the arbitral tribunal shall fix its fees only after consultation with SPICAC, which may make any comment which it deems appropriate to the arbitral tribunal concerning the fees.

Article 40. Allocation of Costs Among the Parties

1. Except as provided in paragraph 2, the costs of arbitration shall in principle be borne by the unsuccessful party. However, the arbitral tribunal may apportion each of such costs between the parties if it determines that apportionment is reasonable, taking into account the circumstances of the case.

2. With respect to the costs of legal representation and assistance referred to in Article 38, paragraph (e), the arbitral tribunal, taking into account the circumstances of the case, shall be free to determine which party shall bear such costs, or may apportion such costs between the parties if it determines that apportionment is reasonable.

3. When the arbitral tribunal issues an order for the termination of the arbitral proceedings or makes an award on agreed terms, it shall fix the costs of arbitration referred to in Article 38 and Article 39, paragraph 1, in the text of that order or award.

4. No additional fees may be charged by an arbitral tribunal for interpretation or correction or completion of its award under Articles 35 through 37.

Article 41. Deposit of Costs with the Arbitral Tribunal

1. The arbitral tribunal, on its establishment, may request each party to deposit an equal amount as an advance for the costs referred to in Article 38, paragraphs (a), (b) and (c).

2. During the course of the arbitral proceedings, the arbitral tribunal may request supplementary deposits from the parties.

3. The arbitral tribunal shall fix the amounts of any advance deposits or supplementary deposits only after consultation with SPICAC, which may make any comments which it deems appropriate to the arbitral tribunal concerning the amount of such advance deposits.

4. If the required advance deposits are not paid in full within 30 days after the receipt of the request, the arbitral tribunal shall so inform the parties in order that one or the other of them may make the required payment. If such payment is not made, the arbitral tribunal may order the suspension or termination of the arbitral proceedings.

5. After the award has been made, the arbitral tribunal shall render an accounting to the parties of the deposits received, and shall return any unexpended balance to the parties.

Article 42. Deposit of Advance Payments with SPICAC

1. In accordance with the Regulation on Arbitration Costs, if SPICAC starts the proceedings, it may request each party to deposit as security in advance an equal sum to cover the costs of SPICAC. During the arbitral proceedings, in accordance with the Regulation on Arbitration Costs, SPICAC may require the payment of additional costs.

2. If the requested advance deposit of security is not paid in full within 30 days after the request has been received, SPICAC shall send a notice to the parties so that one or the other party may make the necessary payment in full. If the payment has not been made by either of the parties, SPICAC may resolve to suspend or to terminate the arbitral proceedings.

3. After the arbitration award has been made, SPICAC shall submit a report on the received amounts and shall repay any unused balance.

Foreword

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REGULATION ON ARBITRATION COSTS OF THE ST. PETERSBURG INTERNATIONAL COMMERCIAL ARBITRATION COURT

1. Application.

This Regulation supplements the Rules of the St. Petersburg International Commercial Arbitration Court ("SPICAC") and is an integral part thereof. Parties submitting disputes to arbitration before SPICAC in accordance with its Rules shall be deemed to have agreed to be bound by this Regulation on Arbitration Costs. If the parties have chosen other arbitration rules to govern the arbitration, and SPICAC functions as the appointing authority, this Regulation shall govern the calculation and imposition of the costs of the arbitration and the parties shall be deemed to have agreed to be bound by its provisions , except to the extent that the arbitration rules chosen by the parties are inconsistent with this Regulation.

2. Definition of Arbitration Costs.

In an arbitration award, the arbitration court determines the amount of arbitration costs. The term 'arbitration costs' includes only:

- a) the fees of the arbitral tribunal which are determined by the arbitral tribunal in accordance with Article 5 hereof;
- b) travel and other expenses incurred by the arbitrators;
- c) the cost of expert services and other assistance required by the arbitral tribunal;
- d) travel and other expenses incurred by witnesses to the extent that such expenses were approved by the arbitral tribunal;
- e) the costs for legal representation and assistance to the successful party, if such expenses were claimed during the proceedings, and only to the extent which the arbitral tribunal determines that the amount of such costs is reasonable;
- f) SPICAC's administrative costs, as determined pursuant to Article 6 hereof.

3. Division of Arbitration Costs among the Parties.

- a. Except for the cases stipulated in Item 2, as a rule, the arbitration costs shall be paid by the losing party. However, the arbitral tribunal may distribute any of these costs among the parties if it considers such distribution to be reasonable and fair, given the circumstances of the case.

b. Regarding the expenses related to legal representation and assistance as set forth in Article 2 (e) hereof, the arbitral tribunal shall have the right to determine which of the parties shall bear such costs or shall have the right to distribute such costs between the parties, as it deems reasonable.

c. In the event that the arbitral tribunal issues an order to terminate the arbitration proceedings or the arbitral award upon agreed terms, then it shall determine the arbitration costs in such order or award.

d. The arbitral tribunal shall not have the right to stipulate any further arbitration costs related to the interpretation, correction or supplement of its award on the basis of Articles 35-37 of its Rules.

4. Security.

a. SPICAC shall require the deposit of security by the parties to cover the costs of the arbitration.

b. The claimant shall pay \$ 1,000 US dollars (or the ruble equivalent of this amount pursuant to the official exchange rate on the date of payment) to SPICAC upon filing the notice of arbitration. This amount shall be credited during the first security deposit payment in accordance with paragraph (d) below.

c. After a claim is filed, SPICAC, upon consulting with the arbitral tribunal, shall determine the amount of security deposit needed and shall send the parties notice thereof, together with payment instructions. The amount of security deposit shall be established based on the anticipated costs calculated in accordance with this Regulation.

d. Generally, the security deposit shall be paid in two equal installments in equal shares by the claimant and the respondent. The first installment shall be paid to SPICAC following the filing of the statement of claim, and before SPICAC refers the matter to the arbitral tribunal. The second installment shall be paid at a time set by SPICAC in agreement with the arbitral tribunal. SPICAC shall have the right, as agreed upon with the arbitral tribunal, to establish a different schedule for the payment of the security deposit. An additional security deposit may be required if the costs exceed those proposed.

e. In the event that the required security deposit is not paid in full by both parties within 30 days upon receipt of such request, the arbitral tribunal shall notify the parties of such, so that either of the parties may make the required payment. If both parties fail to pay the security deposit, the arbitral tribunal shall have the right to order the suspension or termination of the arbitration proceedings, but without the prejudice to the right to lodge (an) other claim (s). The party which has made its payment may pay the security deposit which is due from the other party within 30 days upon receipt of the above-mentioned notice. If such payment has been made, the arbitral tribunal shall consider the claim. The arbitral tribunal may extend the term for payment, and make an exception in accordance with the rules of this item, if either of the parties does not comply with the above-mentioned requirements for good reasons, or if the strict application of these rules is unfair.

f. The filing of a counterclaim or a new claim shall result in the imposition of additional security.

g. If the arbitral tribunal requires the services of an expert, the expert shall commence work only after payment by the parties, or one of them, of the security deposit set by SPICAC to cover the expert's expenses.

h. Upon making an award, SPICAC and the arbitral tribunal shall submit a report to the parties regarding the total fees paid and shall return all collections which have not been spent.

5. Arbitrators' Fees and Expenses

a. The arbitrators' fees and expenses, as set forth in Article 2 (b), shall be determined by the arbitral tribunal in accordance with Article 39 of SPICAC's Rules and shall be specified in the award.

b. The arbitrators' fees shall be reasonable and shall be based principally on the amount in dispute, taking into account all claims and counterclaims, but also taking into account the amount of time spent by the arbitrators, the complexity of the case, and other relevant circumstances. The following scale of fees for the arbitrator (s) shall be used as a guideline, but shall not be binding:

Amount in Dispute (US \$)	Range of Fees as a Percentage of Amount in Dispute	
	Minimum	Maximum
Up to 50,000	\$ 2 000	10%
50 001 to 100 000	2%	6%
100 001 to 500 000	1%	3%
500 001 to 1 000 000	0,5%	2%
1 000 001 to 5 000 000	0,2%	1,5%
5 000 001 to 10 000 000	0,1%	0,3%
10 000 001 to 50 000 000	0,05%	0,15%

50 000 001 to 100 000 000	0,02%	0,1%
Over 100 000 000	0,01%	0,05%

6. Administrative Expenses

SPICAC shall establish and collect administrative costs from the parties to cover the costs of the proceedings and the operations of SPICAC. Generally, the administrative costs shall be set as a percentage of the amount in dispute (considering all claims and counterclaims) in accordance with the following guideline, but the amount can be set differently if a matter requires substantially more or less work than normal.

Amount in Dispute (US \$)	Administrative Cost
Up to 100,000	\$ 1000 plus 2% of amount over \$ 50,000
100,001 to 500,000	\$ 2000 plus 1.5% of amount over \$ 100,000
500,001 to 1,000,000	\$ 8,000 plus 1% of amount over \$ 500,000
1,000,001 to 5,000,000	\$ 13,000 plus 0.5% of amount over \$ 1,000,000

5,000,001 to 10,000,000	\$ 33,000 plus 0.2% of amount over \$ 5,000,000
Over 10,000,000	\$ 43,000 plus 0.1% of amount over \$ 10,000,000

SOURCE: www.aryme.com