

Pursant to Article 35 of the Statute the Serbian Chamber of Commerce (Official Gazette of the Republic of Serbia no 45/02, no 107/03 and no 44/05), the Assembly of the Serbian Chamber of Commerce at its sesion held on May 24, 2007, enacted

THE RULES OF THE FOREIGN TRADE COURT OF ARBITRATION AT THE SERBIAN CHAMBER OF COMMERCE

I GENERAL PROVISIONS

DEFINITION AND STATUS

Article 1

1. The Foreign Trade Court of Arbitration at the Serbian Chamber of Commerce (hereinafter: the Court of Arbitration) is a permanent arbitration body that provides for conciliation and for settlement by arbitration of disputes of international business character when the parties have agreed upon its jurisdiction.
2. The Court of Arbitration is an autonomous body, independent in its decision-making.
3. The seat of the Court of Arbitration is in Belgrade, Terazije 23.

COMPOSITION

Article 2

1. The Court of Arbitration has a Chairman, a Board and a Secretariat.
2. Conciliation and settlement of disputes are conducted by arbitrators.

THE BOARD AND THE CHAIRMAN

Article 3

1. The Board of the Court of Arbitration shall consist of a Chairman, two Vice-Chairmen, the Secretary of the Court of Arbitration, and nine Members (the Extended Board).
2. The Chairman, the two Vice-Chairmen and the Secretary of the Court of Arbitration shall make the Board.

3. The Chairman, the Vice-Chairmen and the Members of the Board of the Court of Arbitration shall be elected and discharged by the Assembly of the Serbian Chamber of Commerce for a term of four years and may be re-elected.
4. The Extended Board shall supervise the application of these Rules, follow and discuss the practice of the settlement of disputes, and carry out other tasks within its jurisdiction under these Rules.
5. The Board shall take a preliminary decision on whether the parties have concluded a written arbitration agreement, and shall participate in the decision as to the jurisdiction of the Court of Arbitration, decide about challenges of arbitrators and carry out other tasks within its jurisdiction under these Rules.
6. The Chairman, and in his absence, one of the Vice-Chairmen designated by the Chairman, shall represent the Court of Arbitration and organize its work, chair the meetings of the Board, appoint conciliators and Chairmen of Conciliation Commissions, appoint arbitrators and Chairmen of Arbitral Tribunals in the cases provided for by these Rules, and carry out other tasks provided for by these Rules.
7. If the Chairman and the Vice-Chairmen are prevented from carrying out their respective duties over a longer period, the Extended Board of the Court of Arbitration shall appoint one of its members as a Deputy Chairman or Vice-Chairman for the period during which they are prevented.
8. In urgent cases, the Board shall be authorized to carry out certain duties falling within the jurisdiction of the Extended Board, but shall notify the Extended Board about it at the first following session.

THE SECRETARIAT AND THE SECRETARY

Article 4

1. The Secretariat shall carry out technical and administrative work of the Court of Arbitration.
2. The Secretary shall direct the work of the Secretariat and sign day-to-day correspondence of the Court of Arbitration.
3. The Secretary and the assistants of the Court of Arbitration are employees of the Serbian Chamber of Commerce.

4. In accordance with the internal regulations of the Serbian Chamber of Commerce, an employee of the Chamber is appointed to the office of the Secretary of the Court of Arbitration, after an opinion is obtained from the Board.

ARBITRATORS

Article 5

1. The arbitrators may be domestic or foreign nationals.
2. The Court of Arbitration shall have a List of Arbitrators, drawn up by the Assembly of the Serbian Chamber of Commerce.
3. The List of Arbitrators shall be drawn up every four years; the arbitrators already included in the List may be re-elected.
4. The parties may propose an arbitrator who is included in the List of Arbitrators or an arbitrator who is not so included. The Board of the Court of Arbitration shall decide upon the proposal to appoint an arbitrator who is not included in the List.
5. Only an arbitrator included in the List of Arbitrators may act as the Chairman of an Arbitral Tribunal or as a Sole Arbitrator.
6. A party that proposed an arbitrator who is not included in the List of Arbitrators shall provide his name, address and qualifications to the Court of Arbitration.
7. Members of the Board shall not be appointed as arbitrators, except in the case provided for by Article 21 of the Rules. The Chairman and the Vice-Chairmen of the Court of Arbitration may be appointed as Chairmen of Arbitral Tribunals, unless they have already participated in decision-making on the jurisdiction of the Court of Arbitration in the particular dispute. Upon the expiry of their term of office the members of the Board shall be included in the List of Arbitrators.

SUPERVISION

Article 6

The Serbian Chamber of Commerce shall provide funds necessary for the work of the Court of Arbitration, and shall supervise the administrative and financial operation of the Court of Arbitration.

II CONCILIATION

CONCILIATION BY THE COURT OF ARBITRATION

Article 7

1. In cases which may fall under the jurisdiction of the Court of Arbitration, each party, regardless of whether the Court of Arbitration's jurisdiction has been stipulated or not, may apply to the Court of Arbitration to intervene for the purpose of conciliation in conformity with these Rules.
2. The conciliation proceedings shall be independent of arbitral proceedings; if the conciliation proceedings fail nothing that has been done or stated orally or in writing during the conciliation proceedings shall be binding upon the parties.
3. Consent to the conciliation proceedings shall not be deemed to mean consent to the jurisdiction of the Court of Arbitration in case the conciliation proceedings have failed.

REQUEST FOR CONCILIATION

Article 8

1. A request for conciliation shall be submitted in writing to the Secretariat of the Court of Arbitration.
2. Such a request may be submitted by one party alone or by both parties jointly. The request shall indicate the subject of the dispute, the relationship from which the dispute arose and the relevant facts
3. A joint submission of the request, or submission of the request by one party and its acceptance by the other party, shall be deemed to mean acceptance by the parties of the provisions of these Rules pertaining to the conciliation proceedings.
4. Each party may at any time withdraw from the conciliation proceedings and shall in such case bear all the costs of the conciliation proceedings that have arisen until that moment.
5. The parties may take part in the conciliation proceedings in person, or through a duly authorized representative.

THE ROLE OF THE SECRETARIAT

Article 9

1. If a request for conciliation is submitted by one party, the Secretariat of the Court of Arbitration shall notify the other party thereof and shall invite the other party to state within a specified period of time whether it accepts the request, and if it does, to present within the same period of time a written statement of the facts and of its case, and to submit all the relevant documents.
2. If the other party fails to respond within the period of time fixed, or rejects the request, the Secretariat of the Court of Arbitration shall notify the requesting party that the conciliation proceedings cannot take place.

CONCILIATOR (CONCILIATION COMMISSION)

Article 10

1. Conciliation is conducted by a Conciliator jointly appointed by the parties from the List of Arbitrators.
2. The parties may agree that the conciliation be conducted by a Conciliation Commission, which will consist of a representative of each party appointed either from the List of Arbitrators or from beyond the List, and of the Chairman of the Conciliation Commission jointly appointed by the parties from the List of Arbitrators
3. Before the proceedings before the Conciliation Commission begin, the Secretary of the Court of Arbitration shall fix an advance to cover the costs of the conciliation proceedings, which shall be deposited by both parties in equal parts. If the parties fail to deposit the advance to cover the costs of the conciliation proceedings, the Secretary of the Court of Arbitration shall invite them to do so within a newly fixed time limit. If the parties fail to deposit the advance to cover the costs of the conciliation proceedings within the newly fixed time limit, it shall be deemed that the conciliation has failed.

4. If the parties have not appointed the Conciliator, the Chairmen or their Representatives in the Conciliation Commission, the Secretariat of the Court of Arbitration shall invite them to do so within a newly fixed time limit. If they fail to do so within the newly fixed time limit, the Conciliators shall be appointed from the List of Arbitrators by the Chairman of the Court of Arbitration.
5. A foreign party may nominate a foreign national as its representative. Travel and other expenses of a foreign Conciliator shall be paid by the party who has appointed him.
6. The parties may agree that the conciliation proceedings be conducted by the Chairman of the Court of Arbitration himself, or by some other member of the Board, or Conciliator appointed by the Chairman of the Court of Arbitration from the List of Arbitrators.

CONCILIATION PROCEDURE

Article 11

1. The Conciliator shall conduct the conciliation proceedings in the manner which he or she considers appropriate after consulting with the parties; the Conciliator shall assist the parties to find mutually acceptable solutions. If the parties agree, the Conciliator may propose a solution of the dispute to the parties. In any case, the Conciliator may organize joint meetings with the parties or meet with each of the parties separately.
2. The results of the conciliation proceedings shall be noted in a record to be signed by the Conciliator and by the parties.
3. The costs of the conciliation proceedings shall be distributed between the parties by the Conciliator unless the parties have agreed as to their participation in the costs, which shall be noted in the record.
4. A settlement shall be deemed to have been concluded when the parties, after having read the record in which it is noted that they have reached a settlement, sign this record. A settlement reached in this way shall not have the effect of a final arbitral award, but only the effect of a settlement reached outside of the arbitration.

5. The Conciliator or the members of the Conciliation Commission in the dispute in which no settlement was reached, may not be appointed as arbitrators or participate in the proceedings before the Court of Arbitration.
6. If the parties are absent, the document of settlement is sent to them for signature accompanied with a notice that it shall be deemed that the conciliation has failed if they fail to sign and return the document to the Secretariat of the Court of Arbitration within seven days from the date of receipt.
7. If the parties make a joint proposal to this effect, the settlement reached in the conciliation proceedings may be made in the form of an arbitral award.

III JURISDICTION OF THE COURT OF ARBITRATION

SETTLEMENT OF DISPUTES

Article 12

The Court of Arbitration settles disputes arising out of international business relations if its jurisdiction is agreed upon in accordance with these Rules.

THE FORM OF ARBITRATION AGREEMENT

Article 13

1. The jurisdiction of the Court of Arbitration may only be established by an agreement concluded by the parties in writing. Such an agreement may be concluded with regard to a particular dispute or with regard to future disputes that may arise out of a particular legal relationship.
2. An agreement on the jurisdiction of the Court of Arbitration is deemed to be in writing if concluded in an exchange of messages through means of communication which provide a written record of the parties' agreement, notwithstanding whether the messages have been signed by the parties.
3. An arbitration agreement shall also be deemed to have been validly concluded when the parties in a written agreement make a reference to a document containing an arbitration agreement (general conditions for conclusion of a

- contract, text of another contract, etc.), provided that the purpose of such reference is to make the arbitration agreement part of the contract.
4. An arbitration agreement is also deemed to exist if the claimant initiates the arbitral dispute, and the respondent expressly accepts arbitration and consents to it in writing or in a statement given on the record at the hearing, or if the respondent takes part in the arbitral proceedings and fails to raise a plea concerning the existence of an arbitration agreement before it enters into discussion on the subject-matter of the dispute, or fails to object to the jurisdiction of the Court of Arbitration.
 5. Parties who have stipulated the jurisdiction of the Court of Arbitration shall be deemed to have accepted the provisions of these Rules.

INDEPENDENCE OF THE ARBITRATION AGREEMENT

Article 14

The decision that the contract is null and void or non-existent does not entail the invalidity of the arbitration agreement.

ESTABLISHING THE EXISTENCE OF AN ARBITRATION AGREEMENT

Article 15

1. If the respondent contests the existence of an arbitration agreement or fails to submit an answer to the claim, the case shall be referred to the Board to establish whether the documents submitted by the claimant contain an agreement on the jurisdiction of the Court of Arbitration.
2. If the Board is satisfied that the documents submitted by the claimant contain an agreement on the jurisdiction of the Court of Arbitration, the arbitration shall proceed even if the other party refuses to participate therein.
3. The decision of the Board referred to in the preceding paragraph shall not prejudice the final decision regarding the existence and validity of the arbitration agreement.

ACCEPTANCE OF JURISDICTION

Article 16

If the Board is not satisfied that the documents submitted by the claimant contain an agreement on the jurisdiction of the Court of Arbitration, the Secretariat of the Court of Arbitration shall invite the respondent to state, within the period of 30 days from the date of receipt of the request, whether he accepts the jurisdiction of the Court of Arbitration. If the respondent fails to reply, or refuses to accept jurisdiction, the Secretariat of the Court of Arbitration shall notify the claimant that the arbitration cannot proceed.

DECLINING OF JURISDICTION

Article 17

1. The Court of Arbitration may decline jurisdiction to settle a dispute even if it has been stipulated, if the arbitration agreement or the underlying contract contain provisions which are inconsistent with the powers of the Court of Arbitration and its principles, or if the requests and actions of parties during the proceedings are such as to make the normal conduct of the arbitral proceedings impossible.
2. A decision to decline jurisdiction before the constitution of an Arbitral Tribunal shall be taken by the Board, and after the constitution of the Arbitral Tribunal - by an Expanded Tribunal in the sense of Article 18 of these Rules.

DECIDING ON JURISDICTION

Article 18

1. The Arbitral Tribunal or the Sole Arbitrator shall at their own initiative and throughout the proceedings take care whether the dispute falls within the jurisdiction of the Court of Arbitration in the sense of Article 12 of these Rules.
2. If a party raises a plea contesting jurisdiction of the Court of Arbitration, the question of jurisdiction shall be decided by an Expanded Tribunal consisting of five members. In addition to the members of the Arbitral Tribunal, it shall also include the Chairman and Vice-Chairman of the Court of Arbitration. If the proceedings are conducted before a Sole Arbitrator, the Expanded Tribunal shall

consist of three members: the Sole Arbitrator, the Chairman and the Vice-Chairman of the Court of Arbitration.

3. If the Chairman or a Vice-Chairman of the Court of Arbitration is prevented to participate, the Chairman of the Court of Arbitration shall appoint a deputy from among the members of the Extended Board.

A PLEA CONTESTING JURISDICTION

Article 19

1. The respondent may raise a plea contesting jurisdiction in his answer to the claim or in another submission before the hearing; the respondent may also raise a plea contesting jurisdiction at the hearing, before entering into discussion on the subject-matter of the dispute, unless he had submitted an answer to the claim or any other written submission.
2. Both parties have a right to be heard in the proceedings concerning a plea contesting jurisdiction. If the plea contesting jurisdiction is refused the Expanded Tribunal shall either make a partial award or decide on this issue in a ruling. The reasons for the ruling shall be stated in the final award. The ruling shall be signed by all members of the Expanded Tribunal.
3. If the plea contesting jurisdiction is accepted, the Expanded Tribunal shall declare the lack of jurisdiction in an award.
4. If a plea contesting jurisdiction is refused, notwithstanding whether by a ruling or by a partial award, the arbitration shall proceed before the Sole Arbitrator or before the Arbitral Tribunal.

IV APPOINTMENT OF THE ARBITRAL TRIBUNAL AND ARBITRATORS

A SOLE ARBITRATOR AND AN ARBITRAL TRIBUNAL

Article 20

1. A dispute shall be settled by a sole arbitrator when the parties have agreed so, or when the sum in dispute is below 70,000 US\$.
2. In all other cases, and in particular, when the parties have agreed so, a dispute shall be settled by an arbitral tribunal consisting of three members.

THE SOLE ARBITRATOR

Article 21

1. Within 30 days of the answer to the claim the parties may agree to select as a sole arbitrator a person from the List of Arbitrators and notify the Court of Arbitration thereof in writing. The Chairman or a Vice-Chairman of the Court of Arbitration may be appointed as a sole arbitrator.
2. The parties may agree to leave to the Chairman of the Court of Arbitration to appoint the sole arbitrator.
3. If the parties fail to select a sole arbitrator by agreement within the stated time limit, the sole arbitrator shall be appointed by Chairman of the Court of Arbitration.

APPOINTMENT OF THE ARBITRAL TRIBUNAL

Article 22

1. In disputes to be decided by an arbitral tribunal, the claimant shall select his arbitrator at the time of submitting his claim, i.e. at the time of making a payment of a sum to cover the costs of arbitration, and the respondent in his answer to the claim.
2. If one or both parties fail to appoint their arbitrators within the time limits specified in paragraph 1, or if they fail to select another arbitrator within 30 days in case the appointed arbitrator refused to accept the appointment, or if they leave

- to the Court of Arbitration to appoint an arbitrator, the arbitrators shall be appointed by the Chairman of the Court of Arbitration within the following 30 days, and the parties and the appointed arbitrators shall be notified thereof within 8 days from the date of appointment.
3. If a party twice in a row selects a person who refuses the appointment, the right of appointment shall pass to the Chairman of the Court of Arbitration.
 4. Within 30 days from the date of receipt of the notice of their appointment, the arbitrators appointed by the parties shall choose from the List of Arbitrators a third arbitrator to act as the Chairman of the tribunal. They can select the Chairman or a Vice-Chairman of the Court of Arbitration to act as the Chairman of the tribunal. If they fail to select the Chairman within the stated time limit, the Chairman of the tribunal shall be appointed by the Chairman of the Court of Arbitration, within the following 30 days.

JOINT APPOINTMENT OF AN ARBITRATOR

Article 23

When there are several claimants and/or respondents in a dispute, they shall agree in advance on joint selection of an arbitrator. If they fail to agree within the time limits provided for by these Rules, the arbitrator shall be appointed by the Chairman of the Court of Arbitration.

RESTRICTIONS ON ARBITRATORS

Article 24

1. Arbitrators may not state an opinion or advice in writing or orally, and cannot act as representatives in a dispute conducted before the Court of Arbitration.
2. Employees of the parties, members of their governing bodies and their permanent associates may not be appointed as arbitrators in disputes in which those parties are involved.

ARBITRATOR'S STATEMENT

Article 25

1. A person appointed to be an arbitrator, shall state in writing whether he accepts this function, and shall disclose any circumstances, which might give rise to doubts with respect to his impartiality or independence.
2. The statement shall be submitted to the Secretariat and then communicated by the Secretariat to the parties.
3. If the parties fail to state an objection within 15 days from the date of receipt of the statement, the arbitrator shall be deemed appointed.
4. If one or both parties state an objection, the final decision on the appointment of the arbitrator shall be made by the Board.
5. These provisions shall not prejudice the provisions on challenge of an arbitrator.

WITHDRAWAL AND TERMINATION OF MANDATE OF AN ARBITRATOR

Article 26

1. If an arbitrator becomes *de jure* or *de facto* unable to perform his functions or for other justifiable reasons fails to perform his functions within the proper time limits, his mandate shall be terminated if he withdraws from his office.
2. The parties may agree to terminate the mandate of an arbitrator if becomes *de jure* or *de facto* unable to perform his functions or fails to perform his functions within the proper time limits.
3. Any party may request the Board to decide on the termination of the mandate of an arbitrator for reasons specified in paragraph 2.
4. The fact that an arbitrator's appointment has been terminated pursuant to this Article or Article 27, does not imply acceptance of validity of any ground mentioned in this article or in article 27 paragraph 1.

CHALLENGE OF ARBITRATORS

Article 27

1. An arbitrator may be challenged only if circumstances exist that may give rise to justifiable doubts as to his impartiality or independence, or if he does not possess qualifications agreed to by the parties. A party may challenge an arbitrator appointed by him, or in whose appointment he has participated, only for reasons which have arisen or of which he became aware after the appointment has been made.
2. A challenge must be made within 15 days after the party became aware of the reasons for the challenge or of the appointment; the challenge may be made until the making of the award.
3. A notice of the challenge shall be sent to the other party, the arbitrator concerned and other members of the Arbitral Tribunal. The Board shall decide on the challenge after giving the arbitrator concerned the opportunity to comment upon the challenge. The decision on challenge does not have to include a statement of reasons.

REPLACEMENT OF ARBITRATORS

Article 28.

1. If during his mandate an arbitrator becomes unable to perform his functions, the party who appointed him shall appoint another arbitrator within the period of 15 days from the date it has been invited by the Court of Arbitration to appoint him.
2. If an arbitrator that has become unable to perform his functions was appointed by the Chairman of the Court of Arbitration, the Chairman shall appoint another arbitrator in his place within 15 days.
3. If the Chairman of the Arbitral Tribunal who has become unable to perform his functions was appointed by the arbitrators appointed by the parties, the new Chairman of the Arbitral Tribunal shall be appointed by the arbitrators appointed by the parties within 30 days.

4. If the Chairman of the Arbitral Tribunal who has become unable to perform his functions was appointed by the Chairman of the Court of Arbitration, the new Chairman of the Arbitral Tribunal shall be appointed by the Chairman of the Court of Arbitration within 30 days.

V ARBITRAL PROCEEDINGS

COMMENCEMENT OF THE PROCEEDINGS

Article 29

Arbitral proceedings may commence without a prior conciliation procedure.

SUBMITTING OF THE REQUEST FOR ARBITRATION OR STATEMENT OF CLAIM

Article 30

1. A dispute begins by submitting a request for arbitration or a statement of claim.
2. The request for arbitration or a statement of claim shall be submitted to the Secretariat of the Court of Arbitration in five copies.
3. The request for arbitration shall include:
 - a. The name (company name) of claimant and respondent, their permanent places of residence, i.e. registered offices;
 - b. Evidence of the existence of an arbitration agreement;
 - c. The appointment of an arbitrator.
4. In addition to the elements referred to in paragraph 3, the statement of claim shall include the claim for legal relief, the description of the subject-matter of dispute and evidence.
5. The request for arbitration or the statement of claim and evidence shall be submitted in the Serbian language and in the language of the contract that exists between the parties.

6. If there are several respondents in the dispute, the Secretariat of the Court of Arbitration shall request for an appropriate number of copies of the request for arbitration or statement of claim and enclosed documents to be submitted to it.
7. The Secretariat of the Court of Arbitration shall send the request for arbitration or the statement of claim with enclosed documents to the respondent for its answer, specifying the number of copies which the answer with enclosed documents needs to be submitted in.

ANSWER TO THE REQUEST FOR ARBITRATION OR TO THE STATEMENT OF CLAIM

Article 31

1. An answer to the request for arbitration or to the statement of claim shall be submitted within the period of 30 days from the date of receipt of the request or the statement of claim.
2. In his answer the respondent shall state his position towards the claimant's claims and present his defense together with the relevant documents.
3. The Secretariat of the Court of Arbitration shall send a copy of the answer to the claimant.

COUNTERCLAIM

Article 32

1. The respondent may submit a counterclaim up to the closing of the main hearing, if the counterclaim arises out of the same legal relationship as the claim.
2. The counterclaim shall be sent to the other party, who may within the period of 30 days from the date of receipt thereof submit his answer.

JOINING OF CLAIMS AND PROCEEDINGS

Article 33

If the parties have submitted to the Court of Arbitration several statements of claim against each other which arise out of different legal relationships, the Secretariat of the

Court of Arbitration shall try to join the proceedings concerning these claims and to have them decided by the same Arbitral Tribunal, for the purpose of economy of proceedings.

WRITTEN NOTIFICATIONS

Article 34

1. In the course of the proceedings, notifications and other written communications shall be made to the parties' mailing addresses by regular mail, by registered letter against a receipt or by any other means which provides a written record of the fact that the written communication has been sent.
2. A mailing address is the address at which the recipient regularly receives his mail. If the addressee has not designated any other address or if the circumstances of the case do not indicate otherwise, a mailing address is the address of the legal entity's principal place of business or branch, natural person's habitual residence, or the address referred to in the arbitration agreement.
3. If none of the addresses referred to in paragraph 2 of this article can be found, a written notification shall be deemed to have been made if it is sent to the addressee's last known mailing address.
4. A written notification shall be deemed to have been properly made even if the party or its attorney refuses to receive the written notification or any other written communication.
5. If the parties have appointed their attorneys, all notifications and other written communications shall be sent to the attorneys' addresses.
6. Written notifications shall be sent directly to the party, if the party has appointed its employee as its representative.
7. If the respondent, although duly notified, fails to submit his answer to the claim or to a written notification, or refuses to take part in the arbitral proceedings, the arbitration shall proceed in accordance with the provisions of these Rules.

A HEARING

Article 35

1. A hearing shall be held when the Arbitral Tribunal or the Sole Arbitrator considers that the conditions for it have been fulfilled.
2. If the arbitrators are satisfied that the written submissions and evidence are sufficient to make an award without a hearing, they shall not schedule a hearing, but shall notify the parties that the award will be made on the basis of the written evidence, provided that none of the parties has requested a hearing.
3. If within the period of 15 days from the date of receipt of such a notification none of the parties has requested a hearing, the arbitrators shall make the award without holding a hearing, on the basis of the submitted evidence.
4. A request to make the award without holding a hearing may also be jointly made by the parties.
5. A hearing shall always be held when a party so requests.
6. The Sole Arbitrator or the Chairman of the Arbitral Tribunal, acting on behalf and in agreement with other arbitrators, shall schedule a hearing by a written notice.

TIME LIMITS

Article 36

1. The time limits specified by these Rules may in justified circumstances be extended at the request of the parties.
2. The Arbitral Tribunal or the Sole Arbitrator shall make sure that the proceedings are not unnecessarily delayed.

LOCATION OF THE HEARING

Article 37

1. As a rule, hearings shall be held at the seat of the Court of Arbitration
2. At the request of the parties, the Arbitral Tribunal or the Sole Arbitrator may decide that the hearing be held at another location.
3. Hearings shall be held *in camera*, unless the parties have agreed otherwise.

4. The parties shall attend the hearing in person or through an authorized representative. The representative of a foreign party may also be a foreign national.
5. The parties may be assisted at hearings by their counsel.
6. If one or both parties, although duly notified, fail to appear at the hearing, the arbitrators shall, after they establish that the parties were duly notified of the hearing and that they have no justified reasons for absence, have the power to proceed with the arbitration as if the parties were present. In such cases, an award by default cannot be made.

LANGUAGE

Article 38

1. The parties may agree on the language or languages to be used in the arbitral proceedings. If the parties have not agreed on the language, the arbitral proceedings are conducted in the Serbian language.
2. The language of the arbitration applies to all written statements by a party, any hearing, and any award or ruling, unless the parties have agreed otherwise. Any documentary evidence if made in another language shall be accompanied by a translation to the language of the proceedings.
3. The written correspondence of the Secretariat with a foreign party that is not represented by a domestic national, and that clearly has no knowledge of the Serbian language, is conducted in Serbian accompanied by a translation to English.

TAKING OF EVIDENCE

Article 39

1. The arbitrators shall decide on the presentation of evidence according to the proposals of the parties or at their own initiative. They may order the presentation of evidence throughout the course of the proceedings.
2. The arbitrators shall assess the probative force of the submitted evidence at their own discretion.

3. The parties shall cooperate in the taking of evidence and shall take all measures required of them for that purpose.

WITNESSES AND EXPERTS

Article 40

1. The evidence may be taken by hearing of witnesses, the parties and experts.
2. The arbitrators may order the parties to bring witnesses, and may also directly summon witnesses.
3. As a rule, witnesses and experts shall be heard by Arbitral Tribunal or the Sole Arbitrator.
4. The arbitrators may request courts of law to take individual items of evidence which they themselves are unable to take.
5. The Arbitral Tribunal or the Sole Arbitrator may appoint an expert and define its terms of reference.
6. The provisions of these Rules on the challenge of an arbitrator shall apply to the challenge of an expert.

RULINGS ON THE CONDUCT OF THE PROCEEDINGS

Article 41

1. In the course of the proceedings, the Arbitral Tribunal or the Sole Arbitrator may make rulings on procedural matters which they deem necessary, such as: depositing an advance to cover the costs of experts and witnesses, securing evidence, time limits, joining cases, and other rulings that are necessary.
2. If the party who has proposed evidence fails to deposit the requested advance, such evidence shall not be taken.

THIRD-PARTY INTERVENTION

Article 42

A person that has a legal interest to participate in the arbitral proceedings may join one of the parties only with consent of both parties.

INTERIM AND CONSERVATORY MEASURES

Article 43

Unless the parties have agreed otherwise, the Court of Arbitration may, at the request of a party, order any provisional measure as it may consider necessary taking into account the subject-matter of the dispute and may at the same time require the other party to provide appropriate security.

LENGTH OF THE PROCEEDINGS

Article 44

1. As a rule, arbitral proceedings shall be completed within a year from the date of constitution of the Arbitral Tribunal or appointment of the Sole Arbitrator.
2. As an exception from the provision referred to in paragraph 1 of this Article, the Arbitral Tribunal or the Sole Arbitrator may decide, upon obtaining the consent of the Board, that the arbitral proceedings be extended after the expiration of the above time limit if the needs of obtaining evidence make this necessary, or if the parties make such a request, or for other justified reasons.

RULES GOVERNING THE PROCEDURE

Article 45

1. The proceedings before the Court of Arbitration shall be governed by these Rules and by the provisions of the arbitration agreement.
2. If the Rules do not contain a relevant provision as to the issue posed, the parties, or if they fail to do so, the Arbitral Tribunal or the Sole Arbitrator, may designate the rules that they deem appropriate within the limits set by the provisions of the Arbitration Act of the Republic of Serbia.

APPLICATION OF OTHER RULES

Article 46

1. The parties may stipulate that the Rules of Arbitration of the United Nations Commission on International Trade Law (UNCITRAL) be applied to the proceedings before the Court of Arbitration.
2. If the Rules of the Arbitration of the United Nations Commission on International Trade Law (UNCITRAL) do not contain a relevant provision, the provisions of these Rules shall apply.

TERMINATION OF THE ARBITRAL PROCEEDINGS

Article 47

1. Arbitral proceedings are terminated by a final award or by a ruling of the Arbitral Tribunal or the Sole Arbitrator on termination of the proceedings which is made in accordance with the provisions of paragraph 2 of this Article.
2. The Arbitral Tribunal or the Sole Arbitrator shall make a ruling on termination of the arbitral proceedings when:
 - a. the claimant fails to submit the statement of claim in accordance with these Rules;
 - b. the claimant withdraws his claim, unless the respondent objects thereto and the Arbitral Tribunal or the Sole Arbitrator recognize a legitimate interest on his part in obtaining a final award in the dispute;
 - c. the parties agree on the termination of the proceedings;
 - d. the Arbitral Tribunal or the Sole Arbitrator finds that the continuation of the proceedings has for any other reason become unnecessary or impossible.

VI THE AWARD

APPLICABLE LAW

Article 48

1. The Arbitral Tribunal or the Sole Arbitrator shall apply the law or legal rules chosen by the parties as the substantive law applicable to their contractual relationship.
2. If the parties have failed to designate it, the Arbitral Tribunal or the Sole Arbitrator shall apply the law or legal rules determined by the conflict of laws rules that the Arbitral Tribunal or the Sole Arbitrator deem to be the most appropriate to the case.
3. In all cases, the Arbitral Tribunal or the Sole Arbitrator shall make the award in accordance with the provisions of the contract, and shall take into account trade usages that may be applicable to the transaction.
4. The award may be made exclusively on the basis of equity (*ex aequo et bono*), only if the parties have given such power to the Arbitral Tribunal or the Sole Arbitrator.

MAKING OF THE AWARD

Article 49

1. In the course of the arbitral proceedings, the Arbitral Tribunal or the Sole Arbitrator may make an interim award or partial award. The final award is made after the arbitral proceedings have been completed.
2. The award shall state the reasons in terms of the facts and law and be worded in the manner that enables its enforcement in the countries in which such enforcement may be requested.
3. The award of the Arbitral Tribunal shall be made by unanimous or majority vote after deliberation in which all arbitrators must participate, unless the parties have agreed otherwise. The award shall be made at a meeting held *in camera* and attended solely by arbitrators and the recording clerk. When the vote is taken on

- the award, the chairman of the tribunal shall be the last one to vote. A record of deliberations and voting shall be made and signed by all the arbitrators.
4. The final award shall be made within the period of 60 days after the date of the last hearing or the date on which the last *in camera* meeting of the Arbitral Tribunal was held.

SETTLEMENT

Article 50

1. If the parties reach a settlement before the Arbitral Tribunal or the Sole Arbitrator, the settlement shall be recorded in the form of an arbitral award that states no particular reasons; the record shall be signed by the arbitrators and the parties.
2. A settlement shall be deemed to have been reached when the parties sign the record of the settlement after having read it.
3. A settlement reached in this manner shall have the force of an arbitral award.

CONTENT OF THE AWARD

Article 51

1. The arbitral award in writing shall contain an introduction, an operative part and a statement of reasons:
 - a. the introduction of the award shall contain the name of the Court of Arbitration, the names of the Chairman and members of the Arbitral Tribunal or the name of the Sole Arbitrator, the parties' names or company names, occupation and place of permanent residence or registered office, the names of the parties' representatives or attorneys, short description of the subject-matter of the dispute and the date and place of making of the award.
 - b. the operative part of the award shall contain the decision of the Court of Arbitration to grant or refuse particular claims related to the subject-matter of the dispute, as well as the decision on

costs;

- c. the statement of reasons shall contain the requests of the parties, chronology of the dispute, statements and allegations of the parties concerning the factual and legal issues that were considered, evidence submitted and taken, the law and rules that were applied and the reasons for making the decision contained in operative part of the award.
2. The award need not specify the reasons in terms of the facts or law, if the parties have stated that they do not require it.
 3. The full text of the award may be published only with consent of the parties. The Chairman of the Court of Arbitration may authorize the publication of the award in periodicals of professional and doctrinal character without disclosing the names of the parties or information that may be damaging to the interests of the parties.

SCRUTINY OF THE AWARD

Article 52

1. The Board of the Court of Arbitration shall scrutinize the award before it is signed. It may advise the Arbitral Tribunal or the Sole Arbitrator of the formal deficiencies of the arbitral award, or draw its attention to the arbitral practice on certain issues of law.
2. The Board of the Court of Arbitration may draw the attention of the Arbitral Tribunal or the Sole Arbitrator to the grounds upon which it considers the arbitral award might be set aside, or upon which its enforcement might be refused.

SIGNING OF THE AWARD

Article 53

1. The original of the award and all copies thereof shall be signed by all members of the Arbitral Tribunal or the Sole Arbitrator respectively.

2. The Award accepting a plea contesting jurisdiction shall be signed by all members of the Expanded Tribunal.
3. The award shall be valid even if an arbitrator refuses to sign the award submitted to him for signature, provided the award has been signed by the majority of the members of the Arbitral Tribunal, and provided they have noted in the award the refusal of signature by their own signatures.
4. The arbitrator who refused to sign the award may within a reasonable period, and especially before the scrutiny of the award by the Board of the Court of Arbitration, submit his dissenting opinion in writing; such dissenting opinion shall be enclosed to the documents and submitted to the parties.
5. The Secretariat of the Court of Arbitration shall send to the parties the copies of the award signed by the arbitrators or by the Sole Arbitrator respectively.
6. The parties may obtain additional copies of the award, certified true by the Secretary of the Court of Arbitration, but such copies may not be issued to any third parties.

CORRECTION AND INTERPRETATION OF THE AWARD; ADDITIONAL AWARD

Article 54

1. The parties may request the Arbitral Tribunal or the Sole Arbitrator to correct in the award any computational, typographical or clerical errors, or any errors of similar nature, or to give an interpretation of the award. The Arbitral Tribunal or the Sole Arbitrator may correct such errors on their own initiative.
2. Any party may request the Arbitral Tribunal or the Sole Arbitrator to make an additional award as to claims presented in the arbitral proceedings but omitted from the award.
3. A party may make a requests referred to under paragraphs 1 and 2 of this Article within 30 days of receipt of the award.
4. The corrections, interpretation and additional award are made in writing in accordance with the provisions of Article 51 of these Rules.

5. Any correction or interpretation of the award or the additional award shall constitute part of the award to which it relates.

THE CONFIRMATION OF ENFORCEABILITY

Article 55

1. The enforceability of the award shall be confirmed by the Secretariat of the Court of Arbitration.
2. The enforceability of the award may be confirmed at the earliest upon expiry of the period of 8 days from the date of expiry of the time-limit for requesting the correction of the award, or at the earliest upon expiry of the period of 8 days after the date of receipt of the correction of the award.

EFFECT AND ENFORCEMENT OF THE AWARD

Article 56

1. The arbitral award shall be final and subject to no appeal. It shall have the force of a final judgment of a court of law.
2. By accepting the jurisdiction of the Court of Arbitration, the parties have undertaken to carry out the resulting award.

VII COSTS OF THE ARBITRATION

THE SCALE OF COSTS AND FEES

Article 57

1. The claimant has a duty to pay the whole amount of arbitration costs, which are determined by the Chairman of the Court of Arbitration in accordance with the value of the claim within the limits set by the Scale of Costs and Fees. The respondent has a duty to do the same with respect to the counterclaim or set-off claim.
2. At the time of submitting a request for arbitration, a statement of claim, a counterclaim, or a set-off claim, the party shall deposit with the Secretariat of the Court of Arbitration a sum of US\$ 200.00 as a registration fee

3. The Scale of Arbitration Costs and Fees is determined by the Managing Board of the Serbian Chamber of Commerce at the proposal of the Extended Board.
4. If it is found in the course of proceedings that the initially determined sum is insufficient to cover the costs of Arbitration, the Chairman of the Court of Arbitration shall render a ruling on additional sums that need to be deposited within the limits of the Scale.
5. If a party fails to pay the costs within two months from the date of the invitation to do so, it shall be deemed that its claim has been withdrawn.

ARBITRATORS' EXPENSES

Article 58

1. The arbitrator is entitled to compensation of travel and accommodation expenses if he resides outside the place of arbitration.
2. The expenses of a domestic arbitrator are fixed pursuant to the regulations presently in force.
3. The party that appointed a foreign arbitrator shall deposit a lump sum for his travel and other expenses and shall bear the final amount of these expenses, which will be fixed by the Secretariat of the Court of Arbitration.
4. If the parties appoint a foreign citizen from the List of Arbitrators to be the Sole Arbitrator, or if the arbitrators appointed by the parties choose a foreign national from the List of Arbitrators to be the Chairman of the Arbitral Tribunal, each party shall deposit a half of the fixed lump sum for travel and other expenses of the foreign arbitrator, and shall bear the same proportion of the final amount of these expenses, which will be fixed by the Secretariat of the Court of Arbitration.
5. If the proceedings are conducted in the Serbian language and a member of the Arbitral Tribunal, or the Sole Arbitrator is a foreign national, appointed by the parties, a party that appointed him has a duty to bear the expenses of translation of the documents and evidence, hearings and *in camera* meetings of the Arbitral Tribunal.

EXPENSES INCURRED IN CONNECTION WITH PROCEDURAL ACTS

Article 59

1. For expenses incurred in connection with performance of particular procedural acts, an appropriate sum shall be deposited in advance by the party that requested them.
2. If the proceedings are conducted in a foreign language or languages the parties have a duty to bear all additional expenses connected to the translation of documents, evidence and hearings.
3. The sum to be deposited shall be determined by a ruling of the Arbitral Tribunal or the Sole Arbitrator.
4. For expenses caused by procedural acts ordered by the Arbitral Tribunal or the Sole Arbitrator at their own initiative, the Arbitral Tribunal or the Sole Arbitrator shall determine by a ruling which of the parties shall deposit the necessary sum.

HEARING OUTSIDE THE SEAT OF THE COURT OF ARBITRATION

Article 60

1. If the Arbitral Tribunal or the Sole Arbitrator holds a hearing outside the permanent seat of the Court of Arbitration, the Chairman of the Court of Arbitration shall fix the additional sum to cover the costs of holding such a hearing.
2. If a hearing is held outside the permanent seat of the Court of Arbitration at the request of a party, the additional sum shall be deposited by the party that requested it. If such a hearing is held at the joint request of the parties, each party shall deposit a half of the additional sum.

WITHDRAWAL OF THE CLAIM

Article 61

1. If the claimant withdraws his claim, the following proportion of the sum deposited under Article 57 shall be returned to him:

- a. If the claim is withdrawn before the constitution of the Arbitral Tribunal or before appointment of the Sole Arbitrator - 50%,
 - b. If the claim is withdrawn before the hearing was scheduled - 40%,
 - c. If the claim is withdrawn after the hearing was scheduled, but before it was held - 15%.
2. After the hearing was held, the deposited sum shall not be returned.
 3. The sum deposited as a registration fee for the work of the Court of Arbitration shall not be returned.

ARBITRATORS' FEES

Article 62

1. The fees of the arbitrators, as well as fees of the Chairman, Vice-Chairmen and members of the Board of the Court of Arbitration, shall be determined by the decision of the Managing Board of the Serbian Chamber of Commerce at the proposal of the Extended Board.
2. After the award is made, or a settlement reached, or proceedings are terminated, the Chairman of the Court of Arbitration shall fix the arbitrators' fees, in accordance with the decision referred to in paragraph 1 of this Article.
3. A foreign arbitrator is entitled to a fee in foreign currency.
4. The Chairman of the Court of Arbitration shall, in accordance with the decision referred to in paragraph 1 of this Article, fix the fees of participants in the meetings of the Board and the Extended Board.

VIII FINAL PROVISIONS

APPLICATION OF THE FORMER RULES

Article 63.

A party is entitled to request that the dispute be settled under the Rules which were in force on the date of conclusion of the arbitration agreement.

VALIDITY OF EXISTING DECISIONS OF THE SERBIAN CHAMBER OF COMMERCE

Article 64

The Decision of the Assembly of the Serbian Chamber of Commerce on the Election of the Chairman, the Vice-Chairmen and the Members of the Extended Board of the Foreign Trade Court of Arbitration and the Decision of the Assembly of the Chamber of Commerce on Establishing the List of Arbitrators of the Foreign Trade Court of Arbitration of December 15, 2005 shall remain in force.

ABROGATION OF THE FORMER RULES

Article 65

The Rules of the Foreign Trade Court of Arbitration at the Serbian Chamber of Commerce ("Official Journal of the Federal Republic of Yugoslavia" no. 52/97 and no. 64/01 and "Official Journal of the Republic of Serbia" no. 74/04) are abrogated by entry into force of the present Rules.

COMING INTO FORCE

Article 66

These Rules shall come into force on the 8th day from the date of their publication in the "Official Journal of the Republic of Serbia".

These Rules were published in the Official Gazette of the Republic of Serbia no 52/07 of June 8, 2007.