

**RULES of PROCEEDINGS
of the Arbitration Court**

attached to the
Hungarian Chamber of Commerce and Industry

effective as of January 1, 2008

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CONTENTS

STANDARD ARBITRATION CLAUSE

I. GENERAL PROVISIONS

- Art. 1. Jurisdiction of the Arbitration Court
- Art. 2. Organization of the Arbitration Court
- Art. 3. The President, the Presidium and the Arbitral Body of the Arbitration Court
- Art. 4. Arbitrators
- Art. 5. Divisions of the Arbitration Court
- Art. 6. The Secretariat
- Art. 7. Seat of the Arbitration Court, Place of Hearings
- Art. 8. Filing of Documents
- Art. 9. The Language of Proceedings
- Art. 10. The Term of Arbitration Proceedings
- Art. 11. Delivery and Service of Documents
- Art. 12. Arbitration Fees and Costs
- Art. 13. Representation of the Parties
- Art. 14. The Applicable Law
- Art. 15. Confidential Treatment of the Decisions of the Arbitration Court
- Art. 16. Waiver of the Right to Protest Against Violation of the Rules of Proceedings

II. ARBITRAL PROCEEDINGS

- Art. 17. Manner of the Proceedings
- Art. 18. Appointment of the Arbitrators
- Art. 19. Challenge of the Arbitrators or the Presiding Arbitrator
- Art. 20. Termination of Arbitrator's (Presiding Arbitrator's) Duties
- Art. 21. Commencement of Arbitral Proceedings
- Art. 22. Contents of the Statement of Claim
- Art. 23. Amount in Dispute
- Art. 24. Correction of Defects in the Statement of Claim
- Art. 25. Statement of Defence
- Art. 26. Amendment of the Statement of Claim and the Statement of Defence
- Art. 27. Formation of the Arbitral Tribunal
- Art. 28. Preparation of the Hearing by the Arbitrators
- Art. 29. Summons to the Hearing
- Art. 30. Change in the Person of the Parties, Interpleading in the Proceedings
- Art. 31. Presence at the Hearing
- Art. 32. Participation of the Parties
- Art. 33. Examination of the Case without Oral Hearing
- Art. 34. Counterclaim and Claim for Set-Off
- Art. 35. Evidence
- Art. 36. Postponement of Hearing and Stay of Proceedings
- Art. 37. Minutes of the Arbitral Hearings

- Art. 38. Closing of the Proceedings
- Art. 39. Granting of the Award
- Art. 40. Contents of the Arbitral Award
- Art. 41. Announcement of the Award
- Art. 42. Completion and Rectification of the Arbitral Award
- Art. 43. Enforcement of the Arbitral Award
- Art. 44. Termination of Proceedings without Award
- Art. 45. Sub-Rules of Expedited Proceedings

III. CONCILIATION-MEDIATION PROCEEDINGS

- Art. 46.
- Art. 47.
- Art. 48.
- Art. 49.
- Art. 50.
- Art. 51.
- Art. 52.
- Art. 53.
- Art. 54.
- Art. 55.

IV. MISCELLANEOUS

- Art. 56.

REGULATION ON THE ARBITRATION FEES, COSTS AND EXPENSES OF THE PARTIES

- Art. 1. Definitions
- Art. 2. Registration Fee
- Art. 3. Arbitration Fee
- Art. 4. Reduction and Partial Refunding of the Arbitration Fee
- Art. 5. Arbitration Fee in Respect to Counterclaims
- Art. 6. Division of the Arbitration Fee
- Art. 7. Fee of Conciliation-Mediation
- Art. 8. Expenses Relating to Arbitration
- Art. 9. The Expenses of the Parties
- Art. 10. Exceptions
- Art. 11. Advance Payment on the Arbitrator's Fee

Annexes:

Fee-Chart No. 1

Fee-Chart No. 2

Divisions of the Arbitration Court

STANDARD ARBITRATION CLAUSE

"The parties agree that all disputes arising from or in connection with the present contract, its breach, termination, validity or interpretation, shall be exclusively decided by the Court of Arbitration attached to the Hungarian Chamber of Commerce and Industry, Budapest in accordance with its own Rules of Proceedings."

Parties among others may wish to consider adding:

- a) "The number of arbitrators shall be ... (one or three).
- b) The language(s) to be used in the arbitral proceedings shall be (Hungarian, German, English) .
- c) In the course of proceedings the Sub-Rules of the Expedited Proceedings (Art. 45 of the Rules of Proceedings) shall apply."

Art. 1. Jurisdiction of the Arbitration Court

(1) The jurisdiction of the Arbitration Court encompasses the settlement of all disputes where

(a) at least one of the parties deals professionally with economic activity, and the legal dispute is in connection with this activity,

(b) the parties may freely dispose of the subject-matter of the proceedings, and

(c) the jurisdiction of the Arbitration Court was stipulated in an arbitration agreement or is required by an international convention.

(2) The jurisdiction of the Arbitration Court does not encompass the settlement of disputes in which:

- a domestic legal rule does not permit the stipulation of the jurisdiction of the Arbitration Court or

- a domestic legal rule refers the settlement of the dispute to the exclusive jurisdiction of ordinary courts or other authorities.

(3) An "arbitration agreement" is an agreement by the parties to submit to the Arbitration Court their disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not.

(4) An arbitration agreement may be in the form of an arbitration clause in a contract or in the form of a separate agreement. The arbitration agreement shall be in writing. An agreement shall be deemed to be in written form, if it has been entered into by an exchange of letters, telegrams, telex furthermore by any other means of telecommunication – so especially documents provided with electronic signature of increased safety - which provide a permanent record of the agreement. A precondition to the validity of the agreement is that it (the signature) shall be made by a person (persons) authorized to sign in accordance with the rules on the signature of a firm. It shall also be deemed to be an arbitration agreement in writing, if one of the parties states in his statement of claim, and the other party does not deny in his statement of defence that an arbitration agreement was entered into between them. The reference in a contract entered into in writing to a document containing an arbitration clause shall constitute an arbitration agreement, provided that the arbitration clause contained in such document constitutes a part of the contract.

(5) The parties may extend the effect of the arbitration agreement in the course of the arbitration proceedings. Such an agreement may be recorded in the minutes of the hearing, as well.

(6) It is not in conflict with a stipulation of jurisdiction of the Arbitration Court and does not imply a renouncement of said jurisdiction if either party resorts to an ordinary court in order to have interim or protective measures issued. A party acting in this manner must inform the Arbitration Court without delay of the filing of any such claim and any decisions issued on the basis of the claim.

(7) The Arbitration Court considers the existence of its jurisdiction on its own motion. The jurisdiction of the Arbitration Court includes the ability to determine the existence or lack of its own jurisdiction and furthermore, to judge an objection concerning the existence or the validity of an agreement to submit a legal dispute to arbitration. To this end, an agreement to submit a legal dispute to arbitration forming part of the contract shall be considered as an agreement independent of other stipulations of the contract. A decision of the Arbitration Court according to which a contract is considered as invalid does not imply 'ipso iure' the invalidity of an agreement to submit a legal dispute to arbitration.

(8) All objections concerning the jurisdiction of the Arbitration Court shall be made not later than simultaneously with the submission of the statement of defence. The fact that a party has appointed an arbitrator shall not prevent it from making an objection to the jurisdiction of the Arbitration Court.

(9) The Arbitration Court usually decides separately and as a preliminary issue on objections filed concerning its jurisdiction. However, the Arbitration Court is also authorized to conduct the proceedings and to include remarks concerning any objections in its final decision resolving the dispute.

(10) The Presidium of the Arbitration Court is authorized to reject on behalf of the Arbitration Court the reception of a claim, should the parties depart from the Rules of Proceedings of the Arbitration Court in their arbitration agreement forming the basis of the jurisdiction.

Art. 2. Organization of the Arbitration Court

(1) The Arbitration Court consists of:

- the Arbitral Body
- the President
- the Presidium
- the arbitration divisions and
- the Secretariat.

(2) The Hungarian Chamber of Commerce and Industry ensures the personnel and the technical facilities necessary for the operation of the Arbitration Court.

(3) The rights of the arbitral body are exercised within the frame of the general meeting of the arbitrators.

Art. 3. The President and the Presidium of the Arbitration Court, and the Arbitral Body

(1) The President of the Arbitration Court shall be elected and removed by the Assembly of the Delegates of the Hungarian Chamber of Commerce and Industry upon the proposal of the arbitral body of the Arbitration Court from Hungarian nationals listed in the roll of arbitrators.

(2) The President of the Arbitration Court represents the Arbitration Court in its domestic and foreign affairs.

(3) The President of the Arbitration Court may be elected the presiding arbitrator of the arbitral tribunal or an arbitrator in the same manner and on the same conditions as the other arbitrators listed in the roll of arbitrators are elected. Upon such election, however, the President of the Arbitration Court may not, in connection with the specific case, perform his duties arising under these Rules of Proceedings nor is he allowed to exercise his rights as President of the said Arbitration Court. If the necessity therefore would nevertheless arise, the Presidium of the Arbitration Court shall act in place of the President.

(4) The Presidium of the Arbitration Court shall be elected by the arbitral body from the Hungarian arbitrators listed in the roll of arbitrators. The President of the Arbitration Court shall be a member of the Presidium of the Arbitration Court. The Presidium of the Arbitration Court assists the President of the Arbitration Court and may express its opinion on all matters relating to the operation of the Arbitration Court. This does not concern the legal

disputes heard by the Arbitration Court.

(5) The Presidium of the Arbitration Court shall submit a proposal to the Presidium of the Hungarian Chamber of Commerce and Industry to lay down or to modify the Rules of Proceedings.

(6) Considering the proposal of the Presidium of the Arbitration Court and on the basis of the position taken by the arbitral body thereupon, the Assembly of the Delegates of the Hungarian Chamber of Commerce and Industry shall decide on listing in the roll of arbitrators, and on the deletion from the roll.

Art. 4. Arbitrators

(1) Any Hungarian or foreign national, whether or not listed in the roll of arbitrators, who:

- declares in writing to the Arbitration Court that he undertakes to perform the arbitrator's functions according to the present Rules of Proceedings;
- is independent and unprejudiced and declares these facts in writing to the Arbitration Court;
- commands the necessary level of legal, economic and other knowledge to enable him to resolve legal disputes falling under the jurisdiction of the Arbitration Court;
- possesses the required language skills; and
- does not fall under the limitations set forth in the provisions of § 12 of Act LXXI of 1994 on arbitration may be appointed an arbitrator.

(2) The Arbitration Court, for the purpose of informing the clients, shall compile a roll of arbitrators and make it public. The Assembly of the Delegates of the Hungarian Chamber of Commerce and Industry shall establish the roll of arbitrators from among persons who command legal, economic and other knowledge necessary for the resolution of legal disputes by arbitration, in accordance with the provision as per Art. 3 (6) above. The roll of arbitrators is drawn-up for a five-year period and shall include at least 25 and at most 120 persons. The arbitrators may be re-elected for further term(s) of five years each. The roll of arbitrators may include Hungarian and foreign nationals alike. The roll of arbitrators shall contain the given and family name, profession, qualification, degree, academic title and language skill of each arbitrator.

(3) In discharging their duties, the arbitrators shall be independent and unbiased and shall not represent either party. In the course of the proceedings, they must not accept instructions and shall retain in strict confidence, also after the completion of the proceedings, the circumstances they have addressed while discharging their duties. The arbitrators may not provide information nor may they make any statement in respect of any case which has been closed or which is in progress.

(4) In the cases, there shall be either a tribunal of three arbitrators or a sole arbitrator. The formation of the arbitral tribunal or the appointment of the sole arbitrator shall occur according to the present Rules of Proceedings. The procedural rights of a sole arbitrator are identical with those of an arbitral tribunal.

Art. 5. Divisions of the Arbitration Court

(1) The Presidium of the Hungarian Chamber of Commerce and Industry, in

agreement with the Presidium of the Arbitration Court, may establish arbitration divisions, upon the proposal of the county chambers of commerce and industry and the regional associations of such chambers. The arbitration divisions shall operate on county and regional levels.

(2) The arbitration division is the organ of the Arbitration Court attached to the Hungarian Chamber of Commerce and Industry, the personnel and the technical facilities necessary for its operation shall be ensured by the county chamber of commerce and industry or the regional association of the county chambers, having made the proposal for its establishment.

(3) The arbitration divisions may be dissolved by the Presidium of the Hungarian Chamber of Commerce and Industry, in agreement with the Presidium of the Arbitration Court, upon the proposal of the county chambers of commerce and industry, the regional associations of such chambers and the Presidium of the Arbitration Court.

(4) The division shall have the following tasks:

(a) On its own operational territory it shall introduce arbitration, the characteristics, the conditions and the operational systems of the arbitration proceedings, and in this respect assist the persons who request such assistance.

(b) The case will be heard at the place of the arbitration division of the Arbitration Court attached to the Hungarian Chamber of Commerce and Industry , if

- the parties have so stipulated in the arbitration agreement (stipulation) or

- at a well-grounded mutual request of the parties, submitted simultaneously with the statement of claim or the statement of defence (but not later than the receipt of the statement of defence) the Arbitration Court consents thereto.

The written submissions of the parties shall be filed also in such cases at the seat of the Arbitration Court attached to the Hungarian Chamber of Commerce and Industry in Budapest. The submitted documents shall be administered by the Secretariat of the Arbitration Court.

(c) The arbitration division shall ensure the conditions necessary for the conduct of the hearings to be held on its operational territory (room for the hearing, computer, recording secretary), in-cooperation with the Secretariat of the Arbitration Court.

(d) If the conditions for conducting the hearing cannot be ensured at the place designated by the parties, the hearing shall be held at the seat of the Arbitration Court in Budapest.

(e) The seats of the arbitration divisions are included in Annex No. 3 of these Rules of Proceedings.

(5) On establishing the arbitration division, the Presidium of the Arbitration Court shall initiate at the Assembly of the Delegates of the Hungarian Chamber of Commerce and Industry, upon the proposal of the county chamber of commerce and industry or the regional association of such chambers, the approval of the indicative roll of arbitrators of the division. The roll of arbitrators of the division shall be drawn-up for a five-year period, the arbitrators may be re-elected for further term(s) of five years each.

(6) In arbitration cases to be heard on their territory the arbitration divisions shall have the right to make a proposal to the Arbitration Court for the person of an arbitrator, if either of the parties does not nominate its arbitrator, or if the parties do not agree upon the person of the sole arbitrator.

Art. 6. The Secretariat

The Secretariat shall discharge the administration of the Arbitration Court, as well as other duties according to the present Rules of Proceedings.

Art. 7. Seat of the Arbitration Court, Place of Hearings

- (1) The seat of the Arbitration Court is in Budapest.
- (2) The place of the hearings is in Budapest, at the courtrooms of the Arbitration Court. If necessary, or at the parties' request, the arbitral tribunal may conduct hearings at another place as well.

Art. 8. Filing of Documents

- (1) All documents pertaining to the launching or to the conducting of arbitral proceedings shall be submitted in such number of copies which enables each party and each interpleader to be provided with one copy and the Arbitration Court with four copies.
- (2) The documents referred to in paragraph (1) shall be submitted in the language which the parties determined for the proceedings. (Paragraph (1) of Art. 9.)
- (3) If such determination was not made, the documents shall, until the arbitral tribunal determines the language of the proceedings according to paragraph (3) of Art. 9., be submitted either in the Hungarian, the German or the English language depending on the decision of the Arbitration Court.
- (4) The Secretariat of the Arbitration Court conducts its correspondence with the parties in one of the languages referred to in paragraph (3) until the arbitral tribunal determines the language of the proceedings which may differ from the language of such correspondence.
- (5) The parties shall send all documents submitted to the Arbitration Court simultaneously to the other party (parties), as well, in a way, proving the delivery (e.g. with notice of receipt).

Art. 9. The Language of Proceedings

- (1) The parties may freely determine the language of the arbitral proceedings, if the conditions of the proceedings in the given language can be provided.
- (2) If the parties fail to determine the language of the proceedings, the arbitral tribunal shall do so, taking into consideration all relevant factors in respect of the specific case, especially the language of the agreement entered into by the parties and the language of the correspondence.
- (3) If the foreign party (parties) is (are) represented by Hungarian attorney or counsel (also), the proceedings shall be conducted in Hungarian, except the case when parties have stipulated a foreign language in accordance with paragraph (1) above.
- (4) The minutes of the hearings and the resolutions adopted during the proceedings shall be written in the language of the proceedings.
- (5) At the request and expense of a party who is not familiar with the language of the proceedings, the Arbitration Court shall ensure the use of an interpreter. The Secretariat shall inform the affected parties about the terms and conditions relating to the use of such interpreter.
- (6) If the foreign arbitrator is not familiar with the language of the proceedings, upon request, the Secretariat of the Arbitration Court shall provide an interpreter (translator).

Art. 10. The Term of Arbitration Proceedings

Whenever possible, the Arbitration Court shall complete the proceedings within six months, as from the formation of the arbitral tribunal.

Art. 11. Delivery and Service of Documents

(1) The documents relating to the specific case shall be delivered by the Secretariat to the addresses specified by the parties.

(2) The statement of claim, the statement of defence, other documents of the parties, the summons, and the decisions of the Arbitration Court shall be delivered by the Secretariat by registered letter with notice of receipt.

(3) The Secretariat may forward other documents by registered letter; notices and communications may be sent by cable, fax or e-mail.

(4) All documents referred to above in the present Article may be served, against receipt, also personally to the party.

(5) Unless otherwise agreed by the parties, any written communication shall be deemed to have been received on the day when it is delivered to

(a) the addressee personally, or

(b) the seat, office or residence (hereinafter together: seat), usual place of abode or mailing address of the addressee.

(6) Letters shall be deemed to have been delivered in case of domestic addressee on the eighth day of dispatch, in case of foreign addressee on the fifteenth day of dispatch if the written communication was sent in a registered letter, or in any way proving attempt of delivery to the last known seat, usual place of abode or mailing address of the addressee.

Art. 12. Arbitration Fees and Costs

(1) The calculation, advance and sharing of the arbitration fees and the payment of the costs of the Arbitration Court shall be effected in accordance with the Regulation on Arbitration Fees, Costs and Expenses of the Parties, which constitutes an integral part of the present Rules of Proceedings. This refers also to the case when after the setting aside of an arbitral award the claimant initiates repeated proceedings.

(2) An expert may be ordered if – in accordance with the decision of the arbitral tribunal – the party, and the parties, respectively, deposited in advance the amount of the expert fee and costs to be expected.

Art. 13. Representation of the Parties

(1) The parties may participate in the arbitration proceedings either in person or by means of duly authorized representatives.

(2) A party may, at his discretion, choose a representative who may also be a foreign national.

(3) Arbitrators included in the Roll of Arbitrators of the Arbitration Court, cannot act as legal representatives in any proceedings, handled by this institution. Any person who is not included in the said Roll, however, appointed as arbitrator by one of the parties, should not

undertake legal representation at the Arbitration Court either during the period of performing this function or within six months following the cessation of duties as arbitrator.

Art. 14. The Applicable Law

(1) The arbitral tribunal and the sole arbitrator (hereinafter the "arbitral tribunal") shall apply the law stipulated by the parties. The stipulation of a given legal system is to be understood as a stipulation that refers directly to the substantive law and not to the norms of the conflict of laws of the given state.

(2) Failing stipulation by the parties, the arbitral tribunal shall apply the law which it considers to be applicable according to international treaty or failing this, according to the rules of the Hungarian private international law.

(3) The arbitral tribunal may render a decision on the basis of equity (*ex aequo et bono*) or as a friendly intermediary (*amiabile compositeur*) only, if it has been expressly authorized to do so by the parties.

(4) In each case, the arbitral tribunal makes its decisions in compliance with the stipulations of the contract and by taking into consideration commercial customs, applicable to the contract.

Art. 15. Confidential Treatment of the Decisions of the Arbitration Court

(1) The Arbitration Court may not give any information on pending proceedings and on its decisions rendered, or on the contents thereof.

(2) The decision of the Arbitration Court may be published in legal journals or special publications only upon the permission of the President of the Arbitration Court and only in such a way that the interests of the parties will not suffer any harm; furthermore, the names of the parties, their countries of residence, the nature and counter-value of the services rendered, or any one of these particulars can only be included in a publication with the express consent of both parties.

(3) By stipulating the jurisdiction of the Arbitration Court the parties undertake that they shall comply with the provisions of this paragraph both on their part, and get also others to do so.

Art. 16. Waiver of the Right to Protest against Violation of the Rules of Proceedings

A party who is aware that some stipulation or provision of the present Rules of Proceedings has not been observed and despite this, continues to participate in the proceedings without immediately lodging a protest against divergence from the stipulation or provision, shall be deemed to have waived his right to protest.

II. ARBITRAL PROCEEDINGS

Art. 17. Manner of the Proceedings

(1) The arbitral tribunal conducts the proceedings according to the provisions of the present Rules of Proceedings, and in case of expedited proceedings, respectively, considering the discrepancies set forth in the Sub-Rules of Expedited Proceedings (Art. 45 of

the Rules of Proceedings). In respect of procedural issues not provided for by the present Rules of Proceedings and failing an unanimous declaration by the parties, the arbitral tribunal proceeds at its own discretion, taking into consideration the general principles of proceedings appropriate for the domestic or international character of the legal relationship between the parties.

(2) In the course of the proceedings, due respect shall be paid to the principles of equal rights and treatment of the parties and to the right of each party to familiarize himself with the documents of the arbitral proceedings, the documents filed and evidence submitted by other parties, and the procedural actions taken by the arbitral tribunal, and to the right of each party to set forth his standpoint orally or in writing in the course of the arbitral proceedings.

(3) In the course of the proceedings, the arbitral tribunal seeks a peaceful settlement of the dispute between the parties (settlement).

Art. 18. Appointment of the Arbitrators

(1) Each party is authorized to designate an arbitrator. The Arbitration Court proceeds in general in a tribunal of three members, into which both parties designate one arbitrator each and those two arbitrators elect the presiding arbitrator of the tribunal. If the arbitrators appointed by the parties elect a presiding arbitrator not included in the roll of arbitrators, they shall notify the Presidium of the Arbitration Court for approval thereof, designating the reasons for such election. If there are several claimants or several defendants, the group of claimants and the group of defendants, respectively, may jointly designate one arbitrator each. A party may request that the Arbitration Court appoint an arbitrator for such party.

(2) The claimant designates the arbitrator in his statement of claim. The defendant must designate an arbitrator within thirty days from the date of delivery of the statement of claim even if he contests the jurisdiction of the Arbitration Court or if he submits his statement of defence at a later date.

(3) The parties may agree that the case be judged by a sole arbitrator. The provisions of Art. 4 of the present Rules of Proceedings shall apply both to the appointment of the party-nominated arbitrators and to the election of the presiding arbitrator, as well as to that of the sole arbitrator.

(4) Deciding the dispute by a sole arbitrator does not require an express agreement between the parties if, in his statement of defence, the defendant requests that the arbitrator appointed by the claimant proceed as sole arbitrator.

(5) If the claimant has not appointed an arbitrator in his statement of claim nor did he request the Arbitration Court to appoint an arbitrator, the Arbitration Court will request that the claimant remedy such failure. If the claimant fails to comply with the request of the Arbitration Court within the time limit determined, the Arbitration Court shall terminate the proceedings. If the defendant does not appoint an arbitrator within thirty days from date of delivery of the statement of claim the Arbitration Court shall set an additional time limit of fifteen days. If this time limit has passed with no appointment made, the Arbitration Court shall appoint an arbitrator. The Arbitration Court proceeds in the same manner if the arbitrators appointed by the parties do not appoint the presiding arbitrator within fifteen days, or within thirty days if an arbitrator with residence abroad has been involved.

(6) The appointment of an arbitrator, whose residence is abroad, shall only be valid if the party appointing such arbitrator advances the travel and living expenses of such

arbitrator within the time limit determined by the Arbitration Court. Upon a failure to do so, the provisions of paragraph (5) of this Article shall apply. If the party-nominated arbitrators elect a presiding arbitrator whose residence is abroad and the defendant fails to advance the travel and the living expenses requested by the Secretariat, that is 50% of the total costs, the arbitral tribunal requests that the claimant advance such amount instead of the defendant. If the claimant fails to comply with the request, the arbitral tribunal shall terminate the proceedings.

(7) If the arbitrators appointed by the parties or the presiding arbitrator appointed by the arbitrators do not undertake to discharge the duties of arbitrators or presiding arbitrator, respectively, or for any reason they are prevented from discharging their duties, the Arbitration Court will request the party - if he has not designated a substitute arbitrator yet - to appoint a new arbitrator within fifteen days or will determine the same time limit for the arbitrators to appoint the presiding arbitrator. If either time limit passes with no appointment made, the Arbitration Court shall appoint the arbitrator or the presiding arbitrator.

(8) If several claimants or several defendants cannot come to an agreement as to the arbitrator to be appointed, the arbitrator shall be appointed by the Arbitration Court, giving due consideration to the proposals of the parties.

(9) The Arbitration Court may appoint an arbitrator or a presiding arbitrator from the roll of arbitrators only.

(10) The rights of the Arbitration Court set forth in the present Article shall be exercised by the President of the Arbitration Court.

Art. 19. Challenge of the Arbitrators or the Presiding Arbitrator

(1) Unless the parties otherwise agree, no one can be excluded by reason of his citizenship or nationality from proceeding as an arbitrator or presiding arbitrator.

(2) Either party may challenge the person of the arbitrator or the presiding arbitrator if circumstances give rise to well-founded doubts concerning their impartiality or independence, or if an arbitrator or the presiding arbitrator does not possess the qualifications specified by the parties. A party may challenge the arbitrator appointed by him only if circumstances justifying such challenge became known to him after the appointment.

(3) The arbitrators and the presiding arbitrator shall notify the other members of the arbitral tribunal and the parties, and the sole arbitrator shall notify the President of the Arbitration Court and the parties without delay, if they become aware of any circumstances which are not in accordance with their independence and impartiality, or with the conditions as agreed by the parties.

(4) The other members of the arbitral tribunal shall decide in respect of a challenge made by a party, or the disclosure provided by the arbitrator or presiding arbitrator. If no agreement can be reached, or two arbitrators or the sole arbitrator have been challenged, the Presidium of the Arbitration Court shall make a decision relating to the challenge. In the same way, the Presidium shall judge any challenge submitted prior to the formation of the tribunal.

(5) If the challenge or the notice is found to be grounded, a new arbitrator, presiding arbitrator or sole arbitrator shall be designated or appointed according to the present Rules of Proceedings. The arbitral tribunal decides, upon the request of a party or on its own motion, whether hearings previously held shall or shall not be repeated.

(6) The provisions of the present Article shall also apply, where appropriate, to experts and interpreters.

(7) Any objection must be raised within fifteen days of receiving information on the composition of the arbitral tribunal. Any motion for exclusion in a later phase of the

proceedings can only validly be made provided that the conditions set forth in paragraph (2) occur in a later phase. No motion for exclusion can, however, be made following the close of the hearing.

Art. 20. Termination of Arbitrator's (Presiding Arbitrator's) Duties

(1) If the proceedings are completed, - with the exception included in paragraph (5) - the arbitrator's (presiding arbitrator's) duties terminate.

(2) The arbitrator's (presiding arbitrator's) duties terminate also if

- an arbitrator (the presiding arbitrator) is unable to discharge his duties for any reason,
- he resigns,
- according to a finding of the Presidium of the Arbitration Court he does not discharge his duties, or
- the parties have agreed to terminate the case.

(3) The arbitrator's (presiding arbitrator's) duties terminate, if in the course of the procedure regulated in Art. 19 of the present Rules of Proceedings the challenge has been admitted.

(4) In case the arbitrator's (presiding arbitrator's) duties terminate, in accordance with the provisions of the present Rules of Proceedings a new arbitrator shall be appointed, and a new presiding arbitrator shall be elected, respectively. The elimination of the arbitrator appointed by one of the parties does not affect the person of the previously elected presiding arbitrator of the arbitral tribunal.

(5) The arbitrator (presiding arbitrator), having taken part in the rendering of the award, shall participate, without receiving additional fee, in the proceedings connected to the completion and rectification of the award, respectively (Art. 42).

(6) During the proceedings, if the person of the arbitrator appointed by one of the parties (or by the President of the Arbitration Court for lack of such nomination) or the person of the presiding arbitrator changes, the Presidium of the Arbitration Court shall decide in respect of the sharing and the proportion of the arbitrator's fee between the persons discharging the same duty.

Art. 21. Commencement of Arbitral Proceedings

(1) The arbitral proceedings shall commence by the filing of a statement of claim with the Secretariat of the Arbitration Court.

(2) The date of the filing of the statement of claim shall be:

- the date of its submission to the Secretariat of the Arbitration Court or
- in case of delivery by mail, the date of its receipt (stamp indicating date of receipt) by the Secretariat.

(3) The statement of claim shall be sent via registered mail by the claimant to the defendant(s) - simultaneously with the filing of the statement of claim with the Secretariat of the Arbitration Court -, also the claimant shall transfer the registration fee in an amount as specified in the Annex to the Regulation on the Arbitration Fees, Costs and Expenses of the Parties to the account of the Arbitration Court and submit the bank certificate thereof to the Secretariat of the Arbitration Court.

Art. 22. Contents of the Statement of Claim

- (1) The statement of claim shall indicate:
 - a) the exact names and addresses of the parties, in a way which excludes mistakability;
 - b) the data establishing the jurisdiction of the Arbitration Court;
 - c) the claim of the claimant;
 - d) the legal grounds of the claim, the facts on which the claimant bases his claim, as well as reference to evidence supporting it;
 - e) the amount in dispute;
 - f) the given and family name of the arbitrator appointed by claimant or a request for the appointment of an arbitrator by the Arbitration Court;
 - g) a list of the documents attached to the statement of claim and
 - h) the proper signature of the claimant or the signature of his counsel with certified authorization.
- (2) The claimant shall transfer the advance payment as communicated by the Secretariat to the bank account of the Arbitration Court by the deadline stated in such communication. The effectuation of the aforementioned payments is a precondition to the launching of the proceedings.

Art. 23. Amount in Dispute

- (1) The amount in dispute is determined:
 - a) if the claim is for recovery of money, by the sum so claimed;
 - b) if the claim is for vindication of property, by the value of the property so vindicated;
 - c) if the claim is for recognition of legal fact, as well as for a specified act to be performed or for abstention therefrom, by the value of the subject-matter of the legal relationship which is in general the amount accepted by claimant as satisfaction of its claim towards the defendant;
 - d) if the claim is in connection with contract of lease or with other permanent, periodical service, by the amount of the rent or contract fee for one year;
 - e) if the claim is for avoidance of company decisions, by the value of the property concerned by the contested decision, for lack of such value, by the value of the quota of claimant from the subscribed capital of the company;
 - f) if the claim is for vacation of real estates, by the amount of the rent for one year.
- (2) In determining the amount in dispute, the value existing at the date of filing the claim shall govern.
- (3) In the case of cumulative claims, the value of each claim shall be determined separately, and the total sum of all such claims shall determine the amount in dispute.
- (4) The claimant shall indicate in the statement of claim the amount in dispute even where his claim, or part of it, has non-pecuniary character.
- (5) If the claimant failed to indicate the amount in dispute or determined it incorrectly, the Arbitration Court shall, on its own motion, or upon the defendant's request determine the amount in dispute on the strength of the available data.

Art. 24. Correction of Defects in the Statement of Claim

(1) If the Arbitration Court finds that the statement of claim does not meet the requirements set forth in the present Rules of Proceedings, the Secretariat shall request the claimant to correct said defect, setting a time limit therefore. The time limit set for the claimant to correct the defects shall not exceed sixty days from the date of the receipt of such request. Provided that the claimant corrects the defects within the set time-limit, the date indicated in paragraph (2) of Art. 21. shall be considered as the date of filing the claim.

(2) Where the claimant disregards the request to correct the defects of the statement of claim, the Arbitration Court shall terminate the proceedings by order.

Art. 25. Statement of Defence

(1) Upon receipt of the statement of claim, the Secretariat shall notify the defendant, sending him a copy of the statement of claim, including annexes, as well as a copy of the roll of arbitrators.

(2) Simultaneously, the Secretariat shall inform the defendant that he is required, within thirty days from the receipt of the statement of claim, to submit his statement of defence together with the relevant proof. Upon the defendant's request, the time limit may be extended by a maximum of thirty days; the claimant simultaneously being informed thereof. The provisions applicable to the contents of the statement of claim shall apply, where appropriate, to the contents of the statement of defence.

(3) If the defendant does not submit his statement of defence within the extended time limit, the arbitral tribunal may make a decision on the basis of the documents and evidence available to it.

(4) The defendant shall, within thirty days, designate an arbitrator or submit a request to the Arbitration Court to do so in his place.

Art. 26. Amendment of the Statement of Claim and the Statement of Defence

In the course of the arbitral proceedings, either party may amend or add to his statement of claim or statement of defence, respectively, unless the arbitral tribunal considers it impermissible, because of the expected delay arising from the amendment or addition, the prejudice threatening the other party or any other circumstances.

Art. 27. Formation of the Arbitral Tribunal

(1) The arbitrators appointed by the parties or the Arbitration Court shall elect the presiding arbitrator of the arbitral tribunal in accordance with the provisions of Art. 4.

(2) From its time of formation, the arbitral tribunal shall take all measures necessary to conduct the arbitral proceedings to which it may request the assistance of the Secretariat.

(3) The Secretariat shall inform the parties about the formation and the composition of the arbitral tribunal without delay.

(4) The presiding arbitrator of the arbitral tribunal is authorized – unless explicitly precluded by the parties – to take within his competence procedural measures, having no influence on the decision of the case on the merits (e.g. reasonable amendment of the deadline

for filing submissions, invitation of the party or parties in default to perform their obligations under the proceedings).

Art. 28. Preparation of the Hearing by the Arbitrators

(1) The arbitral tribunal shall review the measures taken for preparation of the hearing. If necessary, the arbitral tribunal shall effect further preparatory measures; in particular, it shall request the parties to submit written declarations, evidence and additional documents. The arbitral tribunal shall decide what further documents the parties are obliged or authorized to submit in addition to the statement of claim and the statement of defence and shall determine the time limits for their submission.

(2) If a party fails to comply with the request referred to in paragraph (1) within the time limit determined by the arbitral tribunal, the arbitral tribunal may render its decision based on the documents available to it.

(3) Upon the request of the presiding arbitrator of the arbitral tribunal, the Secretariat shall take the necessary measures for the preparation and conduct of the hearings and for summoning the parties to the hearings.

Art. 29. Summons to the Hearing

(1) The time and place of the hearing shall be communicated to the parties by summons served, allowing the parties at least thirty days – eight days in the case of exclusion of shareholders/members of companies - to prepare for the hearing and to arrive at the place of hearing. Upon the agreement of the parties or in case of a continuance, the thirty-day long time limit may be shortened.

(2) If in a case aiming at the exclusion of any shareholder/member of a company, the defendant is a foreigner and the defendant or the representative thereof shall not appear at the hearing, the hearing is to be held if the summons by registered mail or in another way (e.g. fax activity report) prove to have been delivered, for lack of the aforesaid conditions hearing is to be held in the case when eight days have passed since the deadline set forth in § 10 (2) of the Act LXXI of 1994 on arbitration.

Art. 30. Change in the Person of the Parties, Interpleading in the Proceedings

(1) In case of legal succession in the legal relationship forming the basis of the proceedings, if the arbitral tribunal regards that the arbitration agreement (clause) is effective also to the legal successor of the party, the legal successor may act for the legal predecessor in the further proceedings. In such case at its request, subject to the approval of the counterparty, the legal predecessor shall be released from the proceedings, concerning him the proceedings shall be terminated.

(2) The legal successor of claimant may take part in the proceedings, the claimant may extend its claim to the legal successor of defendant. The claimant's legal successor shall be allowed to enter into the proceedings with the written consent of the claimant, the defendant's legal successor may be involved in the proceedings with the written consent of both parties only. No approval shall be required, if the reason for entering into the proceedings is that the legal predecessor has ceased by legal succession, it has been

reorganized or the natural person legal predecessor has died. The legal succession shall be certified in every case.

(3) The procedural measures taken prior to the release of the legal predecessor and the decisions passed until that time shall be effective also to the legal successor.

(4) Any person having a legal interest in the outcome of the arbitral proceedings may submit an interpleader in order to assist the party having the same interest to win the case. A request concerning interpleading shall be submitted to the Arbitration Court at least fifteen days before the day of the first hearing in the language of the proceedings and in a number of copies enabling each party to be provided with one copy and the Arbitration Court with four copies.

(5) The admissibility of an interpleader shall be decided by the arbitral tribunal. An interpleader may only be admitted if all parties give their consent thereto.

Art. 31. Presence at the Hearing

Hearings shall not be public. In addition to the presiding arbitrator, the members of the arbitral tribunal, the parties, the recorder, the interpreter, the experts, the witnesses and the President of the Arbitration Court, only such persons may be present at the hearings whose presence has been consented to by the arbitral tribunal and all parties. The names of all persons present at the hearings on behalf of the parties shall be recorded in the minutes.

Art. 32. Participation of the Parties

(1) Hearings can be held even in the absence of a party, provided that the party has been duly notified of the date and the place of the hearing, except when the defaulting party has requested the postponement of the hearings on grounds deemed to be justified by the arbitral tribunal, up to that time at the latest so that all interested parties can still be advised thereof.

(2) Each party may request that the hearing be held even in his absence.

Art. 33. Examination of the Case without Oral Hearing

(1) By submitting a joint petition, the parties may request that the arbitral tribunal pass its decision without conducting an oral hearing merely on the strength of the material on file. Nevertheless, the arbitral tribunal may order oral hearings when such hearings are considered to be necessary.

(2) No joint petition of the parties is necessary for deciding on the case without conducting an oral hearing, if in his statement of defence the defendant has accepted the claim of the claimant.

Art. 34. Counterclaim and Claim for Set-Off

(1) Before the close of the oral hearing on the principal claim, the defendant may submit a counterclaim, provided the Arbitration Court has jurisdiction over the counterclaim. If the arbitral proceedings are protracted, because of an unjustified delay in presenting the counterclaim, the arbitral tribunal may order the defendant to refund the additional costs resulting therefrom to the Court and to the other party.

(2) A counterclaim shall be governed by the same rules that apply to the principal claim.

(3) The defendant may also submit a claim for set-off against the claimant in respect of due claims and of the same kind, provided the Arbitration Court has jurisdiction over such claims.

(4) The arbitral tribunal may separate the hearing of a counterclaim submitted with unjustified delay, while the hearing of such a claim for set-off may be refused.

Art. 35. Evidence

(1) Each party must prove the circumstances on which he bases a claim or a defence. The arbitral tribunal may instruct a party to submit further evidence, order the presentation of expert opinion, obtain evidence from third persons and order the hearing of witnesses.

(2) The parties shall submit the original written evidence or a copy thereof, in such number of copies which enables each party to be provided with one copy and the Arbitration Court with four copies. If it becomes necessary for the decision of the case, the arbitral tribunal may request that the party submit the written evidence translated into the language of the contract or the language of the proceedings.

(3) If the party does not submit the required evidence within the time limit determined by the arbitral tribunal, the arbitral tribunal may make its decision on the basis of the information and evidence being available to it.

(4) The manner of taking evidence shall be determined by the arbitral tribunal. The arbitrators shall evaluate the evidence according to their inner conviction.

(5) The arbitral tribunal is authorized to order the use of one or more experts and request the provision by such experts of a written opinion on the issues to be determined by the arbitral tribunal. The arbitral tribunal shall inform the parties about the duties of the expert by sending a copy of its order.

(6) The parties shall provide all essential information to the expert and present to him, for purposes of examination, all such documents or products as he may deem necessary. Any dispute arising between a party and an expert concerning whether the expert justifiably requested information or the presentation of something shall be brought before the arbitral tribunal for its decision.

(7) Upon receipt, the Arbitration Court shall deliver the expert opinion to all parties, providing them with the opportunity to remark on its content. Each party is authorized to examine all those documents on which the expert has based his opinion.

(8) After submission of the expert opinion, the expert may be requested to appear at a hearing where the parties may put questions to the expert. At such hearing, each party may bring forward expert witnesses for providing evidence to the disputed issues. The provisions of Art. 28. shall apply to these proceedings.

(9) Upon ordering expert testimony, the arbitral tribunal shall, in an order, require the parties to advance the fees and costs of the expert witnesses. The advance of such fees and costs shall generally be paid by the parties in an equal proportion. If any of the parties fails to make the advance payment within the time period designated by the arbitral tribunal, such advance payment of fees and costs shall also be paid by the other party. In the event that, as a result of the non-payment of the advance relating to such fees and costs, the expert testimony fails, the arbitral tribunal shall make its decision upon the available evidence.

(10) The arbitral tribunal shall decide on the bearing of expert fees and costs in its decision closing the proceedings.

Art. 36. Postponement of Hearing and Stay of Proceedings

(1) At the request of the parties or on its own motion, the arbitral tribunal may order a postponement of the hearing.

(2) Upon a jointly submitted request of the parties or on its own motion, the arbitral tribunal may order a stay of the proceedings for a definite period of time, or until a certain event takes place. If the claimant requests the staying of the proceedings prior to the formation of the arbitral tribunal, the rights of the arbitral tribunal set forth in the present paragraph shall be exercised by the President of the Arbitration Court.

Art. 37. Minutes of the Arbitral Hearings

(1) The arbitral tribunal shall prepare the minutes of the hearings, which must contain the following:

- a) identification of the Arbitration Court;
- b) file number of the case;
- c) place and date of the hearing;
- d) names of the parties to the dispute and their representatives;
- e) names of the persons participating in the hearing on behalf of the parties;
- f) recognition of the parties' participation or absence;
- g) given and family names of the arbitrators,

the presiding arbitrator, the witnesses, the experts, the interpreter and other persons participating in the hearing;

- h) a short description of the course of the hearing;
- i) claims and relevant statements of the parties;
- j) indications of the grounds for an adjournment of the hearing or the close of the proceedings and
- k) the signatures of the arbitrators.

(2) The parties may inspect the minutes. Upon the request of either party, the arbitral tribunal may order a correction or completion of the minutes.

(3) Each party, upon request, shall be provided with a copy of the minutes.

Art. 38. Closing of the Proceedings

(1) The arbitral tribunal shall close the proceedings either by award or by order.

(2) The arbitral tribunal gives an award if it decides the case on its substance or if the parties, in accordance with their agreement, request an award.

(3) Prior to the closure of the proceedings, the arbitral tribunal may give an interim award or a partial award.

Art. 39. Granting of the Award

(1) If the arbitral tribunal is satisfied that the circumstances of the dispute have been sufficiently clarified, it shall declare the taking of evidence completed. After having heard the closing arguments of the parties, the arbitral tribunal shall close the hearing and

render its decision.

(2) The award shall be made by the arbitral tribunal in camera by a majority vote. If a majority opinion cannot be formed, the Arbitration Court shall grant the award according to the opinion of the presiding arbitrator of the arbitral tribunal.

Art. 40. Contents of the Arbitral Award

(1) The arbitral award shall contain the following:

- a) identification of the Arbitration Court;
- b) file number of the case;
- c) place and date of granting the award;
- d) names of the parties and other persons participating in the proceedings;
- e) subject-matter of the dispute and a summary of the circumstances of the case;
- f) decisions on the claims and counterclaims, the fees and costs of the arbitral proceedings and the costs and expenses of the parties;
- g) reasons for the award;
- h) given and family names of the arbitrators or sole arbitrator and the presiding arbitrator and
- i) the signatures of the arbitrators.

(2) The validity of the award is not effected if it is signed by two arbitrators only, provided that the award indicates the reason as to why the third arbitrator has not signed it and the President of the Arbitration Court verifies such circumstance.

(3) The arbitrator may give a dissenting opinion to the award which shall be placed in a closed envelope among the files of the case. The President of the Arbitration Court may, if justified, permit the examination of the dissenting opinion.

(4) If no time limit is indicated in the award for its execution, its execution shall take place immediately.

Art. 41. Announcement of the Award

(1) The arbitral tribunal's award and its grounds shall be delivered in writing to the parties not later than thirty days from the close of the oral hearings. If the arbitral tribunal includes an arbitrator with residence abroad, the time limit is sixty days.

(2) If the nature of the case allows, the arbitral tribunal shall announce its award orally immediately after the close of the oral hearings to the parties present and shall communicate the award to the parties absent in writing. In such case, the arbitral tribunal also has the option to announce only the operative provisions of the award and to communicate to the parties the grounds for the award within thirty days from the closure of the proceedings or within sixty days if the arbitral tribunal includes an arbitrator residing abroad.

(3) The President of the Arbitration Court may, in justified cases and taking into consideration the nature of the case, extend the time limits determined in the present Article.

Art. 42. Completion and Rectification of the Arbitral Award

(1) Upon the request of a party submitted not later than thirty days from delivery of the award, the arbitral tribunal may pass a supplementary award if the arbitral award failed to contain a decision on each and every claim of the parties. The request for a supplementary

award must be sent to the other party, as well, who may submit its comments thereon within fifteen days. With regard to such a request a new hearing shall be held only if it is justified with respect to the interests of the other party.

(2) Upon the request of a party, submitted within thirty days of notice, or on its own motion, the arbitral tribunal shall order the rectification of typing errors or mistakes in the text of the award insofar as these do not affect the merits of the case, as well as any miscalculations. The other party shall be informed of such request.

(3) The supplementary award or order regarding the rectification of the award shall form an integral part of the completed or rectified award. The parties shall be charged no expenses in connection with the completion or rectification of the award.

(4) The above provisions concerning the completion and rectification of the award, respectively, shall apply according to the sense also to the completion or rectification of an interim award or partial award, as well as to that of an order terminating the procedure.

Art. 43. Enforcement of the Arbitral Award

The effect of an award of an arbitral tribunal is the same as that of a non-appealable court judgement. The decision of the Arbitration Court is final and binding; no appeal may be lodged or review may be initiated against such decision. The parties are required to comply with such decision voluntarily. The enforcement of the arbitral award shall be governed by the rules and regulations applicable to the enforcement of court judgements being in effect at the place of enforcement.

Art. 44. Termination of Proceedings without Award

(1) If the arbitral tribunal does not give an award, it shall terminate the case by order.

(2) The arbitral tribunal shall order the termination of the case if:

a) the claimant has withdrawn his claim, except if the defendant objects thereto, and the arbitral tribunal acknowledges the defendant's legitimate interest in obtaining a decision on the merits;

b) the parties have concluded an arrangement which will be approved by the arbitral tribunal without the granting of an award;

c) the parties agree on the termination of the proceedings,

d) after the preliminary notification of the parties, the conditions for the examination of the case and a decision on its merits are lacking and cannot be developed within a foreseeable short period of time; including the case where the claimant does not request the continuance of the proceedings within thirty days from the expiry of the stay or

e) the Arbitration Court states a lack of its own jurisdiction.

(3) The provisions of Articles 39 to 43 shall, as appropriate, apply to the order. If the arbitral tribunal has not been formed yet, the order relating to the termination of the case shall be delivered by the President of the Arbitration Court - except lit. d) of paragraph (2).

Art. 45. Sub-Rules of Expedited Proceedings

- (1) The provisions of this Article on expedited proceedings as Sub-Rules shall apply, if the parties agreed so in an arbitration agreement (clause).
- (2) If the Sub-Rules are applied, the provisions of the Rules of Proceedings shall be understood with the differences stated in this Article.
- (3) The time limit set for the claimant to correct the defects of the statement of claim shall not exceed fifteen days as from the date of receipt of such request. The defendant shall have fifteen days to submit its statement of defence reckoned from the date of receipt of the statement of claim, delivered to defendant by the Arbitration Court; the extended time limit set by the Arbitration Court upon its own motion after the lapse of this time limit without success or given at the defendant's request, may not exceed eight days. If in accordance with paragraph (8) of this Article a hearing will be held, the summons to the hearing shall be forwarded to the parties in a way, allowing them at least fifteen days to prepare for the hearing.
- (4) In the expedited proceedings the dispute shall be settled by a sole arbitrator, unless the parties otherwise agree. If the parties agree that the case be judged instead of a sole arbitrator by an arbitral tribunal, the formation of the arbitral tribunal shall take place in accordance with Article 18 of the present Rules of Proceedings. The provisions of this Article concerning the sole arbitrator shall apply also to proceedings conducted by an arbitral tribunal.
- (5) If the parties fail to appoint the sole arbitrator by common consent until the expiry of the time limit set for the submission of the statement of defence, the Arbitration Court shall designate the person acting as sole arbitrator in the case within a period of further eight days.
- (6) The Secretariat shall notify the parties of the expedited character of the proceedings and of the relevant rules thereof in writing (information on the proceedings).
- (7) The sole arbitrator shall render his decision without conducting an oral hearing, on consideration of the written submissions of the parties. After filing the statement of claim and the statement of defence, the parties may be allowed to submit one further document each with a time limit of not more than fifteen days. On the eighth day after expiration of the term set for presenting the last submission, the proceedings shall be closed without bringing a separate order on the closure.
- (8) Contrary to the provisions in paragraph (7), an oral hearing shall be conducted in the proceedings, if
 - a) either party requests in writing that a hearing be held, not later than the expiry of the term set for the submission of the statement of defence, or if
 - b) the sole arbitrator considers this necessary.
- (9) If an expert shall be involved in the case, from the date of rendering the relevant order on the designation of the expert, the proceedings shall continue with disregard to the provisions of the present Sub-Rules, on condition that the same sole arbitrator shall act also in the further proceedings. The former procedural actions shall remain henceforward effective.
- (10) The award, together with its reasoning, shall be communicated to the parties in writing within fifteen days from the date of closing of the proceedings.
- (11) Whenever possible, the Arbitration Court shall complete the expedited proceedings within hundred days as from the filing of the statement of claim.

- (12) In the expedited proceedings the claimant shall transfer the advance on the arbitration fee, including also the registration fee, in a sum as defined in Annex No. 2 of the Regulation on Fees to the bank account of the Arbitration Court simultaneously with filing the statement of claim. Such payment shall be certified within one banking day at the Secretariat of the Arbitration Court. If the parties agree upon an arbitral tribunal, the arbitration fee shall be calculated in accordance with Annex No. 1.

III. CONCILIATION-MEDIATION PROCEEDINGS

Art. 46.

(1) If arbitral proceedings have not yet been instituted, the Arbitration Court may conduct conciliation-mediation proceedings between parties in dispute aimed at the peaceful resolution of a dispute which would belong to its jurisdiction pursuant to Art. 3 of Act No. LXXI of 1994 on Arbitration (Arbitration Act) even if the parties have not concluded an arbitration agreement.

(2) The conciliation-mediation proceedings can be initiated by either party. If the proceedings are initiated by the parties jointly, they can agree as to the person of the conciliator-mediator, the rules of proceedings, provided that it does not violate the principles of independence, impartiality and equal treatment of the parties. The conciliator-mediator must not underlie the conditions of exclusion as stated in Art. 12 of the Arbitration Act.

(3) If the conciliation-mediation proceedings are initiated by one of the parties, the Arbitration Court shall forward the request to the other party, requesting him to declare to the Arbitration Court within thirty days whether he is ready to participate in the proceedings. If the other party declares that it does not want to participate in the proceedings, it fails to reply or to transfer the appropriate portion of the fee of the proceedings (Art. 54) to the Arbitration Court within thirty days, and such fee is not transferred on behalf of such party by the other party, the conciliation-mediation proceedings are to be considered as having failed.

(4) If the parties agree with the conciliation-mediation proceedings, the President of the Arbitration Court shall appoint a conciliator-mediator from the arbitrators listed in the roll of arbitrators. If the parties have agreed on the person of the conciliator-mediator and such conciliator-mediator does not fall under the conditions of exclusion stated in Art. 12 of the Arbitration Act, the conciliator-mediator is to be appointed also in the case when such conciliator-mediator is not listed in the roll of arbitrators.

(5) The parties may use legal representation in the proceedings by an attorney-at-law.

Art. 47.

(1) The conciliator-mediator shall conduct the proceedings – within the framework of the provisions of this chapter – as based on his free judgement considering the principles of equal treatment of the parties and the impartiality of the conciliator-mediator.

(2) The conciliator-mediator may request the parties of a short written summary of the essence of the dispute as well as of their arguments. The conciliator-mediator shall hold a discussion including the parties, hear the parties and inspect the documents submitted by the parties. At the request of the parties the conciliator-mediator shall hear other persons if he holds it necessary in the interest of clarifying the state of events. If the parties do not otherwise agree, the conciliator-mediator may hold discussions with the parties separately.

(3) The conciliator-mediator may request additional information or proposal of the parties in any stage of the proceedings.

(4) Upon agreement of the parties the conciliator-mediator may use an expert at the cost of the parties.

Art. 48.

The confidential nature of the proceedings shall be respected by every person who is involved in it in whatever capacity. Information on the proceedings to third persons can only be given upon agreement of the parties and the conciliator-mediator.

Art. 49.

The conciliator-mediator shall be entitled to work out a proposal in the interest of reaching an agreement between the parties in any stage of the proceedings and may submit such proposal to the parties.

Art. 50.

The conciliator-mediator shall record the essence of all discussions occurred in the process of the proceedings and shall sign such minutes.

Art. 51.

The parties may exclude the application of Articles 49 and 50 in writing.

Art. 52.

(1) If an agreement is reached between the parties, the conciliator-mediator shall enter the contents thereof in minutes.

(2) At the joint request of the parties, the President of the Arbitration Court shall appoint the conciliator-mediator as sole arbitrator. Hereinafter the proceedings shall be conducted according to Chapters I and II as well as the Regulation on Costs of the Rules of Proceedings. The sole arbitrator shall render an award containing the agreement reached and signed by the parties.

Art. 53.

(1) If the parties do not otherwise agree in writing – except for the declaration containing the agreement of the parties – the statements made by the parties in the course of the conciliation-mediation proceedings shall not be binding on the parties in any later court, arbitral or conciliation-mediation proceedings, the opposing party may not refer to such

statements. The same shall apply to the evidence submitted by the parties in the course of the proceedings, except if it was possible to furnish such evidences irrespective of the conciliation-mediation proceedings.

(2) Subsequent to termination of the proceedings, the conciliator-mediator may not proceed in the course of court, arbitral or conciliation-mediation proceedings on the same subject as a judge, an arbitrator, a representative or advisor of a party. In the case of a specific written agreement of the parties the conciliator-mediator may proceed as a sole arbitrator or a presiding arbitrator in arbitral proceedings initiated subsequent to the conciliation-mediation proceedings.

(3) In lack of a mandatory regulation of the law applicable to the conciliation or if the parties do not otherwise agree in writing, the conciliator-mediator shall be bound by secrecy with respect to the prior conciliation-mediation proceedings in which such mediator-conciliator participated.

Art. 54.

The proceedings shall come to an end

a) upon the conciliator-mediator shall submit the minutes containing the agreement of the parties signed by them to the Arbitration Court,

b) upon a party shall request the termination of the proceedings in a written statement submitted to the conciliator-mediator and simultaneously to the other party or in the minutes of the proceedings,

c) upon the mediator-conciliator – subsequent to prior information to the parties – shall notify the Arbitration Court in writing that the conciliation has failed. Such notification shall not contain a reasoning.

d) The proceedings shall terminate furthermore on written notification of the Arbitration Court to the parties, pursuant to which the appointment of the conciliator-mediator was not validly made or the conciliator-mediator could not be appointed under the given circumstances.

Art. 55.

(1) The parties shall make a payment of a non-refundable registration fee as pre-condition to the commencement of the proceedings. The registration fee shall be the same amount as applied in the arbitral proceedings in accordance with the present Rules of Proceedings.

(2) The fee of the proceedings shall be stated by the Arbitration Court on the basis of the amount in dispute and the complexity of the case. The fee of the proceedings shall not exceed 50 % of the arbitral fee of arbitration proceedings concerning the same amount in dispute conducted by a sole arbitrator.

(3) The registration fee and the fee of the proceedings shall be borne by the parties 50 to 50 %.

(4) The party initiating the proceedings shall make an advance payment of the registration fee and of its portion of the fee of the proceedings. If the other party shall not participate in the proceedings, the Arbitration Court shall – subsequent to deduction of the registration fee - refund the advance payment on the fee of the proceedings to the party or parties having made such advance payment.

(5) If the other party shall not make half of the advance payment on the fee of the proceedings, the party initiating the proceedings shall be entitled to make such payment on behalf of such party.

(6) The regulations of these Rules of Proceedings concerning the use of language shall also apply to the conciliation-mediation proceedings.

(7) The party's other expenditures in connection with the conciliation-mediation proceedings shall be borne by that party.

IV. MISCELLANEOUS

Art. 56.

The arbitrators, the Arbitration Court and the employees of the Hungarian Chamber of Commerce and Industry shall not be liable to any person, for any act or omission in connection with the arbitration.

REGULATION ON THE ARBITRATION FEES, COSTS AND EXPENSES OF THE PARTIES (Regulation on Fees)

Art. 1. Definitions

(1) "Registration Fee": non-refundable fee to be paid simultaneously with filing the statement of claim as the condition of the launching of the proceedings which forms a part of the arbitration fee.

(2) "Arbitration Fee": A payment covering the general costs of the operation of the Arbitration Court (arbitrators' fees, fees of legal and technical staff, administrative services, etc.) to be advanced by the claimant (claimant of counterclaim) as a condition to the carrying out of the proceedings. The arbitration fee includes the duty as stated in Art. 55 of the Act XCIII of 1990 on duties.

(3) "Arbitration Costs": Other costs incurred by the Arbitration Court in the course of the proceedings: experts' fees and additional costs of proceedings held in non Hungarian, English or German languages (see Art. 9 of the Rules of Proceedings, costs of other translations if any, fees of interpreters, experts and witnesses, travel and accommodation costs of arbitrators).

(4) "Expenses of the Parties": Costs incurred by the parties in connection with protecting their interests before the Arbitration Court (travel expenses of the parties, legal fees, etc.).

Art. 2. Registration Fee

(1) The registration fee is an amount as specified in the Annex to the Regulation on Fees which shall be transferred by the claimant to the bank account of the Hungarian

Chamber of Commerce and Industry, communicated to the claimant by the Secretariat of the Arbitration Court.

(2) The terms of the payment of the registration fee shall be governed by the rules applicable to the payment of the arbitration fee set forth in Art. 3.

Art. 3. Arbitration Fee

(1) As a pre-condition to the commencement of the proceedings, an arbitration fee proportional to the amount in dispute shall be paid to the bank account of the Hungarian Chamber of Commerce and Industry, which bank account shall be communicated by the Secretariat of the Arbitration Court.

(2) The amount of the arbitration fee shall be determined by the Secretariat on the basis of the chart of fees attached hereto.

(3) In the case if the claim is determined in a foreign currency the amount of such claim shall be converted into HUF by the Secretariat on the basis of the currency mid rate of the Hungarian National Bank as of the day when the claim was submitted.

(4) The payment of the arbitration fee shall be made in HUF.

(5) The arbitration fee is considered to have been paid upon the claimant giving irrevocable instructions to the bank of his own country for the transfer of the amount, provided that such amount is credited to the account of the Hungarian Chamber of Commerce and Industry within thirty days from such day.

Art. 4. Reduction and Partial Refunding of the Arbitration Fee

(1) Fifty percent of the arbitration fee, not including however the registration fee and the duty to be paid, shall be refunded to the claimant if the claimant has withdrawn his claim at the first hearing at the latest because, among other reasons, the parties have settled the dispute by agreement, or the parties notify the Arbitration Court by such date that they waive their request to have their dispute settled by arbitration, or the arbitral tribunal terminates the case for other reasons also at the first hearing at the latest.

(2) In cases set forth in paragraph (1) above, the decision on a partial refund of the arbitration fee shall be made by the arbitral tribunal together with the decision on the termination of proceedings. If the arbitral tribunal has not yet been formed, the decision relating to the refund of the fee shall be made by the President of the Arbitration Court.

(3) If the arbitral tribunal terminates the proceedings on grounds of lack of its own jurisdiction at the first hearing at the latest, fifty percent of the arbitration fee – calculated without the registration fee and the duty to be paid - shall be refunded to the claimant.

Art. 5. Arbitration Fee in Respect of Counterclaims, as well as Claims for Set-Off

(1) The same arbitration fees apply to the counterclaim as to the principal claim.

(2) If either party submits a claim for set-off, the arbitral tribunal shall request that the party submitting the claim for set-off pay the arbitration fee applicable to counterclaims.

(3) If the party claiming a counterclaim or a set-off does not pay the fee determined for counterclaims and set-offs within the time period determined by the arbitral tribunal, the Arbitration Court will deem the counterclaim or the claim for set-off unasserted.

Art. 6. Division of the Arbitration Fee

(1) Apart from the exception included in paragraph (2), the arbitration fee shall be borne by the losing party, in proportion to its failure in the case.

(2) In justified instances, the arbitral tribunal may deviate from the provisions set forth in paragraph (1).

(3) The parties may agree to the division of the arbitration fee in a manner differing from the provisions of paragraphs (1) and (2) above.

Art. 7. Fee of Conciliation-Mediation Proceedings

The regulations pertaining to the fee of the conciliation-mediation proceedings and the bearing thereof shall be contained in Art. 55 of the Rules of Proceedings.

Art. 8. Expenses Relating to Arbitration

(1) The parties shall bear the expenses of arbitration in accordance with the provisions of Art. 6.

(2) If the proceedings are conducted in a language other than the Hungarian, the German or the English language (Art.9. of the Rules of Proceedings), then the parties shall advance and bear the excess costs, respectively, that may be incurred as a result of the use of such a foreign language in equal proportions. If the defendant does not comply with the request of the arbitral tribunal for the advance payment of such costs within the time period determined, then at the request of the arbitral tribunal, the claimant shall advance the amount of such costs. If the claimant fails to do so, the arbitral tribunal will request that the parties agree, within a certain time period, upon the use of either the Hungarian, the German or the English language during the proceedings. If the parties fail to comply with such a request, the arbitral tribunal shall, taking into consideration all relevant factors relating to the specific case, determine the use of one of the afore listed languages as the language of the proceedings. Prior to the formation of the arbitral tribunal the measures specified in the present paragraph shall be assigned to the President of the Arbitration Court.

(3) The arbitral tribunal may request that the claimant pay an advance to cover the costs arising in connection with the measures necessary to conduct the proceedings. The arbitral tribunal may request also the party, whose motion to take a certain procedural measure is found justified, to make an advance payment.

(4) The Arbitration Court may request the party who appointed an arbitrator with residence abroad, or the parties, if the presiding arbitrator's residence is abroad, to advance the travel and living expenses and the interpreter's costs of such arbitrator or presiding arbitrator. If the presiding arbitrator's residence is abroad, the parties shall advance such costs in equal proportions.

(5) The costs of arbitration shall be determined in the currency in which they have been incurred and shall be paid to the account of the Hungarian Chamber of Commerce and Industry maintained at such bank as the Secretariat will give notice of.

(6) Paragraph (5) of Art. 3. shall apply to the payment of costs and cost advances.

Art. 9. The Expenses of the Parties

The provisions of Article 6 shall apply to the manner in which the justified expenses of the parties are borne.

Art. 10. Exceptions

At variance with the provisions of Articles 6, 8 and 9, the Arbitration Court may prescribe for a party to pay such surplus costs which have been caused by his inexpedient or unjustified acts or procedural acts carried out in bad faith. In this category are, among others, procedural acts which cause surplus costs due to the taking of measures proving to be unnecessary (e.g., causing a delay of the proceedings unjustified by the circumstances of the case).

Art. 11. Advance Payment on the Arbitrator's Fee

Upon request of the arbitral tribunal (sole arbitrator) the Presidium of the Arbitration Court may order that a proportional advance payment on the arbitrator's fee shall be made to the arbitral tribunal (sole arbitrator) on the basis of the partial award rendered.

FEE CHART of the ARBITRATION COURT
attached to the Hungarian Chamber of Commerce and Industry
(effective as of May 1, 2006)

Registration fee: 25.000,- HUF

Administrative expenses:

AMOUNT IN DISPUTE (in HUF)		ARBITRATION FEE (in HUF)	
0-	5.000.000:		2,6%, minimum 40.000
5.000.001-	10.000.000:	130.000 +	2,2 % of the amount over 5.000.000
10.000.001-	25.000.000:	240.000 +	1,8 % of the amount over 10.000.000
25.000.001-	50.000.000:	510.000 +	1,36 % of the amount over 25.000.000
50.000.001-	125.000.000:	850.000 +	1 % of the amount over 50.000.000
125.000.001-	250.000.000:	1.600.000 +	0,8 % of the amount over 125.000.000
250.000.001-	1.250.000.000:	2.600.000 +	0,4 % of the amount over 250.000.000
1.250.000.001-	5.000.000.000:	6.600.000 +	0,2 % of the amount over 1.250.000.000
5.000.000.001-	over	14.100.000 +	0,007 % of the amount over 5.000.000.000

Arbitrator's fee:

AMOUNT IN DISPUTE (in HUF)		ARBITRATION FEE (in HUF)	
0-	5.000.000:		2,4%, minimum 40.000
5.000.001-	10.000.000:	120.000 +	2 % of the amount over 5.000.000
10.000.001-	25.000.000:	220.000 +	1,6 % of the amount over 10.000.000
25.000.001-	50.000.000:	460.000 +	1,2 % of the amount over 25.000.000
50.000.001-	125.000.000:	760.000 +	0,8 % of the amount over 50.000.000
125.000.001-	250.000.000:	1.360.000 +	0,4 % of the amount over 125.000.000
250.000.001-	1.250.000.000:	1.860.000 +	0,2 % of the amount over 250.000.000
1.250.000.001-	5.000.000.000:	3.860.000 +	0,12 % of the amount over 1.250.000.000
5.000.000.001-	over	8.360.000 +	0,007 % of the amount over 5.000.000.000

The arbitration fee consists of the aggregate amount of the administrative expenses and the arbitrator's fee. The arbitrator's fee means the fee payable to the arbitrator. In case of an arbitral tribunal, the arbitrator's fee shall be multiplied by the number of the members of the arbitral tribunal. The arbitrator's fee of the presiding arbitrator and of the sole arbitrator shall be increased by 30 % of the arbitrator's fee. The administrative expenses also include the fees payable to the local government and a social security contribution of 11 % on the arbitrators' fee.

FEE CHART of the ARBITRATION COURT
attached to the Hungarian Chamber of Commerce and Industry
in case of EXPEDITED PROCEEDINGS WITH SOLE ARBITRATOR
(effective as of January 1, 2008)

Registration fee: 10.000,- HUF

ADMINISTRATIVE EXPENSES:

AMOUNT IN DISPUTE (IN HUF)	ARBITRATION FEE (IN HUF)
0-	5.000.000 2,6%, minimum 40.000
5.000.001-	10.000.000 130.000 + 2,2% of the amount over 5.000.000
10.000.001-	25.000.000 240.000 + 1,8% of the amount over 10.000.000
25.000.001-	50.000.000 510.000 + 1,36% of the amount over 25.000.000
50.000.001-	125.000.000 850.000 + 1% of the amount over 50.000.000
125.000.001-	250.000.000 1.600.000 + 0,8% of the amount over 125.000.000
250.000.001-	1.250.000.000 2.600.000 + 0,4% of the amount over 250.000.000
1.250.000.001-	5.000.000.000 6.600.000 + 0,2% of the amount over 1.250.000.000
5.000.000.001- over	14.100.000 + 0,007% of the amount over 5.000.000.000

SOLE ARBITRATOR'S FEE:

AMOUNT IN DISPUTE (IN HUF)	ARBITRATOR'S FEE (IN HUF)
0-	5.000.000 2,4%, minimum 40.000
5.000.001-	10.000.000 120.000 + 2% of the amount over 5.000.000
10.000.001-	25.000.000 220.000 + 1,6% of the amount over 10.000.000
25.000.001-	50.000.000 460.000 + 1,2% of the amount over 25.000.000
50.000.001-	125.000.000 760.000 + 0,8% of the amount over 50.000.000
125.000.001-	250.000.000 1.360.000 + 0,4% of the amount over 125.000.000
250.000.001-	1.250.000.000 1.860.000 + 0,2% of the amount over 250.000.000
1.250.000.001-	5.000.000.000 3.860.000 + 0,12% of the amount over 1.250.000.000
5.000.000.001- over	8.360.000 + 0,007% of the amount over 5.000.000.000

Divisions of the Arbitration Court attached to the Hungarian Chamber of Commerce and Industry

County Divisions	Seat
Chamber of Commerce and Industry of county Bács-Kiskun	Kecskemét
Chamber of Commerce and Industry of county Békés	Békéscsaba
Chamber of Commerce and Industry of county Csongrád	Szeged
Chamber of Commerce and Industry of county Fejér	Székesfehérvár
Chamber of Commerce and Industry of county Győr-Moson-Sopron	Győr
Chamber of Commerce and Industry of county Hajdú-Bihar	Debrecen
Chamber of Commerce and Industry of county Jász-Nagykun-Szolnok	Szolnok
Chamber of Commerce and Industry of county Pécs-Baranya	Pécs
Chamber of Commerce and Industry of county Pest	Budapest
Chamber of Commerce and Industry of county Somogy	Kaposvár
Chamber of Commerce and Industry of county Szabolcs-Szatmár-Bereg	Nyíregyháza
Chamber of Commerce and Industry of county Tolna	Szekszárd
Chamber of Commerce and Industry of county Vas	Szombathely
Chamber of Commerce and Industry of county Veszprém	Veszprém
Chamber of Commerce and Industry of county Zala	Zalaegerszeg

Regional Divisions	Seat
Regional division of Northern Hungary, consisting of:	
- Chamber of Commerce and Industry of county Borsod-Abaúj-Zemplén	Eger
- Chamber of Commerce and Industry of county Heves	
- Chamber of Commerce and Industry of	

county Nógrád