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THE DECISION ON COSTS
IN ARBITRATION AND CONCILIATION PROCEEDINGS

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8 July 2003

1. GENERAL PROVISIONS

Article 1

This decision establishes rules on the costs of proceedings under the Rules of Arbitration before the Permanent Arbitration Court (the Zagreb Rules) and the Rules of Conciliation before the Conciliation Centre of the Croatian Chamber of Economy.

Article 2

Parties who take part in proceedings before the Permanent Arbitration Court (hereinafter: the Court) and the Conciliation Centre (hereinafter: the Centre) at the Croatian Chamber of Economy shall bear the costs of the proceedings.

The costs of the proceedings shall consist of:

- a) registration fee
- b) costs of the fees for the arbitrators and conciliators
- c) administrative costs
- d) material costs of the proceedings (expenses of arbitrators and conciliators, fees and costs of expert witnesses, costs of translation and interpretation and other costs).

Article 3

In the final decision rendered in arbitration proceedings, the tribunal shall determine which party is obliged to reimburse the other party for the costs of the proceedings, and to which extent, or to bear its own costs, taking into consideration the success in the proceedings and other relevant circumstances.

Article 4

When filing a statement of claim or counterclaim, the claimant (counter-claimant) shall pay the Court the registration fee according to the Tariff of the Court which is part of this Decision.

If more than two parties are involved in the dispute as co-litigants, the registration fee shall be increased by 10% for each additional party.

The Secretariat of the Court shall not send the statement of claim for an answer nor take any other procedural action until the registration fee has been paid.

The registration fee paid shall not be refundable.

Article 5

Once the number of arbitrators in the proceedings has been established (i.e. one or three), the amount of the advance for the expected costs of the proceedings from Article 2, Paragraph 2, items b), c) and d) shall be determined by the President of the Court.

The Secretary of the Court shall order the claimant to pay the sum from Paragraph 1 of this Article to the Court within 30 days of the service of the order.

Before the sum in Paragraph 1 of this Article has been paid, the statement of claim shall not be forwarded to the arbitration tribunal.

In the course of the proceedings, insofar as there is any increase in the value of the subject of the dispute or the advance paid is not sufficient to cover the material costs, the Court may order the parties to pay an additional advance.

Until the additional advance charged due to the increase in the value of the subject of the dispute has been paid, the increase shall not be taken into consideration.

If the additional advance is sought to cover the material costs, the arbitration proceedings shall not continue until the additional advance has been paid.

A decrease in the value of the subject of the dispute shall be taken into consideration in the calculation of the administrative costs and the costs of the fees of the arbitrators, only if the Court is notified of this before the file is handed over to the arbitration tribunal.

Article 6

If the advance is not paid timely, the President of the Court shall render a decision to delete the statement of claim filed from the registry of disputes before the Court.

A deleted statement of claim may be filed again subject to the repayment of the registration fee.

Article 7

The parties shall pay the advance to the account determined by the Court or the Conciliation Centre.

Article 8

In conciliation proceedings, unless the parties have agreed otherwise, each party shall bear its own costs of the proceedings while the costs of the conciliator's fee and administrative costs shall be borne by all parties in equal shares.

The conciliator's fee shall be determined on the basis of an hourly or daily rate which is determined by the president of the Conciliation Centre, after consultations with the conciliator and the parties, having regard to the complexity of the case and other relevant facts.

Administrative costs in conciliation proceedings shall be 20 percent of the conciliator's fee. If conciliation is carried out by more than one conciliators, administrative costs shall be 10 percent of the total fees for the conciliators.

In all other respects, conciliation proceedings shall be governed by article 2 and articles 4 to 6 of this Decision.

I. TARIFFS

Article 9

ARBITRATION COSTS

Tariff no. 1

The registration fee for arbitration proceedings or the conciliation proceedings is 200 EUR or, if the payment is made in the currency of the seat of the Court, the countervalue of that sum in the currency of the seat of the Court.

The countervalue of the registration fee in the currency of the seat of the Court shall be calculated in accordance with the selling exchange rate from the list of exchange rates of the Croatian National Bank valid on the date of payment of the registration fee, increased by three percent.

ARBITRATORS' FEES

Tariff no. 2

In arbitration with an international element, if arbitration is carried out by a sole arbitrator, the costs of the arbitrator's fees shall be calculated in accordance with the following table:

Countervalue of the subject of the dispute (from-to) in EUR		Amount of fees: base (C) and percentage (D) for the amount in excess over (A) – in EUR	
From (A)	To (B)	Base (C)	% (D)
	5,000	600	
5,000	20,000	600	6
20,000	50,000	1,500	4
50,000	100,000	2,700	3
100,000	500,000	4,200	1
500,000	2,000,000	8,200	0.5
2,000,000	higher	15,700	0.2

In arbitration without an international element, if arbitration is carried out by a sole arbitrator, the costs of the arbitrator's fees shall be calculated in accordance with the following table:

Countervalue of the subject of the dispute (from-to) in EUR		Amount of fees: base (C) and percentage (D) for the amount in excess over (A) – in EUR	
From (A)	To (B)	Base (C)	% (D)
	5,000	300	
5,000	20,000	300	3
20,000	50,000	750	2
50,000	100,000	1,350	1,5
100,000	500,000	2,100	0,5
500,000	2,000,000	4,100	0,25
2,000,000	higher	7,900	0,1

The foreign currency value of the subject of the dispute which is not expressed in EUR shall be converted to EUR in accordance with the selling exchange rate for the currency concerned from the list of exchange rates of the Croatian National Bank valid on the day when the Court is notified of the value of the subject of the dispute or the change in the value of the subject of the dispute.

If it is not possible to calculate the foreign currency value of the subject of the dispute applying the method from Paragraph 3 of this tariff number (e.g. because the value of the subject of the dispute is expressed in a non-convertible currency), other appropriate methods shall be applied.

Tariff no. 3

If the parties are to pay the advance for administrative costs and the arbitrator's fees in equal parts, for the purpose of the calculation of the amount of these costs, the values of the subject of dispute from the statement of claim and the counterclaim shall be added together. If not, the advance of these costs shall be calculated separately for the statement of claim and the counterclaim (separate calculations).

Separate calculations shall also be applied if the counterclaim is not related to the statement of claim.

If in the same proceedings, several statements of claim and counterclaims have been filed, the President of the Court may calculate the fees of the arbitrators separately for each claim.

Tariff no. 4

If an arbitral tribunal is appointed, the amount from Tariff no. 2 shall be increased by two and a half times. In particularly complex cases, the President of the Court may order that the amount from Tariff no. 2 be increased up to three times.

If more than two parties participate in the proceedings as co-litigants, the amount in Tariff no. 2 shall be increased by 10 percent for each additional party.

Tariff no. 5

If the arbitration proceedings are not concluded with an arbitration award, the President of the Court shall determine the amount of the arbitrator's fees and the administrative costs in an appropriate amount, and render a decision on the repayment to the parties of the amount of the advance that has not been spent.

If the arbitrator has been paid fees in an amount higher than that established in accordance with Paragraph 1 of this Article, the President of the Court shall order the arbitrator to return the part of the advance that has been overpaid.

ADMINISTRATIVE COSTS

Tariff no.6

If a sole arbitrator has been appointed, the administrative costs shall be 20 percent of the amount of the fees of the sole arbitrator.

If an arbitral tribunal has been appointed, the administrative costs shall be 10 percent of the amount of the fees of the arbitral tribunal.

PAYMENT OF ADVANCES AND COMPUTATION

Tariff no. 7

A party who is a natural person with a domicile or permanent residence abroad, or a legal person with its seat abroad (foreign party) shall pay the costs of proceedings in EUR.

If the party referred to in Paragraph 1 of this Article has a non-resident account in the currency of the seat of the Court in the Republic of Croatia, it may pay the costs of proceedings in the currency of the seat of the Court.

Parties other than those in Paragraph 1 of this Article (domestic parties) shall pay the costs of the proceedings in the currency of the seat of the Court or in EUR.

The countervalue of the costs of the proceedings from Points b) and c) Paragraph 2, Article 2, in the currency of the seat of the Court shall be calculated in accordance with the selling exchange rate of EUR

from the exchange rate list of the National Bank valid on the date the payment or an advance payment of the amount concerned is made.

II. TRANSITIONAL AND FINAL PROVISIONS

Article 10

This decision shall apply to all proceedings instituted after the decision has come into force, and to disputes instituted before it comes into force, if the registration fee has not yet been paid.

Article 11

With the coming into force of this Decision, the Decision on Costs in Arbitration and Conciliation Proceedings (Official Gazette, no. 81/2002) shall cease to be in force.

Article 12

This Decision shall come into force on the date of its publication in *Narodne novine*.