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Please note that this version does not include the following decisions and amendments to the Order: Official Gazette no. 65/2004.

RULES OF CONCILIATION

The Rules of Conciliation were adopted at the fifth session of the General Assembly of the Croatian Chamber of Economy on 2 July 2002 and were published in *Narodne novine* (Official Gazette) No. 81/2002.

They came into force on 17 July 2002.

Article 1

1. The Conciliation Centre (hereinafter: the Centre) operates at the Croatian Chamber of Commerce.
2. The Centre offers services of mediation, conciliation and other alternative dispute resolution methods where one or more conciliators, in an independent and impartial manner, without the authority to order a binding settlement, assist the parties to reach a settlement on the disputed issues.
3. The carrying out of the proceedings according to these Rules may be sought by domestic or foreign natural persons and by legal persons established under domestic or foreign law in all disputes over rights that they may freely dispose of.
4. The Centre has a President and a Secretary. The Office of the President and the Secretary of the Centre is discharged by the President and Secretary of the Permanent Arbitration Court at the Croatian Chamber of Commerce.
5. Parties may vary or exclude any of these Rules by written agreement, unless such agreement is contrary to the functions of the Centre. In the case of doubt, the President of the Centre shall rule on this issue.

Article 2

1. The conciliation proceedings are commenced at the invitation of one or more parties to a dispute. For the commencement of the conciliation proceedings no previous agreement on conciliation is necessary.
2. The conciliation proceedings are independent from the arbitration proceedings in the dispute between the parties.
3. Consent to the conciliation proceedings shall not be considered to be consent to arbitration if the conciliation proceedings do not succeed.

Article 3

1. An invitation to commence the conciliation proceedings shall be submitted to the Secretary of the Centre who will request the other party to reply to the invitation, as a rule, within 30 days of the receipt of the invitation. If the other party refuses conciliation or fails to reply within the set time limit, the conciliation proceedings shall be considered to have failed.
2. A party making or accepting an invitation to conciliate shall be deemed to have accepted the provisions of these Rules.
3. During the conciliation proceedings, the parties shall refrain from instituting any other proceedings, whether judicial or arbitral, to resolve the dispute which is the subject of the conciliation proceedings, unless such proceedings are necessary for preserving their rights.

Article 4

1. As a rule, one conciliator conducts the conciliation proceedings. The parties may agree for more than one conciliator to conduct the conciliation proceedings.
2. If one conciliator conducts the conciliation proceedings, the parties shall attempt to agree on the person who shall conduct the conciliation proceedings. If the parties do not reach an agreement on that person, the President of the Centre shall appoint an appropriate person as conciliator.
3. The parties may agree that the conciliation proceedings be conducted by the President of the Centre, by a conciliator appointed by the President of the Centre or by a conciliation board consisting of one or more representatives of each party. If the parties have not agreed otherwise, a conciliation board with an even number of conciliators shall be composed of an equal number of conciliators appointed by each party, and a conciliation board with an odd number of conciliators shall be composed of an equal number of conciliators appointed by each party and a presiding conciliator appointed jointly by both parties. If the parties do not agree on the presiding conciliator, the President of the Centre shall appoint him.
4. A person who has participated in the conciliation proceedings as a conciliator may not be an arbitrator in a dispute instituted in the same matter between the same parties, except in the case referred to in Article 6 of these Rules.

Article 5

1. The parties may agree on the scope of the authority of the conciliator, in particular on the extent to which he is authorised and/or obliged to take active part in the elaboration of the settlement proposal.
2. Subject to the agreement of the parties, the conciliator may conduct the proceedings in such a manner as he considers appropriate, taking into account the circumstances of the case, the expressed wishes and expectations of the parties and the need for a speedy and final settlement of the dispute. The conciliator may as a rule examine the statements and proposals of the parties and, where necessary, gather specific information and hear the parties.
3. The conciliator may meet with parties together or with each of them separately.

4. The conciliator may communicate information given to him by one party to the other party, unless the party who has given the information expressly requested that the information should be kept confidential.

5. If the parties have not agreed otherwise, the conciliator may, after having examined the dispute, draft a written proposal for a settlement that will be communicated to the parties.

Article 6

1. If the parties reach a settlement, the contents of the settlement shall be written in the minutes and signed by the parties and the conciliator.

2. If the parties so request and conclude an arbitration agreement, the conciliator may be appointed as arbitrator who will render a consent award. The provisions of the Rules of Arbitration (the Zagreb Rules) shall apply to the rendering of the consent award.

Article 7

1. The statements of the parties given in conciliation proceedings that have not succeeded may not be used as evidence in arbitration, judicial, administrative or any other proceedings.

2. The information disclosed by the parties during the conciliation proceedings and any suggestions for the conclusion of a settlement shall be confidential and therefore shall be kept secret by the parties, the conciliator and the staff of the Centre.

Article 8

If the parties have not agreed otherwise, the conciliation proceedings are terminated:

- on the day the settlement is reached, unless the settlement does not include all disputed issues;
- by a ruling terminating the proceedings rendered by the conciliator, or if a conciliator has not been appointed, by the Secretary of the Centre, when it is considered that any further efforts to carry out the conciliation proceedings are not justified.

Article 9

The Centre and the conciliators are entitled to reimbursement of their expenses in accordance with the rules on costs in the proceedings carried out before the Centre, as in force. The rules on costs are determined by a decision of the Executive Board of the Croatian Chamber of Commerce.

Article 10

The following provisions shall expire with the coming into force of these Rules:

- the Chapter: "II the Conciliation Procedure" Articles 12 to 18 and Article 28 of the Rules of National Arbitration at the Croatian Chamber of Commerce (Off. Gaz. 113/93 – consolidated text and 84/96) and
- the Chapter: "Conciliation", Articles 44 to 48 of the Rules of International Arbitration – the Zagreb Rules (Off. Gaz. 25/92).

Article 11

These Rules shall come into force on the eighth day following its publication in the Official Gazette.

No. 1681/1-2002
Zagreb, 2 July 2002

President
Nadan Vidošević, m. p.