

Pursuant to Article 35, paragraph 1 of the Law on the Chambers of Commerce ("Official Gazette of the Republic of Serbia" No. 112/15) the Assembly of the Chamber of Commerce and Industry of Serbia at its session held on December 8, 2016, enacted

THE RULES OF THE PERMANENT ARBITRATION AT THE CHAMBER OF COMMERCE AND INDUSTRY OF SERBIA

I GENERAL PROVISIONS

DEFINITION AND STATUS

Article 1

- (1) The Permanent Arbitration at the Chamber of Commerce and Industry of Serbia (hereinafter: the Arbitration) is a permanent arbitration institution which provides for resolution of domestic and international commercial disputes by arbitration or international mediation when the parties have agreed upon its jurisdiction.
- (2) The Arbitration is an autonomous body, independent in its decision-making.
- (3) The seat of the Arbitration is in Belgrade.

COMPOSITION

Article 2

- (1) The Arbitration has a President, a Board and a Secretariat.
- (2) Disputes are resolved by a sole arbitrator or by an arbitral tribunal.
- (3) Mediation is conducted by a mediator or a mediation commission.

THE BOARD AND THE PRESIDENT

Article 3

- (1) The Extended Board of the Arbitration consists of a President, two Vice-Presidents, and four members.
- (2) The President and the two Vice-Presidents constitute the Board of the Arbitration (hereinafter: the Board).
- (3) The President, the Vice-Presidents and the Members of the Extended Board of the Arbitration shall be elected and discharged by the Managing Board of the Chamber of Commerce and Industry of Serbia for a term of four years and may be re-elected.
- (4) The President or, in his or her absence, one of the Vice-Presidents designated by the President, shall represent the Arbitration and organize its work, chair the meetings of the Board, appoint arbitrators and presidents of arbitral tribunals in cases prescribed by these Rules and carry out other tasks provided for by these Rules.
- (5) The Board shall appoint and confirm appointments of arbitrators and presidents of arbitral tribunals, decide on challenges of arbitrators and carry out other tasks prescribed by these Rules.
- (6) The Extended Board shall supervise the application of these Rules, monitor and discuss the practice of the resolution of disputes, adopt the Annual Report, determine the amendments of these Rules, and carry out other tasks prescribed by these Rules.
- (7) The quorum for the Board meeting shall exist if more than half of the members are present at the meeting. Members may participate in the meeting by telephone or video conference, or the Internet.

- (8) The decision shall be taken by unanimous vote or by majority vote of the members present. In the event of a tie the President shall have a casting vote.
- (9) Decisions may be adopted through correspondence, when the provisions of paragraphs 7 and 8 of the present Article shall apply by analogy. In such case the President shall submit a written proposal to the members and shall set the time limit within which they will cast their votes in writing.
- (10) When the President or one of the Vice-Presidents is prevented from carrying out his or her respective duties over a longer period, the Extended Board of the Arbitration shall designate one of its members as a Deputy President or a Vice-President for the period during which the President or one of the Vice-Presidents is prevented to act.
- (11) In urgent cases, the Board shall be authorized to carry out collectively certain duties falling within the jurisdiction of the Extended Board, but shall notify the Extended Board thereof at the first following meeting.

THE SECRETARIAT AND THE SECRETARY

Article 4

- (1) The Secretariat shall carry out technical and administrative work of the Arbitration.
- (2) The Secretary of the Arbitration shall manage the work of the Secretariat, sign day-to-day correspondence of the Arbitration, participate in the work of the Board without the right of vote, and carry out other tasks prescribed by these Rules.

ARBITRATORS

Article 5

- (1) The parties are free in their choice of arbitrators.
- (2) Any natural person having contractual capacity may act as an arbitrator, unless the parties have agreed upon additional conditions with respect to the qualifications of the arbitrator.
- (3) The arbitrators may be domestic or foreign nationals.
- (4) When an arbitrator is appointed by a party, his or her name, as well as his or her address and qualifications shall be provided to the Arbitration by the appointing party.
- (5) The President and the Vice-Presidents of the Arbitration may only be appointed as presidents of arbitral tribunals or a sole arbitrator, while other members of the Extended Board may also be appointed as members of arbitral tribunals.
- (6) The Arbitration has no roster of arbitrators. The Arbitration may prepare and publish a list of persons qualified to serve as arbitrators, who may be appointed by the parties.
- (7) Information contained in the list referred to in paragraph 6 of this Article shall not be considered a recommendation, nor shall it bind in any way the parties or the Arbitration.

II JURISDICTION OF THE ARBITRATION

RESOLUTION OF DISPUTES

Article 6

Domestic and international commercial disputes, for which the jurisdiction of the Arbitration has been agreed upon, shall be resolved by a sole arbitrator or an arbitral tribunal, in accordance with these Rules and the law governing arbitration.

APPLICATION OF ARBITRATION RULES

Article 7

Parties who have agreed upon the jurisdiction of the Arbitration shall be deemed to have accepted the provisions of these Rules, unless they provided that the proceedings shall be governed by the "Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) before the Permanent Arbitration at the Chamber of Commerce and Industry of Serbia".

AUTONOMY OF THE ARBITRATION AGREEMENT

Article 8

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

DECIDING ON JURISDICTION

Article 9

The arbitral tribunal or the sole arbitrator shall at their own initiative and throughout the entire proceedings assess whether the dispute falls within the jurisdiction of the Arbitration in the sense of Article 6 of these Rules.

DECLINING JURISDICTION

Article 10

- (1) The Arbitration may decline to resolve a dispute even when its jurisdiction has been agreed upon, if the arbitration agreement or the underlying contract contain provisions which are inconsistent with the powers of the Arbitration and its principles, or if the requests and actions of the parties during the proceedings are such as to make the normal conduct of the arbitral proceedings impossible.
- (2) The decision to decline jurisdiction shall be made by the arbitral tribunal or sole arbitrator. If the arbitral tribunal has not been constituted, or if the sole arbitrator has not been appointed the decision shall be made by the Board.

PLEA CONTESTING JURISDICTION

Article 11

- (1) The respondent may raise a plea contesting jurisdiction in its answer to the statement of claim or in another submission before the hearing; if the respondent had not submitted the answer to the statement of claim or other written submission, it may also raise a plea contesting jurisdiction at the hearing, before entering into discussion on the subject-matter of the dispute.
- (2) Both parties have the right to be heard in the proceedings concerning a plea contesting jurisdiction. When the plea contesting jurisdiction is rejected, the arbitral tribunal or the sole arbitrator shall either make a partial award or decide on this issue in a ruling. The reasons for the ruling shall be stated in the final award.
- (3) When the plea contesting jurisdiction is rejected, whether by a ruling or by partial award, the arbitration shall proceed before the sole arbitrator or before the arbitral tribunal.
- (4) When the plea contesting jurisdiction is accepted, the arbitral tribunal or the sole arbitrator shall make an award declaring the lack of jurisdiction.

SERVICE OF DOCUMENTS

Article 12

- (1) In the course of the proceedings, notifications and other written communications shall be delivered to the parties' mailing addresses by regular mail, by registered letter against a receipt or by any other mean which provides a written record of the sending thereof.
- (2) A mailing address is the address at which the addressee regularly receives its mail. When the addressee has not designated any other address or if the circumstances of the case do not indicate otherwise, a mailing address is the address of the legal entity's principal place of business or branch, natural person's habitual residence, or the address referred to in the arbitration agreement.
- (3) When none of the addresses referred to in paragraph 2 of this Article can be established, a written notification shall be deemed to have been duly served upon the addressee if it is sent to the addressee's last known mailing address, as provided by the addressee or the opposing party.
- (4) A written notification shall be deemed to have been properly served even if the party or its representative refuses to receive the written notification or any other written communication.
- (5) When the parties have appointed their representatives, all notifications and other written communications shall be delivered to the representatives' addresses.
- (6) Written communications shall be delivered directly to the party, if the party has appointed its employee as its representative.
- (7) A written communication shall be deemed to be served on the day on which it was received by the addressee or on the day on which the service of documents was attempted in accordance with paragraphs 3 and 4 of this Article.
- (8) When the respondent, although duly notified, fails to submit its answer to the claim or to a written notification, or refuses to take part in the arbitral proceedings, the arbitration shall proceed in accordance with the provisions of these Rules.

ELECTRONIC COMMUNICATION

Article 13

If the parties have not agreed otherwise, written notifications and communications in the course of the proceedings may be delivered or made by means of electronic communication.

TIME LIMITS

Article 14

- (1) The time limits set by these Rules may in justified circumstances be extended at the request of the parties. The request for extension shall be submitted by a party not later than on the last day of the original time limit. The request shall be reasoned and submitted with the appropriate evidence if necessary.
- (2) The arbitral tribunal or the sole arbitrator shall make sure that the proceedings are not unnecessarily delayed.

LANGUAGE

Article 15

- (1) The parties may agree on the language or languages to be used in the arbitral proceedings. If the parties have not agreed thereon, the language or languages of the arbitral proceedings shall be determined by the sole arbitrator or by the arbitral tribunal, taking into account all the circumstances of the case, and in particular, the language of the arbitration agreement.
- (2) The language of the arbitral proceedings shall apply to all written statements by a party, any hearing, and any award or ruling, unless the parties have agreed otherwise. Any documentary

evidence if made in another language shall be accompanied by a translation into the language of the proceedings.

- (3) The written correspondence of the Secretariat with parties and arbitrators shall be conducted in Serbian or English language.

III COMPOSITION OF THE ARBITRAL TRIBUNAL

NUMBER OF ARBITRATORS

Article 16

- (1) A dispute shall be resolved by a sole arbitrator when the parties have so agreed, or when the sum in dispute is below EUR 50.000,00.
- (2) In other cases, a dispute shall be resolved by an arbitral tribunal consisting of three members.

SOLE ARBITRATOR

Article 17

- (1) Within 15 days from the expiry of the time limit for submission of the answer to the request for arbitration or the statement of claim the parties may choose by mutual consent a sole arbitrator and notify the Arbitration thereof in writing. The President, a Vice-President of the Arbitration or a member of the Extended Board may be chosen to serve as a sole arbitrator.
- (2) The parties may agree to leave the appointment of the sole arbitrator to the President.
- (3) When the parties fail to agree on the choice of a sole arbitrator within the stated time limit, the sole arbitrator shall be appointed by the President within further 15 days, and notified thereof within 3 days from the date of the appointment. In such case, the President or a Vice-President of the Arbitration may not be appointed as a sole arbitrator.

APPOINTMENT OF THE ARBITRAL TRIBUNAL

Article 18

- (1) In disputes to be decided by an arbitral tribunal, each party shall appoint one arbitrator. The claimant shall appoint an arbitrator at the time of submitting its statement of claim, or at the time of making the payment of a sum to cover the costs of arbitration, and the respondent shall do so in its answer to the request for arbitration or the statement of claim.
- (2) If one or both parties fail to appoint arbitrators within the time limits referred to in paragraph 1 of this Article, or if they fail to appoint another arbitrator within 15 days from the date on which they were invited by the Arbitration to do so, or if a party makes two consecutive appointments of persons who refuse the appointment, or if they leave the appointment to the Arbitration, the arbitrators shall be appointed by the President within 15 days from the day when the event which triggers such appointment occurs, and the appointed arbitrators shall be notified thereof within 3 days from the date of appointment.
- (3) The appointed arbitrators shall agree upon choice of a third arbitrator to act as the president of the arbitral tribunal within 15 days from the date of receipt of the notice of the appointment of the last confirmed arbitrator. They can choose the President or a Vice-President of the Arbitration, or a member of the Extended Board to act as the president of the arbitral tribunal.
- (4) If the appointed arbitrators fail to choose the president of the arbitral tribunal within the time limit referred to in paragraph 3 of this Article, or if they make two consecutive appointments of persons who refuse the appointment, the president of the arbitral tribunal shall be appointed by the President, within 15 days from the expiry of the time limit thereof. In such case, the President or a Vice-President of the Arbitration may not be appointed.

JOINT APPOINTMENT OF AN ARBITRATOR

Article 19

Where there are multiple claimants and/or respondents in a dispute, they shall agree in advance on joint appointment of an arbitrator. If they fail to agree within the time limits provided for by these Rules, the arbitrator shall be appointed by the President within further 15 days.

ARBITRATOR'S STATEMENT

Article 20

- (1) A person appointed to serve as an arbitrator, shall state in writing whether he or she accepts this office, and shall disclose any circumstances which might give rise to doubts as to his or her impartiality or independence.
- (2) The statement shall be submitted to the Secretariat and then communicated by the Secretariat to the parties.
- (3) The parties may state an objection to the appointment of arbitrator within 8 days from the date of receipt of the statement.
- (4) If one or both parties state an objection, the final decision on the appointment of the arbitrator shall be made by the Board within further 15 days.
- (5) This provision shall not prejudice the provisions on challenge of an arbitrator.

CONFIRMATION OF APPOINTMENT

Article 21

- (1) The appointment of the sole arbitrator or members of the arbitral tribunal proposed by the parties will be subject to confirmation by the Board.
- (2) The Board is not obliged to state reasons for refusal of confirmation of the appointment.
- (3) When the appointment has not been confirmed by the Board, the Board shall request a new proposal for appointment of another arbitrator.

RESTRICTIONS ON ARBITRATORS

Article 22

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

CHALLENGE OF ARBITRATORS

Article 23

- (1) An arbitrator may be challenged only if there are circumstances that may give rise to justifiable doubts as to his or her impartiality or independence, or if he or she does not possess qualifications agreed upon by the parties. A party may challenge an arbitrator whose appointment was proposed by that party alone or jointly with another party, only for the reasons which have arisen or which the party became aware of after the appointment had been made.
- (2) A challenge must be made within 15 days after the party became aware of the reasons for the challenge or the date of receipt of the notice of the arbitrator's appointment; but not later than the making of the award.

- (3) A notice of the challenge shall be communicated to the other party, the arbitrator concerned and other members of the arbitral tribunal. The Board shall decide on the challenge after giving the arbitrator concerned the opportunity to comment upon the challenge. The decision on challenge does not have to include a statement of reasons.

WITHDRAWAL AND TERMINATION OF MANDATE OF AN ARBITRATOR

Article 24

- (1) When an arbitrator becomes *de jure* or *de facto* unable to perform his or her duties or for other justifiable reasons fails to perform his or her duties within the proper time limits, his or her mandate shall be terminated, subject to his or her withdrawal from the office.
- (2) The parties may agree to terminate the mandate of an arbitrator if he or she becomes *de jure* or *de facto* unable to perform his or her duties or fails to perform them within the proper time limits.
- (3) Any party may request the Board to decide on the termination of the mandate of an arbitrator for reasons specified in paragraph 2 of this Article.
- (4) The fact that an arbitrator's mandate has been terminated pursuant to this Article or Article 23, does not imply the acceptance of validity of any ground mentioned in this Article or in Article 23 paragraph 1.

REPLACEMENT OF ARBITRATORS

Article 25

- (1) When during his or her mandate an arbitrator becomes unable to perform his or her duties, the party who appointed him or her shall appoint another arbitrator within the period of 15 days from the date it has been invited by the Arbitration to make the appointment.
- (2) If the arbitrator who has become unable to perform his or her duties was appointed by the President, the President shall appoint another arbitrator in his or her place within 15 days from the date of receipt of the notification of thereof made by the Arbitration.
- (3) If the president of the arbitral tribunal who has become unable to perform his or her duties was appointed by the party-appointed arbitrators, the new president of the arbitral tribunal shall be appointed by the party-appointed arbitrators within 15 days from the date of receipt of the notification of thereof made by the Arbitration.
- (4) If the president of the arbitral tribunal who has become unable to perform his or her duties was appointed by the President, the new president of the arbitral tribunal shall be appointed by the President within 15 days from the date of receipt of the notification thereof made by the Arbitration.

IV ARBITRAL PROCEEDINGS

SUBMISSION OF THE REQUEST FOR ARBITRATION OR THE STATEMENT OF CLAIM

Article 26

- (1) A dispute begins by the submission of a request for arbitration or a statement of claim to the Secretariat of the Arbitration.
- (2) The request for arbitration or the statement of claim shall be submitted to the Secretariat of the Arbitration in five copies.
- (3) The request for arbitration shall include:
 - a) the names (company name) of claimant and respondent, their permanent places of residence, i.e. registered offices;

- b) evidence of the existence of an arbitration agreement;
 - c) the appointment of an arbitrator.
- (4) In addition to the elements referred to in paragraph 3 of this Article, the statement of claim shall include description of the subject-matter of the dispute and indication of the amount in dispute, the proposal regarding the production of evidence in the proceedings and the request or requests for relief.
 - (5) The request for arbitration or the statement of claim and evidence shall be submitted in the language agreed upon by the parties or, failing such agreement, in Serbian or English language.
 - (6) Where there are multiple respondents in the dispute, it shall be required to submit to the Secretariat of the Arbitration an appropriate number of copies of the request for arbitration or the statement of claim and enclosed documents for each of the respondent.
 - (7) The Secretariat of the Arbitration shall deliver the request for arbitration or the statement of claim with enclosed documents to the respondent for answer, specifying the number of copies which the answer with enclosed documents needs to be submitted in.

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

Article 27

- (1) An answer to the request for arbitration or to the statement of claim shall be submitted within 30 days from the date of receipt of the request for arbitration or the statement of claim.
- (2) In the answer the respondent shall state its position regarding the claimant's claims and present its defense together with the relevant documents.
- (3) The Secretariat of the Arbitration shall, without delay, send a copy of the answer to the claimant.
- (4) The provisions of Article 12 of these Rules shall apply accordingly to the answer to the request for arbitration or to the statement of claim.

COUNTERCLAIM

Article 28

- (1) The respondent may submit a counterclaim in the answer to the statement of claim if the counterclaim arises out of the same legal relationship as the claim. Exceptionally, the respondent may submit a counterclaim even after the submission of the answer to the statement of claim if the arbitral tribunal or the sole arbitrator so allow, taking into consideration all the circumstances of the case and particularly taking into account the stage of the proceedings and the position of the claimant.
- (2) The counterclaim shall be delivered without delay to the claimant, who may submit its answer within 30 days from the date of receipt thereof.
- (3) The provisions of these Rules governing the statement of claim shall apply accordingly to the counterclaim.
- (4) The provisions of Article 12 of these Rules shall apply accordingly to the counterclaim.

JOINDER OF CLAIMS AND PROCEEDINGS

Article 29

When the parties have submitted to the Arbitration multiple statements of claim against each other which arise out of the same or different legal relationships, the Secretariat of the Arbitration shall seek to join the proceedings concerning these claims and to have them decided by the same arbitral tribunal, for the purpose of efficiency of proceedings.

PROCEDURAL TIMETABLE

Article 30

- (1) Upon transmission of the files of the case from the Secretariat of the Arbitration to the arbitral tribunal or the sole arbitrator, the members of the arbitral tribunal or the sole arbitrator may for reasons of efficiency consult the parties to the dispute and establish the procedural timetable of the arbitral proceedings.
- (2) The procedural timetable shall contain time limits for potential additional submissions of the parties, the date on which the hearing for oral argument shall take place, as well as the indication of the time period within which or the date on which the rendering of the final award is planned. In addition to the aforementioned elements, the procedural timetable may contain other necessary elements.
- (3) The arbitral tribunal or the sole arbitrator shall submit the procedural timetable and any potential modification thereof to the parties and the Secretariat of the Arbitration.

HEARING

Article 31

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

PLACE OF THE HEARING

Article 32

- (1) As a rule, hearings shall be held at the seat of the Arbitration.
- (2) Upon proposal of the parties, the arbitral tribunal or the sole arbitrator may decide to hold a hearing at another location.
- (3) Hearings shall be held *in camera*, unless the parties have agreed otherwise.
- (4) The parties shall attend the hearing in person or through an authorized representative who may be a domestic or foreign national.
- (5) At hearings, the parties may be assisted by their counsel.
- (6) When one or both parties, although duly notified, fail to appear at the hearing, the arbitrators shall, after having determined that the parties had been duly notified of the hearing and that they have no justified reasons for absence, have the power to proceed with the arbitration as if the parties were present.
- (7) When the hearing is scheduled, the sole arbitrator or the arbitral tribunal, after consultation with the parties, shall decide on the manner of keeping minutes and of providing a record of the hearing.

TAKING OF EVIDENCE

Article 33

- (1) The arbitrators shall decide on the presentation of evidence upon the proposals of the parties or at their own initiative. They may order the presentation of evidence throughout the entire course of the proceedings.
- (2) The arbitrators shall assess the probative force of the submitted evidence at their own discretion.
- (3) The parties shall cooperate in the taking of evidence and shall take all measures required from them for that purpose.
- (4) If a party which has proposed certain evidence fails to advance the costs of production of such evidence, that evidence shall not be produced.

WITNESSES AND EXPERTS

Article 34

- (1) The evidence may be taken by hearing of witnesses, the parties and experts. The arbitral tribunal or the sole arbitrator shall decide on the need to hear a specific witness, party or expert.
- (2) The arbitrators may order the parties to bring witnesses, and may also directly summon witnesses.
- (3) Unless the arbitral tribunal decides otherwise, the parties may submit written witness statements.
- (4) As a rule, witnesses and experts shall be heard by the arbitral tribunal or the sole arbitrator.
- (5) The parties may submit reports and opinions of experts that they have appointed themselves. The arbitral tribunal may order to the experts appointed by the parties to submit a joint report and opinion pinpointing the issues that they disagree upon and may order a joint hearing of such experts.
- (6) Upon the proposal of the parties or if they see it fit, the arbitral tribunal or the sole arbitrator may appoint an expert in which case they shall determine such expert's terms of reference.
- (7) The provisions of these Rules on the challenge of an arbitrator shall apply accordingly to the challenge of an expert.
- (8) The arbitral tribunal or the sole arbitrator may request courts of law to take individual items of evidence which they themselves are unable to take.

RULINGS ON THE CONDUCT OF THE PROCEEDINGS

Article 35

- (1) In the course of the proceedings, the arbitral tribunal or the sole arbitrator may make rulings on procedural matters which they deem necessary, such as: depositing an advance to cover the costs of experts and witnesses, securing evidence, time limits, joining or bifurcation of proceedings, and other rulings that are necessary.
- (2) The arbitral tribunal may authorize the president of the arbitral tribunal to issue rulings alone.

THIRD-PARTY INTERVENTION

Article 36

A person that has a legal interest to participate in the arbitral proceedings may join one of the parties only with consent of both parties, under the conditions and in the manner determined by the arbitral tribunal or the sole arbitrator.

INTERIM AND CONSERVATORY MEASURES

Article 37

- (1) Unless the parties have agreed otherwise, the arbitral tribunal or the sole arbitrator may, at the request of a party, order any provisional measure as it may consider necessary taking into account the subject-matter of the dispute, and may at the same time require that party to provide appropriate security.
- (2) As a rule, the arbitral tribunal or the sole arbitrator may order a provisional measure only after the opposing party was given an opportunity to state its position regarding the proposal for the provisional measure.
- (3) The arbitral tribunal or the sole arbitrator may order a provisional measure even before the opposing party was given an opportunity to state its position regarding the proposal for the provisional measure, provided that the party which requests the provisional measure makes it probable that such granting is necessary for the effect of the provisional measure. The arbitral tribunal or the sole arbitrator are nevertheless required to give the opportunity to the opposing party to state its position regarding the provisional measure as soon as the circumstances of the case so allow, after which they may revoke, terminate or modify their decision on the preliminary measure ordered.
- (4) The arbitral tribunal may, at any time, revoke, terminate or modify an interim measure it has granted if the circumstances of the case no longer justify its existence.

LENGTH OF THE PROCEEDINGS

Article 38

- (1) As a rule, arbitral proceedings shall be completed within six months from the date of constitution of the arbitral tribunal or the appointment of the sole arbitrator.
- (2) As an exception to the paragraph 1 of this Article, the arbitral tribunal or the sole arbitrator may decide, upon obtaining the consent of the President, that the arbitral proceedings shall be extended after the expiration of the above-stated time limit if it is necessary for the purpose of obtaining evidence, or if the parties make such a request, or for other justified reasons.

RULES GOVERNING THE PROCEDURE

Article 39

- (1) The proceedings before the Arbitration shall be governed by these Rules and by the provisions of the arbitration agreement.
- (2) When the Rules do not contain a relevant provision as to the issue posed, the parties, or if they fail to do so, the arbitral tribunal or the sole arbitrator, may determine the rules that they deem appropriate within the limits set by the mandatory provisions of the law governing arbitration.

APPLICATION OF OTHER RULES

Article 40

- (1) The parties in an international arbitration may stipulate that the "Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) before the Permanent Arbitration at the Chamber of Commerce and Industry of Serbia" be applied to the proceedings before the Arbitration.
- (2) When the "Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) before the Permanent Arbitration at the Chamber of Commerce and Industry of Serbia" do not contain a relevant provision, the provisions of these Rules shall apply.

TERMINATION OF THE ARBITRAL PROCEEDINGS

Article 41

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

V THE AWARD

APPLICABLE LAW

Article 42

- (1) The arbitral tribunal and the sole arbitrator in the international arbitration shall decide the case by applying the law or legal rules designated by the parties as the substantive law applicable to their contractual relationship.
- (2) Failing designation of the law by the parties, the arbitral tribunal or the sole arbitrator shall determine the applicable law or legal rules designated by the conflict of laws rules that the arbitral tribunal or the sole arbitrator deems to be the most appropriate to the case.
- (3) In all cases, the arbitral tribunal or the sole arbitrator shall make the award in accordance with the provisions of the contract, and shall take into account trade usages that may be applicable to the transaction.
- (4) The award may be made exclusively on the basis of equity (*ex aequo et bono*), only if the parties have expressly given such power to the arbitral tribunal or the sole arbitrator.

MAKING OF THE AWARD

Article 43

- (1) In the course of the arbitral proceedings, the arbitral tribunal or the sole arbitrator may make an interim award or partial award. The final award is made after the arbitral proceedings have been completed.
- (2) The award shall state the reasons in terms of the facts and law and be worded in the manner that enables its enforcement in the countries in which such enforcement is expected to be sought.
- (3) The award of the arbitral tribunal shall be made by unanimous or majority vote after deliberation in which all arbitrators must participate, unless the parties have agreed otherwise. The award shall be made at a meeting held *in camera* and attended solely by the arbitrators. When the vote is taken on the award, the president of the arbitral tribunal shall be the last one to vote. A record of deliberations and voting shall be made and signed by all the arbitrators.
- (4) The final award shall be made within the period of 30 days from the date on which the last *in camera* meeting of the arbitral tribunal was held.

SETTLEMENT

Article 44

- (1) When the parties reach a settlement before the arbitral tribunal or the sole arbitrator, the settlement shall be recorded in the form of an arbitral award, with no particular reasoning; the record shall be signed by the arbitrators and the parties.
- (2) A settlement shall be deemed to have been reached when the parties sign the record of the settlement after having read it.
- (3) A settlement reached in this manner shall have the force of an arbitral award.

CONTENT OF THE AWARD

Article 45

- (1) The arbitral award shall contain an introduction, an operative part and a statement of reasons:
 - (a) the introduction to the award shall contain the name of the Arbitration, the full names of the president and members of the arbitral tribunal or the full name of the sole arbitrator, the parties' full names or company names, occupation and place of permanent residence or registered office, the names of the parties' representatives or attorneys, short description of the subject-matter of the dispute and the date and place of making of the award.
 - (b) the operative part of the award shall contain the decision to grant or refuse particular claims related to the subject-matter of the dispute, as well as the decision on costs;
 - (c) the statement of reasons shall contain the requests of the parties, chronology of the dispute, statements and relevant allegations of the parties concerning the factual and legal issues that were considered, submitted and produced evidence, the law and rules that were applied and the reasons for making the decision contained in the operative part of the award.
- (2) The award need not specify the reasons in terms of the facts or law, if the parties have stated that they do not require so.
- (3) The full text of the award may be published only with consent of the parties. The President may authorize the publication of the award in periodicals of professional and doctrinal character without disclosing the names of the parties or information that may be detrimental to the interests of the parties.

SCRUTINY OF THE AWARD

Article 46

- (1) The Board shall scrutinize the award before it is signed. It may point the arbitral tribunal or the sole arbitrator to the formal deficiencies of the arbitral award, or draw the attention to the arbitral practice on certain issues of law.
- (2) The Board may draw the attention of the arbitral tribunal or the sole arbitrator to the grounds upon which it considers the arbitral award might be set aside, or upon which its enforcement might be refused.
- (3) A written report on the rendered award shall be made, if necessary, by the President of the Arbitration or by a member of the Board designated by the President.

SIGNING OF THE AWARD

Article 47

- (1) The original of the award and all copies thereof shall be signed by all members of the arbitral tribunal or the sole arbitrator.
- (2) The award accepting a plea contesting jurisdiction shall be signed by all members of the arbitral tribunal.

- (3) The award shall be valid even if an arbitrator refuses to sign the award submitted to him or her for signature, provided the award has been signed by the majority of the members of the arbitral tribunal, and provided that the refusal of signature is noted in the award, by their own signatures.
- (4) The arbitrator who refused to sign the award may within a reasonable period, and especially before the scrutiny of the award by the Board, submit his or her dissenting opinion in writing; such dissenting opinion shall be enclosed to the documents and made available to the parties for inspection.
- (5) The Secretariat of the Arbitration shall send to the parties the copies of the award signed by the arbitrators or by the sole arbitrator.
- (6) The parties may obtain additional copies of the award, certified true by the Secretary of the Arbitration, but such copies may not be issued to any third parties.

CORRECTION AND INTERPRETATION OF THE AWARD; ADDITIONAL AWARD

Article 48

- (1) The parties may request the arbitral tribunal or the sole arbitrator to correct any computational, typographical or clerical errors in the award, or any errors of similar nature, or to give an interpretation of the award. The arbitral tribunal or the sole arbitrator may correct such errors on their own initiative.
- (2) Any party may request the arbitral tribunal or the sole arbitrator to make an additional award as to claims presented in the arbitral proceedings that have been not decided upon in the award.
- (3) Requests referred to in paragraphs 1 and 2 of this Article may be made by a party within 30 days from the receipt of the award.
- (4) The corrections and the interpretation of the award, as well as the additional award are made in writing in accordance with the provisions of Article 45 of these Rules.
- (5) Any correction or interpretation of the award or the additional award shall constitute a part of the award to which it refers.

CONFIRMATION OF ENFORCEABILITY

Article 49

- (1) Upon request of a party, the enforceability of the award shall be confirmed by the Secretariat of the Arbitration.
- (2) The enforceability of the award may be confirmed at the earliest upon expiry of the period of 8 days from the date of expiry of the time-limit for requesting the correction of the award absent such request, or in other cases at the earliest upon expiry of the period of 8 days after the date of receipt of the correction of the award.

EFFECT AND ENFORCEMENT OF THE AWARD

Article 50

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

VI ARBITRATION COSTS

SCHEDULE OF ARBITRATION COSTS

Article 51

- (1) The claimant shall pay the whole amount of arbitration costs which shall be determined by the President in accordance with the value of the claim and within the limits prescribed by the schedules of arbitration costs set by the competent body of the Chamber of Commerce and Industry of Serbia. The respondent shall do the same with respect to the counterclaim or set-off claim.
- (2) Where there are more than two parties to the arbitration, arbitration costs of the Arbitration shall be increased by 10% for each additional party.
- (3) At the time of submitting a request for arbitration, a statement of claim, a counterclaim, or a set-off claim, the party shall make payment of the registration fee to the Secretariat of the Arbitration.
- (4) When during the course of proceedings, the initially determined sum has proven insufficient to cover the costs of arbitration, the President of the Arbitration shall decide on additional sums that need to be deposited within the limits set by the schedules of arbitration costs.
- (5) If a party fails to pay the costs within two months from the date of the instruction to do so, its claim shall be deemed withdrawn.

ARBITRATORS' EXPENSES

Article 52

- (1) The arbitrator who permanently resides outside the place of arbitration is entitled to reimbursement of travel and accommodation expenses, at the charge of the parties.
- (2) The expenses of a domestic arbitrator shall be determined pursuant to the applicable decision made by competent body of Serbian Chamber of Commerce and Industry.
- (3) The party which appointed an arbitrator who permanently resides outside the country of arbitration or the party for which the President appointed such arbitrator shall deposit a lump sum for the arbitrator's travel and other expenses and shall bear the final amount of these expenses, which shall be fixed by the Secretariat of the Arbitration.
- (4) When a person who is appointed to serve as the sole arbitrator, or the president of the arbitral tribunal permanently resides outside the country of arbitration, each party shall deposit a half of the determined lump sum for travel and other expenses of the such arbitrator, and shall bear the same proportion of the final amount of these expenses, which shall be fixed by the Secretariat of the Arbitration.
- (5) The costs of translation of documents and pieces of evidence, hearings and *in camera* meetings of the arbitral tribunal for the arbitrator who has no knowledge of the language of the proceedings shall be borne by the party which appointed such arbitrator.

EXPENSES INCURRED IN CONNECTION WITH PROCEDURAL ACTS

Article 53

- (1) For expenses of particular procedural acts (witnesses' expenses, experts' expenses, stenographic notes, hearings outside the seat of the Arbitration), an appropriate sum shall be deposited in advance by the party that requested them.
- (2) Parties shall bear any additional expenses related to the translation of documents, pieces of evidence, hearings and *in camera* meetings of the arbitral tribunal to the language of the proceedings.
- (3) The sum to be deposited shall be determined by a ruling of the arbitral tribunal or the sole arbitrator.

- (4) For expenses incurred by procedural acts ordered by the arbitral tribunal or the sole arbitrator at their own initiative, the arbitral tribunal or the sole arbitrator shall determine by a ruling which party shall deposit the necessary sum.

HEARING OUTSIDE THE SEAT OF THE ARBITRATION

Article 54

- (1) When the arbitral tribunal or the sole arbitrator holds a hearing outside the seat of the Arbitration, the President shall determine the additional sum to cover the costs of holding such a hearing.
- (2) When a hearing is held outside the permanent seat of the Arbitration at the request of a party, the additional sum shall be deposited by the requesting party. When such hearing is held at the joint request of the parties, each party shall deposit a half of the additional sum.

WITHDRAWAL OF THE CLAIM

Article 55

- (1) If the claimant withdraws its claim, the following proportion of the sum deposited under Article 51 shall be returned to it:
 - (a) When the claim is withdrawn before the constitution of the arbitral tribunal or before appointment of the sole arbitrator - 50%;
 - (b) When the claim is withdrawn before the hearing was scheduled - 40%;
 - (c) When the claim is withdrawn after the hearing was scheduled, but before it was held - 15%.
- (2) Following the hearing, or after the arbitral tribunal or the sole arbitrator has ruled that the hearing shall not be held, the deposited sum shall not be returned.
- (3) The sum deposited as a registration fee of the Arbitration shall not be returned.

FEEES

Article 56

- (1) The schedules of arbitration costs of the Arbitration (including administrative costs, arbitrators' fees, as well as fees of the President, Vice-Presidents and members of the Extended Board of the Arbitration), shall be set by the decisions made by the competent body of the Chamber of Commerce and Industry of Serbia.
- (2) After the award is made, or a settlement reached, or proceedings are terminated, the President of the Arbitration shall fix the amount of arbitrators' fees, in accordance with the decisions referred to in paragraph 1 of this Article.
- (3) An arbitrator who permanently resides outside the country of arbitration is entitled to a fee in foreign currency.
- (4) The President of the Arbitration shall, in accordance with the decision referred to in paragraph 1 of this Article, determine the fees of participants in the meetings of the Board and the Extended Board.

VII SPECIAL RULES ON EXPEDITED ARBITRATION PROCEDURE

SCOPE OF APPLICATION

Article 57

Special rules on expedited arbitration procedure shall apply:

- (a) in cases where the amount in dispute does not exceed EUR 50.000,00 or the counter-value of EUR 50.000,00 in Serbian dinars, unless the parties agreed otherwise;
- (b) in cases where the amount in dispute exceeds EUR 50.000,00 or the counter-value of EUR 50.000,00 in Serbian dinars if the parties agreed that the proceedings shall be governed by the special rules on expedited arbitration procedure;
- (c) other provisions of these Rules shall apply to the issues which are not specifically settled by the provisions governing the expedited arbitration procedure.

SOLE ARBITRATOR

Article 58

- (1) Expedited arbitration shall be conducted by a sole arbitrator.
- (2) The parties shall appoint the sole arbitrator within 15 days from the day on which they were instructed by the Secretariat of the Arbitration to do so. If the sole arbitrator is not appointed within the aforementioned time-limit, the sole arbitrator shall be appointed by the President within further 8 days.

STATEMENT OF CLAIM, ANSWER TO THE STATEMENT OF CLAIM AND OTHER SUBMISSIONS

Article 59

- (1) The time-limit for submitting the answer to the statement of claim shall be 15 days. Counter-claim and set-off may be submitted only with the answer to the statement of claim. Exceptionally, counter-claim and set-off may be submitted after the answer to the statement of claim had been submitted provided that the opposing party and the sole arbitrator agree with such submission.
- (2) The answer to the statement of claim with the enclosed documents shall be delivered to the claimant who may state its position regarding the answer in a written submission with enclosed documents within 15 days from the day on which the answer to the statement of claim has been served upon it. The respondent may state its position regarding this written submission of the claimant within 15 days and enclose any evidence it deems important for the resolution of the dispute. Upon the expiry of the aforementioned time-limits the parties are not allowed to bring up any new facts and suggest new pieces of evidence, unless the opposing party and the sole arbitrator agree. Exceptionally, if the sole arbitrator finds it necessary for making a lawful award, he or she may allow a party to bring up new facts and evidence even if the opposing party disagrees.

HEARING

Article 60

- (1) As a rule, only one hearing shall be held.
- (2) If the sole arbitrator establishes that the written submissions and evidence are sufficient for making the award without holding a hearing, he or she shall notify the parties thereof. The parties shall state within 8 days from the day of receipt of such notification whether they request a hearing to be held. If none of the parties states, within the aforementioned time-limits, that it requires a hearing to be held, the sole arbitrator shall make the award without holding a hearing, on the basis of the evidence submitted.
- (3) The parties shall not be allowed to submit written evidence after the hearing has been closed.

MAKING OF THE AWARD

Article 61

- (1) The sole arbitrator shall make the arbitral award within 15 days from the day on which the hearing was held or within 15 days from the day on which the conditions for making the award without holding a hearing were fulfilled.
- (2) The sole arbitrator shall state the summary of the reasons on which the award is based, unless the parties agreed that the reasons should not be stated.

VIII TRANSITORY AND FINAL PROVISIONS

MANDATE OF THE PRESIDENT, VICE-PRESIDENTS AND MEMBERS OF THE EXTENDED BOARD

Article 62

The decision of the Assembly of the Chamber of Commerce and Industry of Serbia on the election of the President, Vice-Presidents and members of the extended Board of the Foreign Trade Court of Arbitration at the Chamber of Commerce and Industry of Serbia from 30 December 2013 shall remain in force until enactment of a decision in accordance with these Rules.

PROCEEDINGS TO WHICH THESE RULES APPLY

Article 63

- (1) These Rules shall apply to all proceedings initiated after its entry into force.
- (2) It shall be deemed that by agreeing on the jurisdiction of the Foreign Trade Court of Arbitration at the Chamber of Commerce and Industry of Serbia or on the jurisdiction of the Permanent Court of Arbitration at the Chamber of Commerce and Industry of Serbia the parties agreed on the competence of this Arbitration.
- (3) Both parties are entitled to jointly request the application of the Rules as in force on the day on which their arbitration agreement was concluded.

PROCEEDINGS COMMENCED BEFORE THE ENTRY INTO FORCE OF THESE RULES

Article 64

Proceedings commenced before Foreign Trade Court of Arbitration at the Chamber of Commerce and Industry of Serbia or before the Permanent Court of Arbitration at the Chamber of Commerce and Industry of Serbia, or before this Arbitration shall continue before this Arbitration pursuant to the rules in force on the day of commencement of the proceedings.

ABROGATION OF THE FORMER RULES

Article 65

The Rules of the Permanent Arbitration at the Chamber of Commerce and Industry of Serbia ("Official Gazette of the Republic of Serbia" No. 58/2016) are abrogated by entry into force of the present Rules.

ENTRY INTO FORCE

Article 66

The present Rules shall enter into force on the eighth day following their publication in the "Official Gazette of the Republic of Serbia".

ANNEX I

RULES ON INTERNATIONAL MEDIATION BEFORE THE ARBITRATION

MEDIATION BY THE ARBITRATION

Article 1

- (1) In cases of international mediation in disputes which may fall under the jurisdiction of the Arbitration, each party, regardless of whether the jurisdiction of the Arbitration has been stipulated or not, may apply to the Arbitration to intervene for the purpose of mediation in conformity with these Rules.
- (2) International mediation is mediation in disputes containing a foreign element:
 - (a) where the parties at the time of reaching the agreement on mediation have their domiciles or business seats in different States;
 - (b) where the State in which the parties have their domiciles or business seats is not the State in which the preponderant part of obligations arising out of the business relation between the parties is to be performed, or the State which is the most closely connected to the subject-matter of the dispute.
- (3) The mediation proceedings shall be independent from arbitral proceedings; if the mediation proceedings fail, nothing that has been done or stated orally or in writing during the mediation proceedings shall be binding upon the parties.
- (4) Consent to the mediation proceedings shall not be deemed to mean consent to the jurisdiction of the Arbitration in case the mediation proceedings have failed.

REQUEST FOR MEDIATION

Article 2

- (1) A written request for mediation shall be submitted to the Secretariat of the Arbitration.
- (2) Such request may be submitted by one party alone or by both parties jointly. The request shall indicate the subject-matter of the dispute, the relationship from which the dispute arose and the relevant facts.
- (3) When submitting the request for mediation the party shall make the payment of registration fees to the Secretariat of the Arbitration. When the request is submitted by both parties jointly, each of them shall make the payment of half of the amount.
- (4) A joint submission of the request, or submission of the request by one party and its acceptance by the other party, shall be deemed as to mean the acceptance by the parties of the provisions of these Rules pertaining to the mediation proceedings.
- (5) Any party may at any time withdraw from the mediation proceedings and shall in such case bear all the costs of the mediation proceedings that have arisen until that moment.
- (6) The parties may take part in the mediation proceedings in person, or through a duly authorized representative.

ROLE OF THE SECRETARIAT

Article 3

- (1) When a request for mediation is submitted by one party, the Secretariat of the Arbitration shall notify the other party thereof and shall invite it to state within a specified period of time whether it accepts the request and, if it does, to present within the same period of time a written statement of the facts and of its case, and to submit all the relevant documents.

- (2) When the other party fails to respond within the specified period of time, or rejects the request, the Secretariat of the Arbitration shall notify the requesting party that the mediation proceeding cannot take place.

MEDIATOR (MEDIATION COMMISSION)

Article 4

- (1) Mediation is conducted by a mediator jointly appointed by the parties.
- (2) The parties may agree that the mediation be conducted by a mediation commission, which will consist of a representative appointed by each party, and of the president of the mediation commission jointly appointed by the parties.
- (3) Before the commencement of the proceedings the Secretary of the Arbitration shall fix an advance to cover the costs of the mediation proceedings, which will correspond to the reduced amount fixed on the basis of the value of the dispute pursuant to the schedule of arbitration costs. The advance shall be deposited by both parties in equal parts. When the parties fail to deposit the advance to cover the costs of the mediation proceedings, the Secretary of the Arbitration shall invite them to do so within a newly fixed time limit. If the parties fail to deposit the advance to cover the costs of the mediation proceedings within the newly fixed time limit, it shall be deemed that the mediation has failed. The amounts paid as registration fees of the Arbitration shall not be returned.
- (4) When the parties have not appointed the mediator, the president or their representatives in the mediation commission, the Secretariat of the Arbitration shall invite them to do so within a newly fixed time limit. If they fail to do so within the newly fixed time limit, the mediators shall be appointed by the President.
- (5) A party may select a foreign national as its representative. Travel and other expenses of a mediator who permanently resides outside the country of mediation shall be paid by the party which has appointed him or her.
- (6) The parties may agree that the mediation proceedings will be conducted by the President, Vice-President, or by a member of the Extended Board, or by a mediator appointed by the President.

MEDIATION PROCEDURE

Article 5

- (1) The mediator shall conduct the mediation proceedings in the manner which he or she considers appropriate after consulting with the parties; the mediator shall assist the parties in finding mutually acceptable solutions. If the parties agree, the mediator may propose a solution of the dispute to the parties. In any case, the mediator may organize joint meetings with the parties or meet with each of the parties separately.
- (2) The results of the mediation proceedings shall be noted in a record to be signed by the mediator and by the parties. The amount of costs of mediation proceedings shall be fixed by the Secretary of the Arbitration according to the value of the dispute in the reduced amount pursuant to the schedule of arbitration costs. The costs of the mediation proceedings shall be apportioned between the parties by the mediator unless the parties have agreed as to their participation in the costs, which shall be noted in the record.
- (3) A settlement shall be deemed to have been concluded when the parties, after having read the record in which it is noted that they have reached a settlement, sign this record. A settlement reached in this way shall have the effect of a settlement reached outside of the arbitration.
- (4) The mediator or the members of the mediation commission in the dispute in which no settlement was reached, may not be appointed as arbitrators or participate in the proceedings before the Arbitration.

- (5) When the parties are absent, the document of settlement is sent to them for signature accompanied with a notice that it shall be deemed that the mediation has failed if they fail to sign and return the document to the Secretariat of the Arbitration within seven days from the date of receipt.
- (6) When the parties make a joint proposal to this effect, the settlement reached in the mediation proceedings may be recorded in the form of an arbitral award.

ANNEX II

THE ARBITRATION AS THE APPOINTING AUTHORITY

When the Arbitration is requested to act as the appointing authority, the applicant shall deposit the fee in the amount of EUR 500 per each such request. The Arbitration shall act upon the request only after the amount of fees has been paid in full. The powers of the Arbitration as the appointing authority shall be exercised by the President.