



NEMZETI AGRÁRGAZDASÁGI KAMARA

ARBITRAL RULES

and

FEE SCHEDULE

of the

Permanent Court of Arbitration

operating under the auspices of the

HUNGARIAN CHAMBER OF AGRICULTURE

1ST April 2022

**Arbitral Rules of the Permanent Court of Arbitration Operating under the auspices of
the Hungarian Chamber of Agriculture, Food and Rural Development**

SAMPLE CLAUSE:

“To settle any dispute arising out of or in connection with this Contract, its conclusion, amendment, performance, breach, termination, validity or interpretation, and falling within the scope of Section 59 (2) of Act LX of 2017 on Arbitration, the parties submit themselves to the exclusive jurisdiction of the Permanent Court of Arbitration operating under the auspices of the Hungarian Chamber of Agriculture, Food and Rural Development (hereinafter referred to as Court of Arbitration) understanding and accepting that the Court of Arbitration shall act and proceed according to its own Arbitral Rules.”

The parties can add the following supplements to the above clause with effect regarding the Court of Arbitration:

- a) the number of the proceeding arbitrator(s) shall be.....(one, three)
- b) in the course of the arbitral proceedings the rules of the sub-regulation on expedited procedures shall apply
- c) a declaration regarding succession in title as set down in Section 56 of Act LX of 2017 on Arbitration (hereinafter referred to as the Arbitration Act).

I. GENERAL PROVISIONS

Section 1: The Court of Arbitration and its Scope of Jurisdiction

(1) The Permanent Court of Arbitration organized under the auspices of the Hungarian Chamber of Agriculture, Food and Rural Development (hereinafter referred to as the Chamber) was established pursuant to Section 32 of Act CXXVI of 2012 on the establishment of the Hungarian Chamber of Agriculture, Food and Rural Development, within its organization, and its operating rules are defined pursuant to Act LX of 2017 on Arbitration (hereinafter referred to as Vbt.), the By-Laws and the Organizational and Operating Rules of the Chamber, and the present Arbitral Rules (hereinafter referred to as Arbitral Rules).

(2) Pursuant to Section 59(2) of the Act on Arbitration, the Act on the Hungarian Chamber of Agriculture, Food and Rural Development and the Act on the Detection and Prevention of Legal Transactions Aimed at Circumventing the Legal Provisions Restricting the Acquisition or Use of the Ownership of Agricultural Land, the Court of Arbitration operated by the Chamber of Agriculture and the Arbitral Tribunal established in accordance with their Rules of Procedure shall act in the cases specified therein.

Section 2: Validity of the Arbitration Agreement

(1) An Arbitration Agreement shall be valid only if made in writing.

(2) The Arbitration Agreement shall be deemed to have been made in writing even if, in its statement referring its case to arbitration or in its statement of claim, a party asserts the existence of an Arbitration Agreement and the other party does not contest it. A reference to a document containing an arbitration clause shall also classify as a written Arbitration Agreement provided that the clause contained therein forms an integral part of the contract.

(3) Unless expressly agreed otherwise, by stipulating the competence of the Court of Arbitration, the parties shall deem the Arbitral Rules as their own agreement regulating the framework of the procedure, which they consider obligatory for themselves.

Section 3: Objections to Jurisdiction

(1) Objections challenging the jurisdiction of the Court of Arbitration shall be lodged simultaneously with the filing of the defence, at the latest. The fact that the party has appointed an arbitrator shall not deprive it of the right of filing an objection challenging the jurisdiction of the Court of Arbitration no later than the time of submitting the defence on the merits.

(2) An objection to the jurisdiction of the Court of Arbitration can be accepted after the elapse of this term if the delay in submitting the objection is concerned justified by the Arbitral Tribunal or the Sole Arbitrator. There is no room for applying for a certificate

a) after the first hearing, if the party fails to submit its objection to the jurisdiction of the Court of Arbitration on the first hearing, at the latest,

b) if the party acts with a legal representative and in its written statement of claim it made a statement regarding the merits of the case without objecting to the jurisdiction of the Court of Arbitration.

(3) The Court of Arbitration shall normally judge the objections challenging its jurisdiction separately as a preliminary question. The Court of Arbitration is, however, also entitled to conduct the proceedings and to rule on the objection only in its decision on the case.

(4) It is not contrary to the stipulation of the jurisdiction of the Court of Arbitration and does not constitute a waiver thereof, if either party turns to the ordinary courts for the purpose of requesting preliminary evidence, ordering interim or security measures, affixing an enforcement clause to a document, or providing security. The party is obliged to immediately inform the Arbitral Tribunal of such a request and any decisions made based on the request.

II. ORGANIZATIONAL STRUCTURE OF THE COURT OF ARBITRATION

Section 4: Organizational Structure of the Court of Arbitration

(1) The Court of Arbitration shall be composed of

a) an arbitration panel (referred to as Arbitration Panel),

b) a president (hereinafter referred to as President of the Court of Arbitration),

c) vice-presidents,

d) a presidium (hereinafter referred to as Presidium of the Court of Arbitration),

e) a secretariat (hereinafter referred to as Secretariat).

(2) The personnel and material resources for the operation of the Court of Arbitration shall be secured by the national administrative organization of the Chamber.

(3) The operating costs of the Court of Arbitration, excluding the honorarium of the arbitrators, the public charges accruing thereupon, and the costs to be borne by the parties under the Rules of Procedure, shall be covered by the budget of the Chamber.

Section 5: The Arbitration Panel

- (1) The Arbitration Panel is a body composed of individuals listed in the Register of Arbitrators, also performing self-governing functions.
- (2) The Arbitration Panel exercises its powers within the framework of a general meeting of arbitrators.
- (3) The President of the Court of Arbitration is also the chairman of the Arbitration Panel.
- (4) The Arbitration Panel
 - a) performs all tasks assigned to its jurisdiction by the Arbitral Rules,
 - b) expresses an opinion on all issues which the Presidium of the Court of Arbitration recommends to be included in the agenda of the Arbitration Panel,
 - c) makes proposals to the national Presidium of the Chamber for including new arbitrators in the Register of Arbitrators,
 - e) formulates guidelines, as necessary, to ensure the consistency of the decisions made by the Court of Arbitration.
- (5) The President of the Court of Arbitration convenes the meetings of the Arbitration Panel and proposes its agenda. The President of the Court of Arbitration shall send the invitation to the meeting of the Arbitration Panel to the persons on the Register of Arbitrators and other persons invited to the meeting of the Arbitration Panel no later than 8 (eight) days prior to the date of the meeting. In particularly justified cases, the President of the Court of Arbitration may convene the meeting with shorter notice.
- (6) The meeting of the Arbitration Panel shall be convened within five days following the receipt of the relevant request, in accordance with the general rules – with an eight-day notice period – if at least four individuals listed in the Register of Arbitrators submit a written request to the President of the Court of Arbitration, specifying the reason, the objective, and the proposed agenda items. If the President of the Court of Arbitration fails to fulfil their obligation to convene the Arbitration Panel, then any individual listed in the Register of Arbitrators who initiated the request may convene the meeting.
- (7) The meetings of the Arbitration Panel shall be chaired by the President of the Court of Arbitration or in their absence by the General Vice-President, or in their joint absence by any Vice-President.
- (8) The national President of the Chamber participates in the meetings of the Arbitration Panel as permanent invitee and shall have the right of consultation.
- (9) The Arbitration Panel shall have a quorum if more than half of all individuals in the Register of Arbitrators are present thereat.
- (10) Unless the Arbitral Rules provides otherwise, the Arbitration Panel shall pass its resolutions by a simple majority of those present.
- (11) Unless the Arbitral Rules provides otherwise, the Arbitration Panel shall pass its decisions by open ballot.

(12) Minutes shall be drawn of the meetings of the Arbitration Panel, which shall be attested by the presiding Chairman of the meeting and a member of the Panel, or by the minute-taker elected at the meeting.

(13) The Arbitration Panel may hold its meetings by electronic means if the President of the Court of Arbitration so decides. In this case, the invitation to the arbitration meeting and the material(s) to be discussed shall also be sent electronically. The minutes shall also be prepared electronically.

Section 6: President of the Court of Arbitration

(1) The President of the Court of Arbitration shall be elected by the Arbitration Panel from among those listed in the Register of Arbitrators, on the proposal of the President of the Chamber, by open ballot for a maximum term of five years. At the initiative of any member of the Arbitration Panel, a secret ballot shall be held on the person of the President of the Court of Arbitration.

(2) The mandate of the President of the Court of Arbitration shall cease upon:

- a) the expiration of their term in office,
- b) their death,
- c) their resignation,
- d) their dismissal.

(3) The President of the Court of Arbitration may be removed from office by a joint written initiative of more than half of the members of the Arbitration Panel and the national President of the Chamber, by a decision of two-thirds of all the members of the Arbitration Panel taken by secret ballot. The President of the Court of Arbitration shall be disregarded in determining the quorum.

(4) The President of the Court of Arbitration can resign from their position by a written declaration addressed to the Arbitration Panel. In such a case, the meeting of the Arbitration Panel can be convened by any member thereof.

(5) The President of the Court of Arbitration:

- a) represents the Court of Arbitration,
- b) shall perform all duties assigned to their competence by the Arbitral Rules.

(6) The President of the Court of Arbitration may be elected as the president or arbitrator of the proceeding Arbitral Tribunal in the same manner and under the same conditions as the other arbitrators listed in the Register of Arbitrators. However, in such cases, they may not perform the duties assigned to them by the Arbitral Rules in connection with the specific case, nor may they exercise the powers vested in them as President of the Court of Arbitration. If the need to exercise presidential powers nevertheless arises, the General Vice-President of the Court of Arbitration shall act in place of the President. In the event of their inability to do so, the Vice-President responsible for the analysis of arbitration case law shall assume the role.

(7) The arbitrator's honorarium allocated to the President of the Court of Arbitration shall be the Chamber's own revenue.

Section 7: Vice-Presidents of the Court of Arbitration

(1) The Arbitration Panel shall elect a maximum of two Vice-Presidents on the proposal of the President of the Court of Arbitration, by open ballot for a maximum term of five years. Any member of the Arbitration Panel may propose the election of additional Vice-Presidents.

(2) The rules applicable to the termination of the mandate of the President of the Court of Arbitration shall apply accordingly to the termination of the mandate of the Vice-President.

(3) The division of tasks and the substitution arrangements between the Vice-Presidents of the Court of Arbitration shall be determined by the President of the Court of Arbitration, who must also simultaneously designate the General Vice-President and the Vice-President responsible for the analysis of legal practice.

(4) The General Vice-President of the Court of Arbitration shall:
a) substitute the President of the Court of Arbitration in case of their incapacity, and
b) shall perform all the duties assigned to their competence by the Arbitral Rules.

(5) The Vice-President of the Court of Arbitration responsible for analysing legal practice shall, by analysing all awards made by the Court of Arbitration, submit a proposal to the Arbitration Panel for the formulation of guidelines to ensure uniform legal practice and, in the event of the joint incapacity of the President of the Court of Arbitration and the General Vice-President, shall substitute the President of the Court of Arbitration.

Section 8: Presidium of the Court of Arbitration

(1) The members of the Presidium of the Court of Arbitration shall be:
a) the President of the Court of Arbitration,
b) the Vice-Presidents of the Court of Arbitration,
c) a maximum of six additional individuals listed in the Register of Arbitrators, elected by the Arbitration Panel from among its members for a maximum term of five years.

(2) Any person included in the Register of Arbitrators may propose the election of a member of the Presidium under paragraph 1(c).

(3) The Arbitration Panel shall decide on the election of a member of the Presidium under paragraph (1)(c) by open ballot.

(4) The rules applicable to the termination of the mandate of the President of the Court of Arbitration shall apply accordingly to the termination of the mandate of a member of the Presidium under paragraphs 1(b) and (c).

(5) The Presidium of the Court of Arbitration
a) shall assist the work of the President of the Court of Arbitration,
b) may take a position on any issue concerning the operation of the Court of Arbitration, except in the case of specific disputes before the Court of Arbitration,
c) shall, at the request of the President of the Chamber, formulate a legal professional position,
d) shall, through the President of the Court of Arbitration, inform the National Executive Presidency of the Chamber once a year on the operation and case law of the Court of Arbitration,

- e) shall express an opinion on the budget of the Court of Arbitration,
- f) shall propose the drafting and amendment of the Arbitral Rules,
- g) shall elaborate recommendations regarding the amounts of the penalties to be applied.

(6) The Presidium of the Court of Arbitration shall elaborate its own operating rules.

(7) The Presidium of the Court of Arbitration may, in particularly justified cases, hold its meetings by electronic means, with due application of Section 5(13).

Section 9: The Arbitrators

(1) An arbitrator is elected by the National Assembly of Delegates for a term of up to five years through a secret ballot from among individuals with high-level legal, economic, or professional expertise necessary for the adjudication of arbitration disputes. A person cannot be an arbitrator if:

- a) they have not reached the age of thirty or do not hold a legal professional qualification,
- b) they have been disqualified from public affairs by a final court judgment,
- c) they have been sentenced to imprisonment by a final court decision, until they are relieved of the disadvantages associated with a criminal record,
- d) they are under guardianship affecting legal capacity or subject to supported decision-making,
- e) they are subject to a ban from a profession requiring a university law degree, or
- f) they have been placed on probation by a final court decision, for the duration of the probation period.

(2) An arbitrator elected pursuant to Section 7 of Chapter VII of the By-Laws of the Chamber may act as arbitrator only after making the following declaration:

"I, the undersigned hereby declare that as an arbitrator of the Permanent Court of Arbitration operating under the auspices of the Hungarian Chamber of Agriculture, Food and Rural Development I shall act independently and impartially. I acknowledge that during the arbitration proceedings, I shall not represent any party, I shall not accept any instructions in relation to the case subject to arbitration, and I shall maintain the confidentiality of any information obtained in the course of my arbitration duties even after the termination of my role."

(3) Arbitrators are equal, and in the performance of their duties, they are independent, impartial, and not representatives of the parties. During their proceedings, they may not accept instructions, are obliged to maintain complete confidentiality, and must preserve the secrecy of any information acquired in the course of their duties both during the proceedings and after their conclusion. Furthermore, they may not disclose any information or make any statements regarding either pending or concluded cases.

(4) The mandate of the Arbitrator shall cease upon:

- a) the Arbitrator's death,
- b) their resignation,
- c) their dismissal,
- d) their disqualification from public affairs, as well as
- e) for the reason set out in Section 9(1).

(5) An Arbitrator may resign from office by a declaration addressed to the Presidium of the Court of Arbitration.

(6) A proposal for the recall of an Arbitrator by the National Assembly of Delegates shall be decided by a decision of the Arbitration Panel, taken by secret ballot of two-thirds of all the members of the Arbitration Panel, on the written initiative of more than half of the members of the Arbitration Panel. The Arbitrator concerned shall be disregarded in determining the quorum and the proportion of votes.

(7) To inform the clients, the Court of Arbitration shall draw up and publish a Register of Arbitrators on the website of the Chamber.

(9) The Register of Arbitrators shall include the Arbitrators' family and given names, occupation, qualifications, academic degrees, and fields of expertise.

Section 10: The Secretariat

(1) The Secretariat shall manage the administrative affairs of the Court of Arbitration, including the filing and archiving of incoming documents and perform other duties in accordance with the Arbitral Rules.

(2) The work of the Secretariat shall be directed by the President of the Court of Arbitration.

III. ARBITRATION PROCEEDINGS

General Provisions

Section 11: Seat of the Court of Arbitration and place of the hearings;

(1) The seat of the Court of Arbitration is in Budapest, at the seat of the Hungarian Chamber of Agriculture.

(2) The venue for the hearings is in Budapest, in the hearing room(s) of the Court of Arbitration. The Court of Arbitration may, if necessary, during an on-site inspection or at the joint request of the parties – and provided that any additional procedural costs are paid – hold the hearing at another suitable location. The Court of Arbitration may order that a hearing involving the participation of the claimant or the respondent be conducted via video conference (online). In particularly justified cases, the Court of Arbitration may also decide that the hearing be held

online via video conference. In the case of an online hearing, an audio recording of the proceedings shall be made, and, if technical conditions permit, a video recording as well.

(3) Unless otherwise agreed by the parties, the language of the arbitration proceedings shall be Hungarian. Submissions shall be made in Hungarian.

(4) The minutes of the hearing and the decisions taken in the course of the proceedings shall be in Hungarian. The Court of Arbitration shall communicate with the parties in Hungarian.

(5) At the request of a party, the Court of Arbitration shall arrange for the services of an interpreter or translator. The costs for the interpreter and translator shall be advanced by the party that initiated the request for such services upon being called by the Court of Arbitration.

(6) At the joint request of the parties, the language of the proceedings may be other than Hungarian if judges who undertake to conduct the proceedings and render judgments in that language are selected from the Arbitration Panel, or if the parties otherwise agree to bear the costs of interpretation. However, the decision closing the proceedings shall still be given in Hungarian.

Section 12: Submissions

(1) All submissions relating to the institution and conduct of the arbitration proceedings shall be submitted in as many copies as necessary so that each opposing party (or parties), any intervenor, every arbitrator, and the Secretariat of the Court of Arbitration receives one copy. The submissions (including their attachments) shall also be sent electronically – only a party acting without legal representation may be exempted in particularly justified cases, a request for such exemption being decided upon by the Arbitral Tribunal (Sole Arbitrator).

(2) The parties are obliged to simultaneously send their submissions, which are submitted to the Court of Arbitration, to the other parties in a manner that provides proof of dispatch (e.g., by registered mail with return receipt requested), as well as electronically.

(3) In the event of a decision by the Arbitral Tribunal (or Sole Arbitrator), submissions submitted in a foreign language shall be accompanied by a certified Hungarian translation of the standard specified by the Arbitral Tribunal (or Sole Arbitrator).

Section 13: Duration of the Arbitration Proceedings

The Court of Arbitration shall preferably conclude the arbitration proceedings within six months following the date of setting up the Arbitral Tribunal.

Section 14: Sending and Service of Documents

(1) The submissions and documents of the case shall be sent to the parties by the Secretariat or the proceeding Sole Arbitrator – or, in the case of an Arbitration Panel, by any of the Arbitrators – to the service address specified by the parties. If the submissions or documents of the case are not served via the Secretariat, the resulting documents shall be forwarded to the Secretariat without delay for archiving upon the conclusion of the proceedings.

(2) The statement of claim, the statement of defence, the summons, other substantive procedural documents, and the decisions of the Court of Arbitration shall be sent by the Secretariat by registered mail with return receipt.

(3) The presiding arbitrator may, at the first hearing or beforehand, issue a written request to the parties, who may agree among themselves and with the Court of Arbitration that the Court of Arbitration and the parties shall be obliged to send their documents, except for the Court of Arbitration's award or decision terminating the proceedings, also by e-mail, provided that the Court of Arbitration shall be entitled, even if such an agreement has been reached, to require the parties at any time to send specific documents or, in general, all documents in the case in paper form. The Parties shall nevertheless be entitled to send their documents on paper to each other and to the Court of Arbitration at any time.

(4) In the absence of an agreement between the Parties as set forth in paragraph (3), except for the documents specified in paragraph (2), other documents may be sent by registered mail, and notices or communications may also be transmitted by telegram, fax, or email by the Secretariat or the presiding Arbitrator.

(5) Copies of electronically generated documents shall be handled together with the paper-based documents of the case.

(6) Any document referred to in this Section may also be personally served on the party against acknowledgment of receipt.

(7) Unless otherwise agreed by the parties, any written communication shall be deemed to have been received on the day when:

- a) it is delivered to the addressee in person, or
- b) it is served at the registered office, place of business, or residence (hereinafter collectively referred to as registered office), habitual residence, or postal address of the addressee.

(8) If the receipt of the written communication under paragraph (6) cannot be established despite reasonable efforts, it shall be deemed received, unless otherwise agreed by the parties, if it was sent by registered mail or any other method proving the attempted service to the addressee's last known business address, residence, habitual residence, or postal address. A written communication shall be deemed received on the eighth day following dispatch in the case of a domestic addressee and on the fifteenth day following dispatch in the case of a foreign addressee.

(9) The arbitral award shall also be sent electronically.

Section 15: Arbitration Fees and Costs

(1) The calculation, advancement and sharing of arbitration fees and the reimbursement of arbitration costs shall be made in accordance with the Rules on Arbitration Fees, Costs and Parties' Expenses, which are part of these Arbitral Rules.

(2) If the Court of Arbitration is composed of 3 members, the President shall be entitled to 40% of the gross arbitration fee and each member shall be entitled to 30% of the gross arbitration fee.

Section 16: Representation of the Parties

(1) The parties may participate in the arbitration proceedings in person, through their legal representative or their authorised legal representative.

(2) Each party is free to choose their representative authorized to provide legal representation in Hungary.

(3) Arbitrators listed in the Register of Arbitrators published by the Court of Arbitration may not act as legal representatives in proceedings before this institution.

(4) A former arbitrator may not act as a legal representative before the Court of Arbitration within six months following the termination of their mandate as arbitrator.

Section 17: Applicable Law

(1) Unless otherwise agreed by the Parties, the Arbitral Tribunal or the Sole Arbitrator (hereinafter referred to as Arbitral Tribunal) shall proceed in accordance with the Hungarian substantive law. For the purposes of the proceedings, any directly applicable and mandatory EU legal act in Hungary shall also be considered part of the Hungarian law.

(2) The Arbitral Tribunal may decide based on equity (*ex aequo et bono*) or as a friendly mediator (*amiabile compositeur*) only if expressly authorized by the Parties.

(3) In all cases, the Arbitral Tribunal shall render its decisions in accordance with the provisions of the contract underlying the dispute, taking into account the laws and commercial customs applicable to the contract, as well as the Ethical Rules of the Chamber.

(4) If, during the proceedings, either party acts in breach of the principle of good faith pursuant to Article 5 of Act CXXX of 2016 on the Code of Civil Procedure (Pp.), the Arbitral Tribunal may impose on that Party a fine pursuant to Section 160 of the Pp.

Section 18: Interim and Preliminary Measures

(1) Upon the request of either party, the Arbitral Tribunal may issue an interim measure by way of an order.

(2) By the interim measure the Arbitral Tribunal shall, prior to the award terminating the dispute, instruct the party to

- a) maintain or restore a condition until the dispute is resolved;
- b) take measures to prevent, or refrain from taking any measure which could likely result in damage, imminent threat of damage, or influence the outcome of the arbitration proceedings;
- c) ensure that assets necessary for the enforcement of the arbitral award remain available or provide security equivalent to their value; or
- d) preserve evidence that may be relevant to the resolution of the dispute.

(3) In cases falling under points (a), (b), and (c) of paragraph (2), the Party requesting the interim measure must demonstrate that:

a) in the absence of the measure, harm would occur that could not be remedied by the compensation awarded by the Arbitral Tribunal, and such harm would exceed any potential harm the party affected by the measure might suffer if the measure were granted; and

b) the claimant's claim will succeed on the merits. The Arbitral Tribunal's assessment of this likelihood shall not bind it in any further deliberations.

(4) Together with a request for an interim measure, a party may also apply for a preliminary measure ordering the other party to take specific action to prevent the purpose of the requested interim measure from being frustrated.

(5) The Arbitral Tribunal may grant a preliminary measure if it considers that notifying the opposing party of the request for an interim measure would create a risk that the purpose of the measure would become impossible.

(6) A preliminary measure shall expire twenty days after its issuance.

(7) The Arbitral Tribunal may incorporate its preliminary measure into an interim measure and modify it after the opposing party has been notified and had an opportunity to present its position.

(8) The mandatory rules governing interim and preliminary measures shall be applied in accordance with the provisions of the Act on Arbitration (Vbt.).

Section 19: Confidentiality of the Court of Arbitration's Decision

(1) The Court of Arbitration shall not provide any information or disclosure regarding ongoing proceedings, its decisions, or the contents thereof.

(2) By stipulating the competence of the Court of Arbitration, the Parties undertake to observe and enforce the provisions set out in this Section.

Section 20: Waiver of the Right to Object for Breach of Rules

A party who is aware of a failure to comply with a provision of these Arbitral Rules, of the Arbitration Agreement, or of the Act on Arbitration permitting a different agreement of the parties, and continues to participate in the proceedings without raising an objection promptly – or, if a deadline has been set, within that deadline – to the deviation from such provision shall be deemed to have waived their right to object.

Special Regulations Applicable to the Arbitral Proceedings

Section 21: Formation of the Arbitral Tribunal; Sole Arbitrator

(1) The Court of Arbitration generally proceeds in a three-member panel, with each Party appointing one Arbitrator from the Register of Arbitrators. A Party may request that the President of the Court of Arbitration appoint an arbitrator on their behalf.

(2) The Arbitrators appointed by the Parties or by the President of the Court of Arbitration shall select the Presiding Arbitrator from among the Arbitrators listed in the Register of Arbitrators who hold a legal qualification. From that moment, the Arbitral Tribunal is deemed constituted.

(3) Upon the joint request of the Parties or if the Parties have so agreed in the Arbitration Agreement, the Court of Arbitration may proceed with a Sole Arbitrator. Only an Arbitrator with a legal qualification may act as a Sole Arbitrator. The procedural powers of the Sole Arbitrator shall be identical to those of a three-member panel; the provisions of the Arbitral Rules applicable to the Arbitral Tribunal and its President shall also apply to the Sole Arbitrator, even if not explicitly stated in the Arbitral Rules. From the time of the election or designation of the Sole Arbitrator, the Sole Arbitrator shall exercise the powers that arise upon the constitution of the Arbitral Tribunal in accordance with the Arbitral Rules.

(4) From the moment of the constitution of the Arbitral Tribunal, the Arbitral Tribunal shall take the necessary measures to conduct the arbitration proceedings, for which it may seek assistance from the Secretariat.

(5) The Secretariat shall promptly notify the Parties of the constitution and composition of the proceeding Arbitration Panel.

(6) Unless the parties have expressly excluded it, the Presiding Arbitrator shall be entitled to take, on his own authority, measures related to the conduct of the proceedings that do not affect the outcome of the dispute on the merits (e.g. reasonable adjustment of the time limit for the lodging of documents, calling upon the defaulting party or parties to comply with their procedural obligations).

Section 21: Conduct of the Proceedings

(1) In matters not governed by the mandatory provisions of the Act on Arbitration, the Arbitral Tribunal shall conduct the proceedings in accordance with the provisions of these Arbitral Rules or, in the case of an expedited procedure, with the derogations provided for in the sub-regulations on expedited procedure. In procedural matters not regulated by the mandatory provisions of the Act on Arbitration or the Arbitral Rules, and in the absence of an agreement between the Parties, the Arbitral Tribunal shall proceed at its own discretion, considering the general procedural principles appropriate to the nature of the legal relationship between the Parties.

(2) The proceedings shall respect the principles of equality of the Parties and equal treatment as well as each Party's right to have access to the arbitration case materials, the submissions of the other Parties, the evidence presented by them, and the procedural actions taken by the Arbitral Tribunal, as well as the right to express their views at their request during the arbitration proceedings.

(3) During the proceedings, the Arbitral Tribunal shall endeavour to settle the dispute between the Parties amicably (settlement).

Section 23: Appointment of Arbitrators

(1) Each Party shall have the right to nominate an Arbitrator from among the individuals listed in the Register of Arbitrators, and this right shall not be limited or such limitation shall be disregarded.

(2) The Claimant shall nominate an Arbitrator in the statement of claim. The Respondent shall nominate an Arbitrator within thirty days from the receipt of the statement of claim, even if they raise an objection to the competence of the Court of Arbitration or submit their statement of defence at a later stage.

(3) The dispute may be resolved by a Sole Arbitrator without an explicit agreement of the Parties if the Respondent, in their statement of defence, consent to the Arbitrator appointed by the Claimant or the President of the Court of Arbitration to proceed as a Sole Arbitrator.

(4) If the Claimant fails to nominate an Arbitrator in the statement of claim and does not request the President of the Court of Arbitration to appoint one, the President shall request the Claimant to rectify this omission. If the Claimant fails to comply within the deadline set by the Court of Arbitration, the President of the Court of Arbitration shall terminate the proceedings. If the Respondent does not nominate an Arbitrator within thirty days of receiving the statement of claim, the President of the Court of Arbitration shall appoint one on their behalf, provided that the Respondent has already made a prior declaration of submission to arbitration. The same procedure applies if the arbitrators nominated by the parties fail to elect the presiding arbitrator within fifteen days of accepting their appointment. The President of the Court of Arbitration shall act in the same manner if the Arbitrators nominated by the Parties do not elect the President of the Arbitration Panel within fifteen days of the date of acceptance of their nomination.

(5) If the Arbitrators nominated by the Parties or the President elected by the Arbitrators do not accept to perform their duties as Arbitrator or President, or are prevented from doing so for any reason, the Court of Arbitration shall invite the Party to nominate a new Arbitrator within fifteen days, unless they have nominated a replacement Arbitrator, and shall invite the Arbitrators to elect a President within the same period. If the time limit expires without result, the President of the Court of Arbitration shall appoint the Arbitrator or the President.

(6) If the specific nature of business relations (e.g. family business, integration) justifies it, the claims may, at the request of the Claimants or the Respondents, be adjudicated upon in the same proceedings, provided that the Parties have already made their declaration of submission to arbitration, and if the same facts are the subject of the proceedings.

(7) If several Claimants or several Respondents cannot agree on the Arbitrator to be nominated jointly by them, the President of the Court of Arbitration shall appoint an Arbitrator on their behalf, also taking into account the proposals of the Parties, provided that the Parties have already made a declaration of their submission to arbitration.

(8) The President of the Court of Arbitration may nominate an Arbitrator or a President from the Register of Arbitrators.

Section 24: Objection to the Person of the Arbitrators or the Presiding Arbitrator

(1) A Party may challenge an Arbitrator or the Presiding Arbitrator if such circumstances exist that give rise to justifiable doubts regarding their impartiality or independence. A Party may only challenge the Arbitrator appointed by them if the grounds for the challenge became known to the Party after the appointment due to reasons beyond their control. A challenge may not be used to prevent the other Party from freely exercising their right to appoint an Arbitrator.

(2) An Arbitrator or the Presiding Arbitrator shall immediately disclose to the other members of the Arbitration Panel and the Parties, and the Sole Arbitrator to the President of the Court of Arbitration and the Parties, any circumstances coming to their knowledge which are inconsistent with their independence and impartiality.

(3) The remaining members of the Arbitration Panel shall decide on an objection raised by a Party or a disclosure made by an Arbitrator or the Presiding Arbitrator. If they cannot reach an agreement, or if the objection concerns two Arbitrators or the Sole Arbitrator, the Presidium of the Court of Arbitration shall decide on the objection. Similarly, the Presidium of the Court of Arbitration shall also rule on any objection raised before the Arbitration Panel is constituted.

(4) If a decision upholding the objection or notification is rendered, a new Arbitrator, President or Sole Arbitrator shall be elected or appointed in accordance with these Arbitral Rules. The Arbitration Panel shall decide, at the request of a Party or ex officio, whether previous parts of the hearing need to be repeated.

(5) The provisions in this Section shall apply mutatis mutandis to experts.

(6) An objection shall be submitted within 15 days of becoming aware of the composition of the Arbitration Panel, but no later than the first hearing. A later motion for exclusion may only be made if the circumstances giving rise to it arise later. However, no motion for exclusion may be tabled after the hearing has been closed.

Section 25: Termination of the office of Arbitrator (Presiding Arbitrator) in the Arbitration Panel

(1) Upon the termination of the proceedings, the office of Arbitrator (Presiding Arbitrator) in the Arbitration Panel shall cease to exist, but this shall not relieve the acting Arbitrator (Presiding Arbitrator) from performing the procedural acts provided for in paragraphs (5) and (7).

(2) The office of Arbitrator (Presiding Arbitrator) in the Arbitration Panel shall also be terminated if

- a) the Arbitrator (Presiding Arbitrator) becomes unable to perform their duties for any reason,
- b) the Arbitrator (Presiding Arbitrator) resigns from their position in the Arbitration Panel,
- c) the Presidium of the Court of Arbitration determines that the Arbitrator (Presiding Arbitrator) is not fulfilling their duties and issues a resolution to that effect, or
- d) the Parties mutually agree on the termination.

(3) The office of Arbitrator (Presiding Arbitrator) shall be terminated in the Arbitration Panel if the objection against the Arbitrator (Presiding Arbitrator) is upheld.

(4) In the event of the termination of the office of Arbitrator (Presiding Arbitrator) in the Arbitration Panel, a new Arbitrator shall be appointed or a new Presiding Arbitrator elected in accordance with the provisions of these Arbitral Rules. The removal of an Arbitrator appointed by a Party does not affect the position of the previously elected Presiding Arbitrator of the Arbitration Panel.

(5) An Arbitrator (or Presiding Arbitrator) who participated in rendering the award is obliged, without additional remuneration, to participate in any supplementary or corrective proceedings related to the award.

(6) If, during the course of the proceedings, there has been a change either in the person of the Arbitrator nominated by the Party (or on their behalf by the President of the Court of Arbitration) or in the person of the Presiding Arbitrator of the Arbitration Panel, the Arbitrators concerned shall agree on the distribution of the honorarium; failing this, the President of the Court of Arbitration shall decide. If the Parties jointly request the recall of the Arbitrator, the Arbitrator shall be entitled to the Arbitrator's fee (or a pro rata portion thereof) already advanced and the new Arbitrator's fee shall be borne equally by the Parties, unless otherwise agreed.

(7) In the event of the annulment of the arbitral award, the members of the proceeding Arbitration Panel shall continue the hearing of the case. In the event of a change in the composition of the arbitrators, the Arbitrators concerned shall agree on the distribution of the honorarium, failing which the President of the Court of Arbitration shall decide.

Section 26: Initiation of the Arbitral Proceedings

(1) The Arbitral Proceedings shall commence upon the submission of the Statement of Claim to the Secretariat of the Court of Arbitration and on the day following the receipt of the arbitration fee on the bank account of the Court of Arbitration.

(2) The date of submission of the Statement of Claim shall be:

- a) the date of filing with the Secretariat of the Court of Arbitration; or
- b) in the case of postal submission, the date of receipt by the Secretariat (as indicated by the date stamp).

(3) The Statement of Claim, together with its annexes, shall be submitted in one original copy and by electronic means to the Secretariat of the Court of Arbitration. Further reproduction of the Statement of Claim and its annexes shall be made by the Secretariat of the Court of Arbitration.

(4) The Statement of Claim shall be sent by the Secretariat of the Court of Arbitration to the Respondent(s) by registered letter with return receipt at the address indicated by the Claimant.

(5) The advance of the arbitration fee notified by the Secretariat, which shall be communicated to the Claimant by the Secretariat after the submission of the Statement of Claim, shall be paid by the Claimant to the bank account of the Court of Arbitration indicated in the notification within the time limit indicated therein.

Section 27: Requirements of the Statement of Claim

The Statement of Claim shall include:

- a) the exact names, addresses and electronic contact details (e-mail, telephone) of the Parties in such a way as to avoid any confusion,
- b) the information establishing the jurisdiction of the Court of Arbitration,
- c) the Claimant's definitive Statement of Claim,
- d) the legal basis for the Statement of Claim and a detailed explanation of the facts on which the Claimant bases their demand, including references to the underlying evidence,

- e) the indication of the value of the dispute,
- f) the surname and forename of the Arbitrator nominated by the Claimant or a request that the President of the Court of Arbitration appoint the Arbitrator,
- g) a list of the documents attached to the Statement of Claim (table of contents),
- i) the Claimant's own signature or the signature of the Claimant's authorized representative, with a copy of the company extract or power of attorney attached in case of representation.

Section 28: Value of the Dispute

- (1) The value of the dispute shall be determined as follows:
 - a) for monetary claims: the amount claimed,
 - b) for claims seeking the release of assets: the value of the requested asset,
 - c) for declaratory claims or claims regarding specific actions or omissions: the value of the legal relationship, which is generally the amount that the Claimant accepts as settlement of the claim against the Respondent,
 - d) for claims related to lease agreements or other continuous, periodic services: the amount of one year's rent or contract fee,
 - e) for claims challenging corporate resolutions: the financial value affected by the contested resolution or, failing that, the Claimant's share of the company's subscribed capital,
 - f) for claims seeking the eviction of real estate: the amount of one year's rent.
- (2) The value of the dispute shall be determined based on the value at the time of filing the claim. If the Claimant modifies the claim after submission by increasing the originally claimed amount, they must supplement the procedural fee paid by them proportionally within five days of submitting the amendment.
- (3) In cases involving multiple claims, the value of each claim shall be determined separately. In such cases, the total value of the dispute shall be the sum of all claims combined.
- (4) The Claimant shall indicate the value of the dispute in the Statement of Claim, even if the claim or a part of it is not of a monetary nature.
- (5) If the Claimant fails to indicate or incorrectly states the value of the dispute, the Court of Arbitration shall determine it ex officio or upon the Respondent's request, based on the available information.

Section 29: Rectification of Deficiencies in the Statement of Claim

- (1) If the Court of Arbitration determines that the Statement of Claim does not comply with the requirements set forth in these Arbitral Rules, it shall request the Claimant to rectify the identified deficiencies within a specified deadline. The deadline set for the Claimant for rectification shall not exceed thirty days from the receipt of the request. If the Claimant corrects the deficiencies within the prescribed period, the submission date of the Statement of Claim shall be deemed the same as if it had originally been submitted in a complete form.
- (2) If the Claimant fails to comply with the request for rectification, the President of the Court of Arbitration shall terminate the proceedings by an order.

Section 30: The Respondent's Statement of Defence

(1) Following the commencement of the arbitration proceedings, the Secretariat shall notify the Respondent and send them a copy of the Statement of Claim and its annexes, the Arbitral Rules and the Register of Arbitrators.

(2) Simultaneously, the Secretariat shall invite the Respondent to submit to the Secretariat of the Court of Arbitration, within thirty days of the date of service of the Statement of Claim, an original copy of their Statement of Defence, as well as an electronic copy, supported by the relevant evidence. At the Respondent's request, this time limit may be extended by up to fifteen days, with simultaneous notification to the Claimant. The content requirements for the Statement of Defence correspond to those applicable to the Statement of Claim. The Secretariat shall ensure that the Statement of Defence is forwarded to the Claimant and to the Arbitral Tribunal (Sole Arbitrator).

(3) If the Respondent fails to submit the Statement of Defence within the extended deadline set by the Court of Arbitration, the Arbitral Tribunal may issue its decision based on the available documents and evidence, without considering the failure as an automatic admission of the Claimant's allegations.

(4) The Respondent shall in any event appoint an Arbitrator or request the President of the Court of Arbitration to appoint an Arbitrator on his behalf within thirty days of the receipt of the Statement of Claim. In the event of failure to do so, the rules governing the appointment of Arbitrators shall apply.

Section 31: Amendment of the Statement of Claim and the Statement of Defence

During the arbitration proceedings, a party may, until the hearing is concluded, amend or supplement their Statement of Claim or Statement of Defence, unless the Arbitration Panel considers this impermissible in view of the foreseeable delay, or any legal disadvantage to the other Party, or any other circumstances caused by the amendment or supplement.

Section 32: Preparation of the Hearing by the Arbitrator

(1) The Arbitration Panel shall verify the measures taken to prepare for the hearing and, if necessary, take further preparatory steps, including, inter alia, inviting the Parties to submit written statements, evidence and other additional documents. The Arbitration Panel shall decide what other submissions the Parties are required or entitled to submit, in addition to the Statement of Claim and the Statement of Defence, and shall fix the time limits for their submission.

(2) If a Party fails to comply with the invitation referred to in paragraph (1) within the time limit fixed by the Arbitration Panel, the Arbitration Panel may take its decision on the basis of the documents available. The Court of Arbitration shall warn the Party of this fact together with the notice; however, failure to give such warning shall not prevent the Court of Arbitration from taking its decision.

(3) The Secretariat of the Court of Arbitration shall take measures for the preparation and holding of the hearing and for summoning the Parties to the hearing at the request from the Presiding Arbitrator of the Arbitration Panel.

Section 33: Summons to the Hearing

The Parties shall be notified of the date and place of the arbitration hearing by summons. The summons shall be sent in such a manner as to allow each party at least fifteen days to prepare for the hearing and arrive at the hearing venue.

Section 34: Change in the Parties; Intervention in the Proceedings

(1) If the Arbitral Tribunal determines that the Arbitration Agreement (clause) extends to the legal successor of a Party – provided that succession has occurred in the legal relationship underlying the proceedings – the successor shall continue the proceedings in place of the predecessor as a Party. In such a case, the predecessor shall, upon request and with the consent of the opposing Party, be released from the proceedings, and the proceedings concerning them shall be terminated.

(2) The Claimant's legal successor may participate in the proceedings, and the Claimant may extend the claim to the Respondent's legal successor. The participation of the Claimant's legal successor in the proceedings requires the written consent of the Claimant, while the participation of the Respondent's legal successor requires the written consent of both Parties. Consent is not required if the successor joins the proceedings due to the predecessor's dissolution through succession, transformation, or, in the case of a natural person, death. In all cases, proof of succession shall be provided.

(3) Procedural acts carried out and decisions made before the release of the predecessor shall remain binding on the legal successor.

(4) Upon request by either Party, the Arbitral Tribunal shall inform any person with a legal interest in the outcome of the arbitration proceedings that they may intervene in the proceedings to support the success of the Party with whom they share an interest. The request for intervention shall be submitted to the Court of Arbitration in a number of copies sufficient to provide one for each Party and four for the Court of Arbitration.

(5) The Arbitral Tribunal shall decide on the admissibility of the intervention by an order. No appeal shall be allowed against the Arbitral Tribunal's decision regarding the permission to intervene.

(6) The intervening Party may submit evidence and participate in hearings as well as in procedural actions aimed at conducting an inspection.

Section 35: Presence at the Hearing

The hearing is not public. Apart from the Presiding Arbitrator, the members of the Arbitral Tribunal, the Parties, their representatives, the recording clerk, assistants of the Arbitral Tribunal, the interpreter, and, when necessary, experts and witnesses, as well as the President of the Court of Arbitration, only those individuals may be present whose attendance has been approved by both the Arbitral Tribunal and all Parties. The names of all individuals present on behalf of the Parties shall be recorded in the minutes of the hearing.

Section 36: Participation of the Parties

(1) The arbitration hearing may also be held in the absence of a Party duly notified of the time and place of the hearing.

(2) A Party may request that the hearing be held in its absence.

Section 37: Adjudication without an Oral Hearing

(1) Unless otherwise agreed by the parties – except as provided in paragraph (3) – the Arbitration Panel shall decide whether to hold a hearing for the presentation of arguments and evidence or to proceed without one.

(2) At the joint request of the Parties, the Arbitration Panel shall decide without a hearing on the basis of the documents available.

(3) At the request of either Party, the Arbitration Panel shall hold a hearing at the appropriate stage of the proceedings, even if the Parties have otherwise agreed that the dispute shall be decided without a hearing.

Section 38: Counterclaim and Set-off Claim

(1) The Respondent may file a counterclaim concerning the subject matter of the primary claim until the hearing is concluded, provided that the Court of Arbitration has jurisdiction to adjudicate the counterclaim. If the arbitral proceedings are delayed due to undue delay in filing a counterclaim, the Arbitration Panel may order the Respondent to reimburse the Court of Arbitration and the other Party for any additional costs incurred in connection therewith.

(2) The same provisions that apply to the primary claim shall apply to the counterclaim.

(3) The Respondent is entitled to raise a set-off claim regarding its due and homogeneous claims against the Claimant, provided that the Court of Arbitration has jurisdiction over these claims. The provisions applicable to the primary claim shall also apply to the set-off claim.

(4) The Arbitral tribunal may decide to separate the hearing of a counterclaim that was submitted with undue delay and may reject the hearing of a set-off claim submitted under the same circumstances.

Section 39: Evidence

(1) A party shall prove the circumstances on which it relies in support of its claim or defence. The Arbitral Tribunal may request the Party to submit additional evidence, order an expert opinion, obtain evidence from third parties, and summon witnesses for testimony.

(2) Documentary evidence shall be submitted in such number of copies as shall be sufficient to provide each Party with one copy and the Arbitral Tribunal with four copies. The Arbitral Tribunal may also require the submission of original documents if necessary.

(3) If a Party fails to produce the required evidence within the time limit set by the Arbitral Tribunal, the Arbitral Tribunal may take its decision based on the available data and evidence.

(4) The method of proof shall be determined by the Arbitral Tribunal. The Arbitrators shall evaluate the evidence based on their professional conviction.

(5) The Arbitral Tribunal shall, at the request of either Party, appoint an expert to give a written opinion on matters determined by the Arbitral Tribunal. The Arbitral Tribunal shall notify the Parties of the terms of reference of the expert by means of a copy of the order appointing the expert.

(6) The Parties are obliged to provide the expert with all relevant information and present any necessary documents or goods for examination. Any dispute between a Party and the expert regarding the legitimacy of a request by the expert for information or document presentation shall be referred to the Arbitral Tribunal for resolution.

(7) Once the expert opinion is received, the Court of Arbitration shall forward it to all Parties, allowing them to submit their observations regarding the expert opinion. Each Party shall be entitled to inspect all documents on which the expert based their opinion.

(8) Following the submission of the expert opinion, the expert may also be heard at a hearing if requested by either Party or if deemed necessary by the Arbitral Tribunal. The Parties may attend and question the expert. Each party may also present expert witnesses to support their position on the disputed issues. The provisions of Section 32 shall apply to the proceedings.

(9) If expert evidence is ordered, the Arbitral Tribunal shall issue an order requiring the Parties to advance the expert's fees and expenses. This advance on fees and expenses is typically shared equally between the Parties. If one of the Parties fails to pay its share of the advance on fees and expenses within the deadline set by the Arbitral Tribunal, the other Party shall also pay the advance on fees and expenses due to it. If the expert examination cannot proceed due to non-payment of the advance on fees and expenses, the Arbitral Tribunal shall decide the case based on the available evidence.

(10) The Arbitral Tribunal shall determine the final sharing of expert fees and expenses in its decision closing the proceedings.

(11) The attendance of a witness at a hearing shall be arranged by the Party in whose interest the attendance of the witness is.

(12) If the evidence relates to an inspection or if the Arbitral Tribunal deems an inspection necessary, the Arbitral Tribunal shall inform the Party responsible for providing the evidence that the Court of Arbitration intends to conduct an inspection. It is the duty of the Party concerned to facilitate the inspection. If the inspection does not take place, the Arbitral Tribunal shall decide the case based on the available evidence.

Section 40: Postponement of the Hearing and Suspension or Interruption of the Proceedings

(1) The Arbitral Tribunal may postpone the hearing if necessary, either upon the request of the Parties or ex officio, by issuing an order.

(2) If the decision to be taken in the arbitration proceedings may be influenced by the outcome of proceedings pending before another court or authority, or by the occurrence of a specific

event relevant to the dispute, the Arbitral Tribunal may suspend the proceedings either ex officio or at the request of either Party, and shall inform the relevant court or authority of such suspension if necessary. The suspension may last for up to six months or until the conclusion of the other proceedings with final effect. If the Claimant requests the suspension of the proceedings before the Arbitral Tribunal has been constituted, the powers of the Arbitral Tribunal provided in this Section shall be exercised by the President of the Court of Arbitration.

(3) Upon the joint request of the Parties, the Arbitral Tribunal shall order the interruption of the proceedings. During the interruption period, the proceedings shall be continued at the request of either Party. After 180 days from the date of interruption, the proceedings shall be terminated. If the proceedings are terminated due to interruption and the request for interruption was submitted no later than the first hearing, 50% of the arbitrators' fees shall be refunded.

(4) The proceedings shall resume on the new scheduled date, upon submission of a request for continuation, or upon the expiration of the suspension period.

Section 41: Minutes of the Arbitration Hearing

(1) The Arbitral Tribunal shall prepare minutes of the hearing. The minutes shall include the following:

- a) the name of the Arbitral Tribunal,
- b) the case number,
- c) the place and date of the hearing,
- d) the names of the parties and their representatives,
- e) the names of all persons attending the hearing on behalf of the parties,
- f) a record of the parties' attendance or absence,
- g) the surnames and forenames of the Arbitrators, the Presiding Arbitrator, witnesses, experts, interpreters, and any other persons present at the hearing,
- h) a brief description of the proceedings of the hearing,
- i) the claims and key statements of the parties,
- j) a reference to the reasons for postponement or termination of the proceedings,
- k) the signatures of the Arbitrators.

(2) The Parties may inspect the minutes. Upon the request of a Party, the Arbitral Tribunal may order corrections or additions to the minutes by issuing an order.

(3) Upon the request of a Party, a copy of the minutes shall be provided; or at least sent electronically to the parties concerned.

Section 42: Conclusion of the Arbitral Proceedings

(1) The Arbitral Tribunal shall conclude the proceedings by issuing either an award or an order.

(2) The Arbitral Tribunal shall issue an award if it decides the dispute on its merits or if the Parties request an award based on their settlement agreement.

(3) Prior to the conclusion of the proceedings, the Arbitral Tribunal may also issue an interim or partial award.

Section 43: Issuance of the Award

(1) If the Arbitral Tribunal considers the circumstances of the dispute to be sufficiently clarified, it shall declare the evidentiary proceedings closed. After hearing the Parties' statements, the Arbitral Tribunal shall close the hearing and render its decision. If the Arbitral Tribunal has not held a hearing, it may omit the formal closure of the proceedings, but it may only render an award if it has called the attention of the Parties that it may make a substantive decision based on the available documents without holding a hearing.

(2) The Arbitral Tribunal shall issue the award in a closed session by majority vote.

Section 44: Contents of the Arbitral Award

(1) The arbitral award shall include the following:

- a) name of the Court of Arbitration,
- b) case number,
- c) place and date of issuing the award,
- d) the names of the parties and other persons who have participated in the proceedings,
- e) the subject matter of the dispute and a brief summary of the circumstances of the case,
- f) decision on the Statements of Claims,
- g) if requested by either Party, a decision on the amount and sharing of procedural costs,
- h) the reasoning for the award,
- i) the surnames and forenames of the Arbitrators, (the Sole Arbitrator) and the Presiding Arbitrator,
- j) the signatures of the Arbitrators.

(2) An arbitrator may not refuse to sign the award.

(3) An Arbitrator may submit a written dissenting opinion, which shall be placed in a sealed envelope within the case file. The President of the Court of Arbitration may, in justified cases, authorize access to the dissenting opinion.

(4) If the award does not specify a deadline for execution, it shall be executed immediately.

Section 45: Pronouncement of the Arbitral Award

(1) The Arbitral Tribunal shall communicate its written and reasoned award to the Parties through the Secretariat of the Court of Arbitration in writing and by electronic means within thirty days after the closing of the oral hearing at the latest. If the Court of Arbitration does not hold a hearing, the judgment shall be recorded in writing and communicated promptly after the establishment of the facts.

(2) If the nature of the case allows, the Arbitral Tribunal shall pronounce the award orally immediately after the conclusion of the oral hearing in the presence of the Parties, while absent Parties shall receive the award in writing. In such cases, the Court of Arbitration may announce only the operative part of the award orally and communicate the reasoning to the Parties within thirty days of the conclusion of the hearing.

(3) The President of the Court of Arbitration may extend the deadlines specified in this Section in exceptional and justified cases.

Section 46: Supplementation and Correction of the Arbitral Award

- (1) Upon the request of a Party submitted within thirty days of receiving the arbitral award, the Arbitral Tribunal may issue a supplementary award if the arbitral award does not address all claims submitted by the Parties. The request for supplementation shall be sent to the opposing Party, who may submit comments within fifteen days. A hearing shall be held on the subject of the request if it is justified to protect the interests of the opposing Party.
- (2) If the Arbitral Tribunal finds the request for correction justified, it shall issue a supplementary arbitral award within sixty days, after holding a hearing, if necessary.
- (3) The Arbitral Tribunal shall, either upon the request of a Party (submitted no later than thirty days after receiving the award) or ex officio, correct any obvious clerical errors, typographical mistakes, or calculation errors in the text of the arbitral award that do not affect the substance of the case. The Party's request shall be notified to the other Party.
- (4) A decision supplementing or correcting an arbitration award shall form part of the supplemented or corrected award. No costs shall be imposed on the Parties in connection with the supplementation or correction of an arbitration award.
- (5) The above provisions regarding supplementation and correction of an award shall also apply, as appropriate, to the supplementation or correction of interim or partial awards, as well as orders concluding the proceedings.

Section 47: Enforcement of the Arbitral Award

An arbitral award has the same effect as a final court judgment. The award of the Court of Arbitration is final and binding and is not subject to appeal or supervision; the Parties shall comply with it voluntarily. As regards its enforcement, the statutory provisions governing the execution of court judgements shall apply.

Section 48: Termination of the Arbitral Proceedings without an Award

- (1) If the Arbitral Tribunal does not issue an award in the case, it shall conclude the proceedings by way of an order.
- (2) The Arbitral Tribunal shall issue an order terminating the proceedings in the following cases:
 - a) the Claimant withdraws the claim, unless the Respondent objects, and the Arbitral Tribunal recognises the Respondent's legitimate interest in a final resolution of the dispute,
 - b) the Parties reach a settlement that the Arbitral Tribunal approves without issuing an award,
 - c) the Parties agree to terminate the proceedings,
 - d) after prior notice to the Parties, where the conditions necessary for a decision on the merits of the case are lacking and cannot reasonably be expected to be fulfilled within a short period of time,
 - e) the Arbitral Tribunal determines that continuing the proceedings is unnecessary or impossible for any other reason,
 - f) the proceedings have been terminated due to interruption,

g) the Arbitral Tribunal finds that it lacks jurisdiction over the dispute.

(3) The provisions of Sections 43-47 shall apply accordingly to such orders. If the Arbitral Tribunal has not yet been constituted, the order terminating the proceedings – except in cases under points (d) and (e) of paragraph (2) – shall be issued by the President of the Court of Arbitration.

Section 49: Sub-regulations on Expedited Proceedings

(1) The provisions of this Section on Expedited Proceedings as a sub-regulation shall apply if the Parties have so agreed in the Arbitration Agreement (clause).

(2) In the event of application of the sub-regulations, the provisions of the Arbitral Rules shall apply with the deviations provided for in this Section.

(3) The time allowed to the Claimant to remedy the deficiencies in the claim may not exceed ten days from the date of receipt of the relevant notice. The Respondent shall have fifteen days from the receipt of the Statement of Claim sent by the Court of Arbitration to submit a Statement of Defence. If this deadline is missed, any extension granted ex officio or upon the Respondent's request shall not exceed eight days. If a hearing is held under paragraph (8), the summons shall be sent in a manner ensuring that each Party has at least seven days to prepare for the hearing.

(4) In expedited proceedings, a Sole Arbitrator shall decide the case unless the Parties agree otherwise. If the Parties agree on an Arbitral Tribunal instead of a Sole Arbitrator, the constitution of the Arbitral Tribunal shall follow the procedure in Section 22. The provisions applicable to the Sole Arbitrator in this Section shall also apply to the Arbitral Tribunal.

(5) If the Parties do not unanimously agree on the appointment of the Sole Arbitrator by the expiry of the time limit for filing the Statement of Defence, the President of the Court of Arbitration shall appoint the acting Sole Arbitrator within a further eight days.

(6) The Secretariat shall notify the Parties in writing about the expedited nature of the proceedings and the relevant Arbitral Rules (notification of the proceedings).

(7) The Sole Arbitrator shall decide the case without an oral hearing based on the Parties' written submissions. Following the submission of the Statement of Claim and the Statement of Defence, each Party may submit only one additional written submission within a maximum period of fifteen days. On the eighth day following the expiry of the time limit for the last submission, the proceedings shall be terminated without a separate formal closing order.

(8) By way of derogation from the provisions of paragraph (7), a hearing shall be held in the case, if

(a) either Party requests a hearing in writing by the deadline for submitting the Statement of Defence, or

(b) the Sole Arbitrator deems it justified.

(9) If an expert needs to be involved in the case, the proceedings shall continue from the issuance of the order appointing the expert, without applying the expedited rules of this sub-

regulation, provided that the Sole Arbitrator already acting in the case shall continue to act. The previous procedural acts shall remain in force unchanged.

(10) The written, reasoned award shall be delivered to the Parties within fifteen days after the conclusion of the proceedings.

(11) The Court of Arbitration shall complete the expedited proceedings within 100 days of receiving the Statement of Claim, whenever possible.

(12) In the expedited proceedings, the Claimant shall pay the arbitration fee, including the registration fee as set out in Annex 2 of the Fee Schedule, to the bank account of the Court of Arbitration at the same time as submitting the Statement of Claim. Proof of the transfer shall be provided to the Secretariat of the Court of Arbitration within one banking day. If the Parties agree on an Arbitration Panel, the arbitration fee shall be calculated on the basis of the table in Annex 1.

IV. CONCILIATION-MEDIATION PROCEDURE

Section 50: Initiation of the Proceedings

(1) If arbitration proceedings have not yet been commenced, the Court of Arbitration may conduct conciliation-mediation proceedings (hereinafter referred to as the proceedings) aimed at the peaceful resolution of the dispute between the Parties in matters within its jurisdiction under the Act on Arbitration, even if the Parties have not concluded an Arbitration Agreement.

(2) Either party may request the conciliation-mediation proceedings. If the Parties jointly request the proceedings, they may agree on the conciliator-mediator and the procedural rules, provided that these do not contradict the principles of independence, impartiality, and equal treatment of the Parties. The conciliator-mediator must not be subject to the disqualification grounds set out in Sections 12 (7) and (8) of the Act on Arbitration.

(3) If one of the Parties requests the proceedings, the Court of Arbitration shall transmit the request to the other Party with an invitation to the other Party to declare to the Court of Arbitration within thirty days whether it is willing to participate in the proceedings. If the other Party declares that it will not participate in the proceedings, or fails to respond within thirty days, or fails to remit to the Court of Arbitration within thirty days the appropriate part of the procedural fee and the requesting Party does not pay it either, the conciliation-mediation proceedings shall be deemed unsuccessful.

(4) If the Parties agree to the conciliation-mediation proceedings, the President of the Court of Arbitration shall appoint a conciliator-mediator from the Register of Arbitrators.

(5) Legal representation may be used in the proceedings.

Section 51: Conduct of the Proceedings

(1) The conciliator-mediator shall conduct the proceedings at their discretion, within the framework of this Chapter, while respecting the principles of equal treatment of the parties and the impartiality of the conciliator-mediator.

(2) The conciliator-mediator may request the Parties to provide a brief written summary of the essence of the dispute and their positions. The conciliator-mediator shall hold discussions involving the Parties, hear them, and review any documents they present. At the request of the Parties, the conciliator-mediator may also hear other persons if deemed necessary for clarifying the facts. Unless otherwise agreed by the Parties, the conciliator-mediator may hold separate discussions with each Party.

(3) The conciliator-mediator may request additional information or proposals from the Parties at any stage of the proceedings.

(4) With the Parties' consent, the conciliator-mediator may appoint an expert at the Parties' expense.

Section 52: Confidentiality of the Proceedings

All participants shall respect the confidential nature of the proceedings. Information about the proceedings may only be disclosed to third parties with the consent of the Parties and the conciliator-mediator.

Section 53: Settlement

At any stage of the proceedings, the conciliator-mediator may develop a settlement proposal and present it to the Parties to facilitate an agreement between them.

Section 54: Minutes

The conciliator-mediator shall draw up and sign minutes of all discussions during the proceedings, setting out the substance of the proceedings.

Section 55: Limitation of Certain Procedural Acts

The Parties may exclude the application of Sections 53 and 54 in writing.

Section 56: Conclusion of the Proceedings

(1) If the Parties reach an agreement, the conciliator-mediator shall record its contents in the minutes.

(2) Upon the joint request of the Parties, the President of the Court of Arbitration shall appoint the conciliator-mediator as a sole arbitrator. The Sole Arbitrator shall incorporate the agreement reached and signed by the Parties into an arbitral award.

Section 57: Effect of Statements made in the Proceedings, Subsequent Use of Evidence Submitted

(1) Unless otherwise agreed in writing by the Parties, statements made by the Parties during the conciliation-mediation proceedings, except for statements incorporating a settlement, shall not be binding on the Parties or relied upon by the opposing party in any possible subsequent court, arbitration, or conciliation-mediation proceedings, except for statements embodying the settlement. The same applies to evidence presented by the Parties during the proceedings unless

such evidence was independently obtainable by the Parties outside the conciliation-mediation proceedings.

(2) After the termination of the proceedings, the conciliator-mediator may not participate as a judge, arbitrator, party representative, advisor, or expert in any subsequent court, arbitration, or conciliation-mediation proceedings initiated on the same subject matter. Upon written agreement of the Parties to this effect, the conciliator-mediator may act as a sole arbitrator or presiding arbitrator in the arbitration proceedings initiated after the conciliation-mediation proceedings.

(3) Unless otherwise required by mandatory legal provisions governing conciliation or agreed in writing by the Parties, the conciliator-mediator shall be bound by confidentiality regarding the conciliation-mediation proceedings in which they previously participated.

Section 58: Termination of the procedure

(1) The conciliation-mediation procedure shall be terminated in the following cases:

a) when the conciliator-mediator submits to the Court of Arbitration the minutes containing the agreement reached and signed by the Parties,

b) when either Party requests the termination of the procedure by submitting a written statement to both the conciliator-mediator and the other Party, or by making such a request in the minutes of the proceedings,

c) when the conciliator-mediator, after informing the Parties in advance, notifies the Court of Arbitration in writing that the mediation has failed,

d) when the President of the Court of Arbitration notifies the Parties in writing that the appointment of the conciliator-mediator was not properly conducted or that, under the given circumstances, a conciliator-mediator could not be appointed.

(2) The termination of the conciliation-mediation procedure for the reason referred to in paragraph (1)(c) does not require justification.

V. CLOSING PROVISIONS

Section 59

(1) The Arbitral Rules, along with the Fee Schedule governing arbitration fees, costs, and party expenses (Fee Schedule), which forms an integral part thereof, were approved by the General Constitutional Assembly of Arbitrators of the Permanent Court of Arbitration organized under the auspices of the Hungarian Chamber of Agriculture, Food and Rural Development through an online vote held on 17 March 2022, based on the authorization provided in Chapter XII, Section 12(b) of the By-Laws.

(2) These Arbitral Rules shall apply to proceedings commenced after 1 April 2022.

(3) Proceedings initiated under the previous Arbitral Rules shall be concluded in accordance with the provisions of those rules.

Budapest, 23 March 2022

Dr. Zoltán Mikó
President of the Court of Arbitration

Fee Schedule for Arbitration Fees, Costs, and Party Expenses (Fee Schedule)

Section 1

Payment of Arbitration Fees and Other Costs

(1) The Court of Arbitration shall not charge administrative costs in disputes between members of the Chamber.

(2) The party initiating a procedural step shall be responsible for prepaying any technical costs associated with the arbitration proceedings (e.g., witness fees, expert fees, travel expenses, interpreter fees, etc.). The procedural action may only be carried out after the costs have been prepaid.

(3) The arbitration fee shall include:

- a) the arbitrator's honorarium,
- b) the public charges related to the arbitration fee, and
- c) the procedural fee as specified by the Act on Dues.

(4) The arbitrator's honorarium shall be determined by the President of the Court of Arbitration based on the value of the dispute and the Fee Schedule. Considering the complexity of the case, the President of the Court of Arbitration may increase the arbitrator's honorarium by up to 50%.

(5) In equity, amicable mediation, and conciliation-mediation proceedings, the parties shall pay 50% of the arbitration fee determined under paragraph (1). The President of the Court of Arbitration may increase this honorarium by up to 50% based on the complexity of the case. If the parties request the incorporation of their agreement into an arbitral award during the conciliation-mediation procedure, they shall prepay the difference between the mediation fee and the arbitration fee. The agreement can only be incorporated into an award after this difference has been paid.

(6) If, in a three-member panel, only one or two arbitrators are appointed, but no substantive decision is made, the arbitrator(s) involved shall be entitled to 50% of their honorarium.

Section 2

Payment of Arbitration Fees, Mediation-Conciliation Fees, and Other Costs

(1) The arbitration fee, the procedural fee incurred in connection with the equity, amicable mediation and conciliation-mediation procedure as well as any other arbitration-related costs, shall be transferred to the bank account provided by the Secretariat of the Permanent Court of Arbitration operating under the auspices of the Hungarian Chamber of Agriculture, Food and Rural Development.

(2) For claims expressed in a foreign currency, the amount shall be converted into Hungarian forints at the official exchange rate of the National Bank of Hungary applicable on the date the claim or counterclaim (set-off claim) is submitted.

(3) The arbitration fee, the procedural fee incurred in connection with the equity procedure, the amicable mediation procedure, and the conciliation-mediation procedure, as well as other costs related to the arbitration proceedings, shall be paid in Hungarian forints.

(4) The payment of the arbitration fee, the procedural fee incurred in connection with the equity procedure, the amicable mediation procedure, and the conciliation-mediation procedure, as well as other costs related to the arbitration proceedings shall be considered completed when the amount is credited to the bank account of the Hungarian Chamber of Agriculture, Food and Rural Development.

Section 3

Reduction and Partial Refund of the Arbitration Fee

(1) If the Claimant withdraws the claim at the first hearing at the latest, particularly because the parties have settled their dispute, or, in other cases when the parties notify the Court of Arbitration by this deadline that they refrain from the hearing of their dispute by the Court of Arbitration, or if the Arbitral Tribunal terminates the case at the first hearing for other reasons, the Claimant shall be refunded 50% of the arbitrator's honorarium and related public charges.

(2) In the case of the application of paragraph (1), the decision on the partial refund of the arbitrator's honorarium shall be made by the acting Arbitral Tribunal (sole arbitrator) together with the decision on the termination of the proceedings. If the Arbitral Tribunal has not yet been constituted, the decision on the refund of the fee shall be made by the President of the Court of Arbitration.

(3) If the acting Arbitral Tribunal (or sole arbitrator) terminates the procedure at the first arbitration hearing at the latest due to lack of jurisdiction, the Claimant shall be refunded 50% of the arbitrator's honorarium and related public charges.

Section 4

Arbitration Fees in Case of Counterclaims and Set-off Claims

(1) Counterclaims are subject to the same arbitration fees as the primary claim.

(2) If a party submits a set-off claim, the Arbitral Tribunal shall require the party submitting the set-off claim to pay the arbitration fee applicable to a counterclaim.

(3) If the party submitting the counterclaim or set-off claim fails to pay the fee specified for the counterclaim or the set-off claim within the deadline set by the Arbitral Tribunal, the Court of Arbitration shall consider the counterclaim or set-off claim as if it had not been submitted at all.

Section 5

Sharing of the Arbitration Fee

(1) The arbitration fee – except as provided in paragraph (2) – shall be borne by the losing party in proportion to its loss.

(2) The Arbitral Tribunal (or Sole Arbitrator) may deviate from the provisions of paragraph (1) in justified cases.

(3) As regards the sharing of the arbitration fee, the parties may agree differently from the provisions in paragraphs (1) and (2).

Section 6

Covering of the Arbitration Costs

(1) The arbitration costs shall be borne by the parties in accordance with the provisions of Section 5.

(2) The Arbitral Tribunal may require the Claimant to provide an advance payment to cover costs necessary for the continuation of the proceedings. The Arbitral Tribunal may also request an advance payment from the party whose request for the implementation of a procedural measure is deemed justified by the Arbitral Tribunal.

(3) The provisions of Section 2(4) shall apply to the payment of costs and cost advances.

Section 7

Costs of the Parties

(1) The Court of Arbitration may require a party to reimburse additional costs incurred due to its unreasonable, unjustified, or bad-faith procedural actions. Such actions include, in particular, procedural actions that cause additional costs by taking unnecessary legal measures (for example, by prolonging the proceedings unreasonably in the circumstances of the case).

Section 8

Advance Payment of the Arbitrator's Honorarium

If requested by the Arbitral Tribunal (Sole Arbitrator), the President of the Court of Arbitration may order an advance payment of a proportionate part of the arbitrator's honorarium to the Arbitral Tribunal (Sole Arbitrator) based on a partial award.

Annex 1

PROCEDURAL FEE SCHEDULE

of the

**Court of Arbitration operating under the auspices of the
Hungarian Chamber of Agriculture, Food and Rural Development**

Arbitrator's Honorarium per arbitrator:

0 - 10,000,000 HUF: 120,000 HUF

10,000,001- 25,000,000 HUF: 220,000 HUF + 1.6% of the amount exceeding 10,000,000 HUF
25,000,001- 50,000,000 HUF: 460,000 HUF + 1.2% of the amount exceeding 25,000,000 HUF
50,000,001- 125,000,000 HUF: 760,000 HUF + 0.8% of the amount exceeding 50,000,000 HUF
125,000,001- 250,000,000 HUF: 1,360,000 HUF + 0.4% of the amount exceeding 125,000,000 HUF
250,000,001- 1,250,000,000 HUF: 1,860,000 HUF + 0.2% of the amount exceeding 250,000,000 HUF
1,250,000,001- 5,000,000,000 HUF: 3,860,000 HUF + 0.12% of the amount exceeding 1,250,000,000 HUF
Over 5,000,000,001 HUF: 8,360,000 HUF + 0.007% of the amount exceeding 5,000,000,000 HUF

PUBLIC CHARGES:

The amount established by the Act on Dues, as well as any other public charges payable according to the applicable laws on the arbitrator's honorarium.

Annex 2

**SOLE ARBITRATOR EXPEDITED PROCEDURE FEE SCHEDULE
of the
Court of Arbitration operating under the auspices of the
Hungarian Chamber of Agriculture, Food and Rural Development**

In the case of an expedited sole arbitrator procedure, the arbitrator's honorarium specified in Annex 1, increased by 50%.