LATVIJAS TIRDZNIECĪBAS UN RŪPNIECĪBAS KAMERAS **ŠĶĪRĒJTIESA**

**ARBITRATION** **COURT**  OF THE LATVIAN CHAMBER OF COMMERCE AND INDUSTRY

# **Rules of Procedure of the Court of Arbitration of the Latvian Chamber of Commerce and Industry**

**I. General issues**

1. The Court of Arbitration of the Latvian Chamber of Commerce and Industry (hereinafter referred to as the Court of Arbitration) is a permanent arbitration court which:
	1. Is founded by the Latvian Chamber of Commerce and Industry, registration No. 40003081501;
	2. Its website address is: www.chamber.lv/en/content/30;
	3. Its title in Latvian is as follows: Latvijas Tirdzniecības un rūpniecības kameras Šķīrējtiesa;
	4. The Russian translation of its title is: Третейский суд при Торгово- промышленной палате Латвии.
2. The Court of Arbitration arranges settlement of international and local civil disputes in accordance with these Rules of Procedure, the law and other regulatory enactments.
3. The Court of Arbitration is entitled to arrange settlement of disputes in accordance with the UNCITRAL Arbitration Rules, if the parties so agree.
4. Upon agreeing to settle disputes by the Court of Arbitration in accordance with the UNCITRAL Arbitration Rules, the parties also agree that the Council of the Court of Arbitration is the competent body and that the functions entrusted to the Secretary-General of the Hague Arbitral Tribunal shall be performed by the Council of the Court of Arbitration, unless the parties' agreement on arbitration by the Court of Arbitration provides otherwise.

# **Council and Secretariat**

1. The Council of the Court of Arbitration consists of seven board members appointed for a period of three years by the Council of the Latvian Chamber of Commerce and Industry.
2. Four members of the Council of the Court of Arbitration are nominated by the Council of the Latvian Chamber of Commerce and Industry, three – by the Board of the Latvian Chamber of Commerce and Industry.
3. The members of the Council of the Court of Arbitration elect a chairperson from among themselves to chair the work of the Council.
4. The Council of the Court of Arbitration has the right to decide if at least four members are present.
5. The Council of the Court of Arbitration makes its decisions by a simple majority of those present. In a split vote, the chairperson of the Council of the Court of Arbitration has the casting vote. The Council of the Court of Arbitration is entitled to make decisions by electronic means of communication.
6. The Court of Arbitration has a Secretariat, the work of which shall be led by the Head of the Secretariat of the Court of Arbitration.
7. The task of the Secretariat is to organize the work of the Council of the Court of Arbitration, to maintain the list of arbitrators and to ensure the performance of the functions of the Secretariat and other functions specified in these Rules of Procedure.
8. The Council and the Secretariat respect the principle of confidentiality in resolving disputes between parties.

# **List of arbitrators**

1. The list of arbitrators shall be confirmed, supplemented and updated by a decision of the Council of the Court of Arbitration, on the recommendation of the Secretariat of the Court of Arbitration.
2. The list of arbitrators shall include only persons who meet the statutory qualification requirements for arbitrators and who have agreed to be arbitrators in the Court of Arbitration.
3. The list of arbitrators is drawn up electronically and is publicly available on the website of the Latvian Chamber of Commerce and Industry.
4. A person shall be removed from the list of arbitrators in accordance with the decision of the Council of the Court of Arbitration.

# **Arbitration jurisdiction of the dispute**

1. If parties have agreed on the arbitration of an existing or potential dispute at the Court of Arbitration, but have not determined the terms on which the dispute is to be resolved, they shall be deemed to have agreed on the application of these Rules of Procedure.
2. The arbitration panel shall decide the jurisdiction of the dispute.

# **Time limits**

1. Parties must carry out all procedural actions within the time limits laid down by the law and these Rules of Procedure.
2. The arbitration panel may, at the reasoned written request of the party concerned and after seeking the opinion of the other party, extend the time limits laid down in these Rules of Procedure.

# **Notifications and applications**

1. The notification or application must be sent by a registered letter or electronic mail, recording the fact of sending, or submitted personally.
2. Documents sent during arbitration proceedings shall be deemed to have been received on the date of reception if they have been delivered and received by the addressee personally. Documents sent by post shall be deemed to have been received on the seventh day following the date of dispatch of the postal item.
3. Documents prepared by the Court of Arbitration by electronic mail shall be eligible for transmission by its Secretariat, provided that the party concerned has notified that it agrees to communicate with the Court of Arbitration by electronic mail. If the documents are sent by electronic mail, they shall be deemed to have been received on the next working day.

# **Language and venue of the arbitration proceedings**

1. If the parties have not agreed on the language of the arbitration proceedings in the arbitration agreement, the arbitration panel shall decide on the matter after seeking the views of the parties.
2. The arbitration proceedings shall take place at the seat of the Court of Arbitration at Krišjāņa Valdemāra iela 35, Riga, LV-1010, LATVIA (the premises of the Latvian Chamber of Commerce and Industry), unless the parties have agreed on a different venue. Mail to the Court of Arbitration shall be sent to the above address. Electronic mail should be sent to the address – info@chamber.lv.

# **Initiation of arbitration proceedings**

1. The arbitration proceedings in the case shall initiate on the date when the application to the Secretariat is submitted.
2. The application shall be accompanied by such number of copies as the count of arbitrators and defendants in the case may be. If the application is submitted in the form of an electronic document and the parties have agreed to communicate with the Court of Arbitration by electronic mail, copies need not accompany the application.
3. The application must be submitted in writing to the Secretariat. The requirement for a written form of an application in respect of an electronic document shall be satisfied if the electronic document of the application bears an electronic signature and a time stamp. Documents submitted electronically shall be deemed to have been submitted in writing if the electronic document has a valid and verifiable electronic signature and time stamp.
4. In addition to the requirements specified in the law, the application shall indicate the name and surname of the appointed arbitrator, if the parties have agreed on the panel of three arbitrators, and other necessary information.
5. In the application, the claimant has the right to indicate that he agrees to communicate with the Court of Arbitration by electronic mail. In such a case, the Court of Arbitration shall have the right to send the documents to the specified electronic mail.

# **Response to the claim and counterclaim**

1. Within 15 working days from the date of sending the application, the defendant shall submit to the Secretariat a response to the claim, indicating the circumstances specified in the law, as well as the name and address of the appointed arbitrator, if the parties have agreed on the panel of three arbitrators.
2. In the response, the defendant has the right to indicate that he agrees to communicate with the Court of Arbitration by electronic mail. In such a case, the Court of Arbitration shall only send the documents to the specified electronic mail further on.
3. The counterclaim must be submitted within 15 working days from when the application was sent.
4. The counterclaim shall indicate information on the parties, the subject matter and amount of the claim, and other necessary information.
5. A response to a counterclaim shall be made within 15 working days from the date the counterclaim was sent.
6. The response to the counterclaim shall state the objections, if any, and the supporting evidence.

# **Referral of a case to the arbitration panel**

1. The Secretariat of the Court of Arbitration shall submit the case file to the arbitration panel as soon as it has been constituted and the arbitration fee has been paid.
2. The arbitration panel shall determine the time of a hearing within 15 working days from the receipt of the case file.
3. If the parties have agreed on a written procedure, the arbitration panel shall settle the dispute based on the written evidence and materials submitted.

# **Constitution of an arbitration panel**

1. If the parties have not agreed on the number of arbitrators, three arbitrators shall settle the dispute.
2. If the dispute is to be resolved by a single arbitrator, the parties must agree on a specific arbitrator within 15 working days from the date on which the application was sent to the defendant.
3. If the dispute is to be resolved by a panel of three arbitrators, each party must appoint an arbitrator, indicating it in the application and in the response to the claim.
4. Within 15 working days from the date of receipt of the response to the claim, the Secretariat shall, if necessary, in consultation with the Council, appoint a third judge to act as the chairman of the arbitration panel.
5. If, in the cases and within the time limits laid down in these Rules of Procedure, the parties do not agree on a particular arbitrator or if either party does not appoint an arbitrator, the Secretariat shall, if necessary, in consultation with the Council, appoint an arbitrator within 15 working days from the expiry of the time limit.
6. If an arbitrator refuses or is otherwise objectively unable to perform his or her duties after the initiation of the arbitration proceedings, a new arbitrator shall be appointed in accordance with these Rules of Procedure.
7. If a party fails to provide notice of the arbitrator's rejection within the statutory time limit, it shall be deemed to have refused to reject the arbitrator.
8. The Secretariat shall notify the other party and the arbitration panel about the rejection of the arbitrator and the reasons therefor.
9. If the rejection has been submitted before the constitution of the arbitration panel, and if the arbitrator to whom the rejection has been submitted does not renounce his or her duties, the matter shall be decided by the Council within 10 working days from the date of the receipt of the rejection notice.
10. If the mandate of the arbitrator has expired, a new arbitrator shall be appointed in accordance with the arbitration agreement and these Rules of Procedure.
11. The mandate of the arbitrators in a given case shall expire with the delivery of the judgment, unless either party requests to correct a calculation, a grammatical or typographical error in the judgment, or to explain the judgment or deliver a supplementary judgment.

# **Attestation of arbitrators' signatures**

1. The signature of the arbitrators on the decision is attested by the seal of the Latvian Chamber of Commerce and Industry.

# **Case settlement**

1. In settlement of a dispute, the arbitration panel shall be guided by the provisions of the arbitration agreement, these Rules of Procedure, laws and regulations, and general principles of law.
2. The arbitration panel shall decide the dispute on its merits in accordance with the laws or regulations agreed upon by the parties.
3. In accordance with the arbitration agreement concluded by the parties, the arbitration panel shall hold hearings in order to hear the parties' comments and objections and to examine the evidence (oral procedure) or settle the dispute on the basis of the written evidence and materials submitted (written procedure).
4. Arbitration hearings may be held remotely (via online platforms on the Internet) if either party has submitted such request to the Office of the Court of Arbitration at least 5 (five) working days before the designated hearing and the arbitration panel has accepted it.
5. The arbitration panel shall also hold an oral procedure if the parties have not agreed on the type of procedure in the arbitration agreement or they have agreed on a written procedure, but either party requests an oral procedure until a decision is made. Subject to the provisions of the Rules of Procedure and the agreement of the parties, the Court of Arbitration may conduct proceedings in a manner it deems appropriate (including remotely through online platforms), provided that the dispute is resolved without undue delay and that the parties are given equal opportunities to present their views and submit documents.
6. If the parties have not agreed on the applicable substantive law, the arbitration panel shall apply the laws and other regulatory enactments of Latvia.
7. If any of the arbitrators is replaced, the newly constituted arbitration panel shall decide whether and to what extent oral proceedings should be repeated, if any.
8. The Court of Arbitration, on its initiative or at the reasoned request by one of the parties, is entitled to make decisions for arbitration proceedings and other interim decisions, taking into account the requirements of laws and regulations.
9. Upon a reasoned request by one of the parties, the arbitration panel shall decide to suspend the arbitration proceedings or postpone the dispute's settlement.
10. If, before the delivery of the judgment, the parties agree on an amicable settlement or otherwise wish to terminate the arbitration proceedings, or the claimant has withdrawn the claim, as well as in other cases provided for by the law, the arbitration panel or, if the arbitration panel has not yet been constituted, the Secretariat shall decide on the termination of the arbitration proceedings.
11. If the parties have agreed on an amicable settlement, the arbitration panel may, at the request of both parties, render a judgment including the amicable settlement between the parties.
12. If, after the initiation of proceedings, the parties have not paid the arbitration fee within the time limits laid down, or if the claimant has not appointed an arbitrator, the Secretariat shall be entitled to decide to terminate the proceedings.

# **Decisions of the Court of Arbitration**

1. The arbitration panel makes all its decisions by a majority vote.
2. The arbitration decision shall take effect on the date of its adoption.
3. All the arbitrators shall sign the arbitration decision.
4. If the dispute is to be resolved by more than one arbitrator and the signature of one arbitrator is missing on the arbitration decision, the arbitration decision shall be valid.
5. If any of the arbitrators fails to sign, the arbitration decision shall state the reason for the failure to sign.
6. If the claimant withdraws the claim or requests that the claim be left without consideration, the arbitration panel shall make a decision to that effect, which shall also indicate the costs of the arbitration.
7. After the proceedings have been concluded, the arbitration panel shall submit its decisions to the Secretariat.
8. The decision must be made within three months from when the case was referred to the arbitration panel.
9. At the written request from the arbitration panel, the Council may extend the time limit to deliver the decision.
10. The party concerned shall have the right to request the arbitration panel to correct existing errors in calculations, clerical or grammatical errors by notifying the other party in accordance with the procedure and within the time limit established by law.
11. The party concerned shall have the right to ask the arbitration panel to explain the judgment in accordance with the procedure and within the time limit established by law. Explanation of the judgment shall become an integral part of the judgment from the time of its adoption.
12. A party shall have the right to request the arbitration panel to render a supplementary decision if any of the submitted claims for which evidence was submitted and on which the parties have provided explanations has not been decided. If the arbitration panel considers the request to be justified, it shall be decided by means of a supplementary judgment.
13. In advance and in accordance with the procedure, and within the time limit established by law, the arbitration panel shall notify the parties about the arbitration hearing when the issue of amending or explaining the judgment or rendering a supplementary judgment would be decided.

# **Costs of arbitration**

1. The costs of the arbitration proceedings shall consist of the fees of arbitration and arbitrators.
2. The costs of the arbitration shall be as set out in the Annex to these Rules of Procedure, while the arbitration panel shall determine other expenses incurred during the proceedings.
3. The arbitration panel shall decide on the division of the costs between the parties, taking into account the outcome of the case and other circumstances established by law.

# **Concluding issues**

80. These Rules of Procedure entered into force on 18 March 2021.

81. Arbitration proceedings commenced before these Rules of Procedure entered into force shall be conducted in accordance with the relevant rules of procedure in force so far.

*Annex to the Rules of Procedure of the Court of Arbitration of the Latvian Chamber of Commerce and Industry*

# **Costs of the Court of Arbitration of**

# **the Latvian Chamber of Commerce**

# **and Industry and the payment procedure**

1. This Annex to the Rules of Procedure of the Court of Arbitration of the Latvian Chamber of Commerce and Industry defines the costs of the Court of Arbitration and the procedure for their payment.
2. If the party concerned does not pay the amount set for the costs of the arbitration, the Secretariat shall propose to the other party to pay the missing amount within 15 working days. If the other party also fails to pay the missing amount within that time limit, the Secretariat shall decide to terminate the proceedings. The Secretariat shall be entitled, at the request of either party or on its initiative, to reduce the arbitration fee (paragraph 6 of this Annex).
3. The Secretariat shall, taking into account the complexity of the case, the time required for the consideration and the estimated costs, determine the costs of the non-material claim within 10 working days from the date on which such application is made. The determined costs shall not be less than the minimum rates of the relevant arbitration costs.
4. If the parties reach an amicable settlement before the referral of the case to the arbitration panel or if the arbitration panel adopts a decision on the termination of the arbitration proceedings, the Secretariat shall reimburse the costs already paid by the parties, withholding the minimum arbitration fee of EUR 375 excluding VAT.
5. Fees of arbitrators

|  |  |
| --- | --- |
| **Amount of the claim *in euro*** | **Arbitrator's fee *in euros* excluding VAT** |
| up to 1000 | 125 |
| 1,001 to 5,000 | 175 |
| 5,001 to 25,000 | 250 |
| 25,001 to 100,000 | 500 |
| 100,001 to 500,000 | 1250 |

|  |  |
| --- | --- |
| 500,001 to 1,000,000 | 2,000 |
| 1,000,001 to 5,000,000 | 3,000 |
| over 5,000,001 | 5,000 |

* 1. Fees of arbitrators when a judgment is to be prepared in a foreign language:

If the arbitration proceedings are conducted in a foreign language and the judgment is not prepared in Latvian, a coefficient of 1.5 shall be applied to the arbitrator's fee.

* 1. If the permanent residence of the arbitrator chosen by the party is outside the Republic of Latvia (see the list of arbitrators), the party shall be obliged to pay the travel and accommodation expenses of the arbitrator chosen.
1. Arbitration fee\*

|  |  |
| --- | --- |
| **Amount of the claim *in euro*** | **Arbitration fee *in euros* excluding VAT** |
| Up to 10,000 | 250 |
| 10,001 to 25,000 | 500 |
| 25,001 to 100,000 | 750 + 1% of the amount over 25,001 |
| 100,001 to 500,000 | 1500 + 0.7% of the amount over 100,001 |
| 500,001 to 1,000,000 | 2000 + 0.5 % of the amount over 500,001 |
| 1,000,001 to 5,000,000 | 3000 + 0.2% of the amount over 1,000,001 |
| over 5,000,001 | 5000 + 0.05% of the amount over 5,000,001 |

\*Note:

Arbitration services are transactions subject to value-added tax. Therefore, the amounts in the table are shown net of value-added tax. Upon payment, the calculated fee of the arbitration services shall be subject to value-added tax, in accordance with the applicable tax rate.

1. The fee for the minutes of one arbitration hearing shall be **EUR 300 (excluding VAT)**. If the arbitration proceedings are conducted in a foreign language, a **coefficient of 1.5 shall be applied** to the minutes.
2. The fee for preparing a copy of the decision certified by the Secretariat shall be **EUR 25 (excluding VAT)**.
3. The printing, copying and scanning of documents is a paid service and is payable in accordance with the current price list (the price list is published on

the website). The fees for arbitration services shall be paid before the receipt of the service by depositing the respective amount into the Court of Arbitration bank account.

Latvian Chamber of Commerce and Industry

Chairman of the Board J.Endziņš