

Annex to the Rules of the Arbitration Court  
governing Domestic Disputes

**Principles Governing the Costs of Arbitral Proceedings in Domestic Disputes**

**Section 1  
Costs of Arbitral Proceedings**

(1) The costs of arbitral proceedings shall include:

- a) the fees of arbitral proceedings (arbitration fees) in accordance with Sections 1, 3 and 4,
- b) specific costs incurred by the Arbitration Court,
- c) their own costs incurred by the parties.

(2) The arbitration fees in accordance with paragraph 1 lit.a) shall partly cover the general costs connected with the Arbitration Court activities. An arbitration fee shall be collected in respect of every dispute commenced.

(3) Specific costs incurred by the Arbitration Court are costs incurred with respect to the individual dispute for taking evidence, paying the remuneration to the expert witnesses, holding hearings outside the seat of the Arbitration Court, making translations of documents, paying the fees of interpreters, etc., and shall be paid in amounts, actually incurred.

(4) The parties' own costs shall be the expenditures incurred by the parties in connection with their interests (travelling costs, fees of their legal representatives, etc.).

**Section 2  
Determination and Payment of Arbitration Fees**

(1) In consideration of the Arbitration Court trying the dispute, an arbitration fee, calculated on the value of the subject-matter of the claim shall be assessed. This fee shall be paid by the Claimant when filing its Statement of Claim. Similarly, the Defendant filing a counterclaim or raising a plea of set-off under Sec. 28 paragraph (3) of the Rules of the Arbitration Court shall pay an arbitration fee. Until the arbitration fee is paid, the Statement of claim or the counterclaim, as the case may be, or the plea of a set-off shall not be tried; if the arbitration fee is not paid in the correct amount in accordance with the value of the subject matter of the dispute (Sec. 18 of the Rules of Arbitration Court) even within an additional term, the arbitration proceedings shall be discontinued.

(2) A third party, whose participation was permitted under Sec.13 paragraph 1 of the Rules, is also obliged to pay the arbitration fee based on the value of the subject matter of the dispute. Until the third party pays the fee, it shall not be permitted to participate in the trial of the dispute.

(3) The amount of the arbitration fee shall be determined based upon the value of the claim in CZK in accordance with the tariff of the arbitration fees, attached hereto as Schedule hereof. The third party shall pay the fee in the third of the fee of the party in accordance with the tariff, however not less than the minimum fee according to Tariff.

(4) The fee shall be increased by 50% if the oral proceedings are held and the decision is made in another language than in Czech (Slovak) in accordance with Section 7 hereof. Until the increased fee is paid, the case shall not be heard in another language than Czech (or Slovak).

(5) The arbitration fee shall be deemed to be paid upon its being credited to the banking account of the Arbitration Court.

**Section 3**  
**Accelerated Proceedings**

(1) The fee for arbitration proceedings in accelerated proceedings within one month (Sec. 27a Para. 1 letter a) of the Rules of Arbitration Court) shall be increased by 75 % of the fee in accordance with the tariff of costs of the arbitration proceedings. The fee for arbitration proceedings in accelerated proceedings within three months (Sec. 27a Para. 1 letter b) of the Rules of Arbitration Court) shall be increased by 50 % of the fee in accordance with the tariff of costs of the arbitration proceedings.

(2) The increased fee for the accelerated proceedings shall be paid and borne by the party, at which initiative the accelerated proceedings is held.

(3) If the arbitral award or the ruling (the order) of discontinuance of the proceedings are not rendered within the periods set forth in paragraph (1) of this Section, or within an extended period agreed upon with the parties, or as the case may be, with the party, who paid the increased fee, the Arbitration Court shall return the increased portion of the fee.

**Section 4**  
**Arbitration Fee in Case of Counter - claim**  
**or in Respect of Pleas of Set-Off**

(1) The same provisions governing the arbitration fee relating to the main claim brought in the Arbitration Court shall apply as well to any counter-claims.

(2) Similarly, the same provisions governing the arbitration fee payable for the main claim (statement of claim) shall apply to any plea of set-off under Sec. 28 paragraph (3) of the Rules. The Defendant raising the plea of set-off under said Section 28 paragraph 3 of the Rules shall pay the fee calculated on the basis of the value of the claimed set-off in accordance with the Tariff. Unless the fee is paid, the plea of set-off shall not be tried. If the fee is not paid even within an extended term, the proceedings in respect of the plea of set-off shall be discontinued.

**Section 5**  
**Partial Fee Return**

(1) If the Claimant's withdrawal of the claim, or as the case may be, the withdrawal of the counterclaim or of the plea of the set-off under Section 28 paragraph 3 of the Rules of the Defendant, is delivered in full to the Arbitration Court not later than 7 days preceding the day for which the first hearing in the matter is fixed, fifty (50%) per cent of the difference between the fee paid from the value of the statement of claim or the counterclaim or the plea of set-off, and the minimum fee, shall be returned to the Claimant or the Defendant.

(2) The minimum fee for arbitration proceedings shall not be returned.

(3) In case of partial withdrawal of the claim, or as the case may be, the counterclaim or the plea of the set-off under Section 28 paragraph 3 of the Rules, the fee shall not be returned.

**Section 5a**  
**Allocation of the Arbitration Fee**

(1) The arbitration fee shall as a rule be borne by the party which loses the dispute.

(2) If the Claimant is only successful partially the arbitration fee shall be divided between the parties in a proportion corresponding to the portion of the relief sought which was granted with respect to that which was denied.

(3) Parties shall be free to agree on a manner of dividing the arbitration fee between themselves in a manner other than provided in paragraphs (1) and (2) of this Section.

### **Section 6 Specific Costs**

(1) In addition, the parties shall advance reasonable funds to the Arbitration Court to cover specific costs of the Arbitration Court under Sec.1 paragraph (3) hereof which are incurred in the trial of individual cases. Such advances have to be paid within the term and in the amount determined by the Board, the Arbitral Tribunal or the Secretary. This duty may be imposed only on the party which precipitated such costs or if same are incurred for its sole benefit. Unless the advance determined is paid, steps for the coverage of which it is intended shall not be carried out.

(2) If pending the proceedings an increase of the advance for specific costs becomes necessary because the amount thereof set forth as per paragraph (1) of the present Section is insufficient to cover same, the parties or the party, which precipitated the costs or for whose sole benefit they are being incurred, shall, upon request of the Board, the Arbitral Tribunal or the Secretary, pay (even in repeated instances) additional advances within the term so fixed. If no such funds are advanced, the last sentence of paragraph (1) of the present Section shall apply accordingly.

(3) The final decision on specific costs shall be made in the arbitral award or the ruling (order) of discontinuance (Sec. 33 of the Rules). Sec.5a hereof concerning allocation of the fee in arbitration proceeding shall govern the duty to pay said specific costs accordingly, except for the case provided for in paragraph (4) of the present Section.

(4) Specific costs incurred by the Arbitration Court due to services of the interpreter or translator to, or from, another language than the language of the arbitration proceedings shall be borne by the party which made the request, or as the case may be, for the benefit of which this service is provided.

### **Section 7 The Parties Own Costs**

As a rule, each party shall itself bear the costs which it incurs. Coverage of party's costs by the other party may be awarded to the party in the arbitral award, as a rule, according to the success in the case.

### **Section 8 Exceptions**

As an exception from the provisions set forth in Sec. 5a of the Principles, the Arbitration Court shall be free to impose a duty to pay the costs of the other party incurred by it as result of unnecessary or unconscionable measures by that party. Such unnecessary or unconscionable measures shall mean measures resulting in unnecessary costs to the opposing party caused by measures in the proceedings that were unnecessary, particularly in light of circumstances resulting in unjustified prolongation of the proceedings.

### **Section 9 Tariff of Costs**

The Tariff of Costs of Arbitral Proceedings shall form an integral part of the present Principles.

### **Section 10 Validity and Date of Effectiveness**

The Present Principles Governing the Costs of Arbitral Proceedings shall enter into force and shall be effective as of May 1st, 2002.