



REPUBLIC OF SERBIA
Ministry of Justice

LAW ON ARBITRATION

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LAW ON ARBITRATION

Chapter I

BASIC PROVISIONS

Subject

Article 1

This Law regulates an arbitral resolution of disputes (hereinafter: arbitration) without a foreign element (hereinafter: internal arbitration) and disputes with a foreign element (hereinafter: international arbitration).

Area of Application

Article 2

The provisions of this Law are applied to arbitration and arbitral procedure when the place of arbitration is in the territory of the Republic of Serbia (hereinafter: Republic).

The parties may envisage otherwise in case of the international arbitration.

The provisions of this Law, their application which may not be excluded by the parties, must be adhered to when the place of arbitration is in the Republic.

International Arbitration

Article 3

International arbitration, pursuant to this Law, is such kind of arbitration, which has for its subject the disputes in the sphere of international business relations, notably in case when:

1) the parties at the time of concluding the agreement on arbitration have their main offices in different countries;

2) outside the country in which the parties have their main offices is the place:

a) of arbitration, if so set out in the agreement on arbitration or as based thereon, or

b) where a significant part of commitments from a business cooperation is to be carried out or a place that the subject of a dispute has been most

closely tied with; 3) the parties have expressly agreed that the subject of the agreement on arbitration is linked with several countries. If one of the parties does not have main office, regular residence thereof shall be taken into account for the party concerned.

Grounds for Arbitration

Article 4

A dispute may be resolved through arbitration only as agreed by the parties concerned.

A dispute for which arbitration is agreed upon shall be resolved by an arbitration court, consisting of the arbitrators.

Suitability of a Dispute for Arbitration (Arbitrariness)

Article 5

Arbitration may be agreed to resolve property disputes regarding the rights exercised freely by the parties concerned, save the disputes for which an exclusive competence of the court is set out.

Any physical or legal entity may agree arbitration, including the state, its authorities, institutions, and enterprises, in which it has its ownership share.

Arbitration may be agreed by anyone who, pursuant to the provisions of the law regulating the civil proceedings, is eligible to be a party in a procedure.

Organisation of Arbitration

Article 6

Arbitral resolution of disputes shall be organised by a permanent arbitration institution, pursuant to its rules and this Law, when this is envisaged by the agreement between the parties.

Permanent arbitration institutions may establish commercial chambers, professional and trade associations, citizens' associations pursuant to their founding act and this Law, if this is in line with their industry.

The parties may agree on ad hoc arbitration, which is organized pursuant to the agreement between the parties and this Law.

The Role of the Court

Article 7

State court (hereinafter: Court) may, as regards arbitration, undertake only those activities expressly set out by this Law.

Application of the International Agreements

Article 8

The application of this Law shall be without prejudice to the application of a ratified international agreement.

Chapter II

AGREEMENT ON ARBITRATION

Meaning

Article 9

By agreement on arbitration, the parties take to an arbitration court for resolution of their future disputes or disputes arising from a certain legal relation.

Agreement on arbitration for resolution of future disputes may be contained in a contractual stipulation (hereinafter: arbitration clause) or in a separate contract.

Null and Void

Article 10

Agreement on arbitration is null and void if:

- 1) Types of disputes that it pertains to are not suitable for arbitration;
- 2) It is not concluded in a form set out by this Law;

- 3) The parties did not have capacity or eligibility to conclude it, or
- 4) It is concluded as a result of pressure, threat, fraud, or error.

Agreement on arbitration does not produce effects as regards resolution of a dispute which is not eligible for arbitration.

Subsequent Agreement

Article 11

Agreement on arbitration may be concluded even if a dispute, which has arisen, has been brought to court for resolution.

Form

Article 12

Agreement on arbitration must be concluded in writing.

Agreement on arbitration is concluded in writing if contained in the documents, which the parties have signed.

Agreement on arbitration is considered to be concluded in writing if it is concluded by exchanging messages via communication means, providing a written proof of an agreement between the parties, such messages having been signed notwithstanding.

Agreement on arbitration is also considered to be concluded if the parties in a written contract refer to another paper containing the agreement on arbitration (general requirements for concluding legal business, text of another contract, etc) if the purpose of such reference is to make the agreement on arbitration an integral part of the contract.

Agreement on arbitration is also considered to be in place if the plaintiff initiates arbitral proceedings in writing, while the defendant expressly accepts the arbitration and consents to it in writing or in a statement recorded in a hearing, as well as if the latter takes part in the arbitral procedure and to the point when proceedings pertaining to subject matter of a dispute start does not present an objection that there is no agreement on arbitration, i.e. does not challenge the competence of the arbitration court.

Transfer

Article 13

Agreement on arbitration shall remain in force even in case of a transfer (cession) of an agreement or outstanding debts, unless otherwise agreed.

Agreement on arbitration shall remain in effect in case of a subrogation, unless otherwise agreed.

Provisions of paragraphs 1 and 2 of this Article shall be applicable to other cases pertaining to transfer of outstanding debts as well, unless otherwise agreed.

Pressing Charges

Article 14

The court where charges are filed in a matter being a subject of the agreement on arbitration is declared incompetent and rejects the charges upon the objection by a party, which must be submitted before such time when proceedings pertaining to subject matter of a dispute start, unless it determines that the agreement on arbitration is evidently null and void, being without effect, or that it is impossible to execute.

Provisional Measures

Article 15

Before starting an arbitral proceeding or in the course of such proceeding, every party may submit a request to the court to impose provisional measures and the court may determine such measures.

The provision of paragraph 1 of this Article shall be applied even when the agreement on arbitration pertains to such arbitration taking place in another country.

Chapter III

ARBITRATION COURT

Composition

Article 16

The number of arbitrators in the arbitration court shall be determined by the parties.

The arbitration court comprises one arbitrator (single arbitrator) or three, i.e. several arbitrators (arbitration chamber). If the agreement on arbitration envisages several arbitrators, the number thereof must be an odd number.

Should the parties not determine the number of arbitrators, the number thereof shall be determined by the person or institution that the parties have agreed to designate (hereinafter: nomination body), and if there is no nomination body or it does not do so, the number of arbitrators shall be determined by a competent court.

If the arbitration is organised by a permanent arbitration institution, the latter shall carry out duties of the nomination body.

Nomination of the Arbitrators

Article 17

Parties may agree on the nomination procedure for the arbitrators, and if this is not envisaged by the agreement, the arbitrators are nominated pursuant to this Law.

If the dispute is to be resolved by a single arbitrator, the latter is nominated as agreed by the parties in the period of 30 days from the day when one party has invited another party to jointly nominate the arbitrator. If there is no such agreement, the nomination is done by the nomination body, and if there is no such body or it does not do so, nomination is done by a competent court.

If the dispute is to be resolved by three arbitrators, each party nominates one arbitrator in the period of 30 days from the day when another party has invited it to do so. If the invited party fails to do so, the arbitrator is nominated by nomination body appointed by the parties, and if there is no such body or it fails to do so, nomination is done by a competent court. The third arbitrator presiding over the arbitration court (hereinafter: Presiding Arbitrator or Presiding Arbitrator of the Arbitration Court) is chosen by the nominated arbitrators in the period of 30 days from the day of their own nomination. Should they fail to do so, the nomination is done by the nomination body, and if there is no such body or it fails to do so, nomination is done by a competent court.

Against the court decision nominating an arbitrator there may be no appeal.

Arbitration Costs

Article 18

The parties incur arbitration costs.

The amount of the costs from paragraph 1 of this Article is determined by an arbitration court.

The parties are obliged to pay in advance the costs from paragraph 1 of this Article at the request by the arbitration court.

Permanent arbitral institution determines the costs of arbitration by itself as well as the share for such costs.

Chapter IV ARBITRATORS

Eligibility for Arbitrator

Article 19

An arbitrator may be any one physical entity having professional competence, the citizenship notwithstanding.

An arbitrator must have capacity as agreed by the parties.

An arbitrator must be impartial and independent with regard to the parties and the matter in dispute.

An arbitrator may not be a person sentenced to a nonsuspended prison sentence, while the consequences of the sentence are having effect.

Accepting to Take up Duties of an Arbitrator

Article 20

The Arbitrator makes a written statement about accepting to take up duties of an Arbitrator.

Responsibility of Arbitrator to Inform the Parties about Essential Facts

Article 21

A person proposed for an arbitrator is obliged to disclose, before accepting the duties of an arbitrator, the facts that may justifiably raise suspicion about their impartiality or independence.

An Arbitrator is obliged to disclose, since the day of their nomination and without undue delay, the facts from paragraph 1 of this Article, having taken place after their nomination.

Performance of Duties

Article 22

An Arbitrator is obliged to carry out duties of arbitrator conscientiously and efficiently.

Reasons for Disqualification of an Arbitrator

Article 23

The disqualification of an arbitrator may be requested only if there are facts that may justifiably raise suspicion about their impartiality or independence or their not being competent as agreed by the parties.

Disqualification Procedure

Article 24

Unless the parties have agreed otherwise, the request for legal disqualification of an arbitrator is submitted in writing by a party in the period of 15 days from the day the latter found out about the nomination of such arbitrator or the reasons for disqualification.

The party which has by itself or in agreement with the other party nominated an arbitrator may request their disqualification only if the reason for disqualification has taken place or the party has found out about it after such arbitrator was nominated.

Unless the parties have agreed otherwise, the competent court decides about disqualification of an arbitrator.

It will be taken that the parties entrusting the organization of the arbitration to a permanent arbitration institution will have agreed that the request for disqualification of an arbitrator shall be carried out pursuant to its rules.

An arbitration court may continue the arbitral proceedings and pass an arbitral decision, the disqualification procedure being underway notwithstanding.

Arbitrator's Termination of Duty

Article 25

An arbitrator may resign from duty by a written statement if for justifiable reasons, including the reasons from Article 23 of this Law, they are not able to perform their own duties any more.

The parties may agree the termination of an arbitrator should the latter, based on factual or legal reasons, including the reasons from Article 23 of this Law, not be able to perform their own duties any more or fail to perform duties within appropriate time period.

Should the arbitrator resign from duty or a party consents to the termination of an arbitrator, this shall not mean that thereby the reasons for the termination of duty of an arbitrator are acknowledged.

Should the parties not agree on the termination of an arbitrator, the party maintaining that the arbitrator is not being able to perform their own duties any more or failing to perform duties within appropriate time period, may request from the permanent arbitration institution or, in case of an ad hoc arbitration, from the competent court, to pass the decision on the termination of duty of an arbitrator.

Against the court decision on the termination of duty of an arbitrator there may be no appeal.

Nomination of a New Arbitrator

Article 26

Should an arbitrator be relieved of duty, a new arbitrator is nominated pursuant to the provisions of this Law pertaining to the nomination of arbitrators.

Chapter V

COMPETENCE OF THE ARBITRATION COURT

Basis for Competence

Article 27

The competence of the arbitration court is determined as agreed by the parties.

Adjudicating by the Arbitration Court about Its Own Competence

Article 28

Arbitration court may adjudicate about its own competence, including adjudicating on the objection regarding the existence or being in effect of the agreement on arbitration.

If the agreement on arbitration is concluded as an arbitration clause, in the process of adjudicating on the objection regarding the existence or being in effect of the agreement on arbitration, such clause is considered independent of other contractual provisions.

Adjudication by the arbitration body to declare a contract containing an arbitration clause null and void does not entail such clause becoming null and void.

Objections of Incompetence and Overstepping Competence

Article 29

An objection that the arbitration court is not competent (hereinafter: objection of incompetence) must be presented by the defendant at the time of submitting the answer to charges at the latest.

The defendant has a right to present objection of incompetence even when the defendant has nominated the arbitrator or has participated in their nomination.

An objection that the arbitration court is overstepping its competence (hereinafter: objection of overstepping competence) must be submitted as early as the matter that is claimed to represent overstepping competence by the arbitration court is presented in the arbitral procedure.

Arbitration court may allow that the objections from para. 1 through 3 of this Article may be submitted later, as based on its assessment that the delay is caused by justified reasons.

Adjudicating on Objections

Article 30

The arbitration court may adjudicate on the objections submitted pursuant to Articles 28 and 29 of this Law as in the previous matter or by judgment on the matter in dispute.

Should the arbitration court adjudicate on the objections as in the previous matter, any party may, in the period of 30 days from the day when such judgment is delivered, request from the court appointed by the Law to adjudicate on that matter.

Against the court decision from paragraph 2 of this Article there may be no appeal.

Arbitration court may continue with the proceedings and pass an arbitral decision during such time that the proceedings before the court on the objections from paragraph 2 of this Article are being underway.

Competence of the Arbitration Court to Impose Provisional Measures

Article 31

Unless the parties have agreed otherwise, the arbitration court may, at a proposal by one of the parties, impose a provisional measure, which it deems necessary with regard to the matter in dispute, and may simultaneously decide for the opposing side to lodge an appropriate security.

Chapter VI

PROCEEDINGS BEFORE THE ARBITRATION COURT

Determining Procedural Rules

Article 32

The parties are free to determine by agreement the procedural rules that the arbitration court shall proceed by or to point out to certain arbitration rules, pursuant to the provisions of this Law.

If the arbitration is an international one, the parties may agree to apply foreign law to the arbitration procedure, pursuant to the provisions of this Law.

Should the parties fail to determine by agreement the procedural rules for the arbitration, the arbitration court may proceed with the arbitration in a way that it deems appropriate, pursuant to the provisions of this Law.

The competence of the arbitration court from paragraph 3 of this Article comprises the right to adjudicate on the appropriateness, significance, and power of evidence of the proposed and deduced evidence.

Essential Procedural Principles

Article 33

The parties are equal in the proceedings before the arbitration court.

Arbitration court is obliged to enable each party to present its views and evidence, as well as to take a stand on the activities and proposals of the adversarial party.

Place of Arbitration

Article 34

The parties may determine the place of arbitration by mutual agreement.

Should the parties fail to determine the place of arbitration by mutual agreement, the place of arbitration shall be determined by the arbitration court, taking into consideration the circumstances of the case, comprising the suitability of a certain place for the parties as well.

Should the parties agree to entrust the organization of the arbitration to a permanent arbitration institution, the place of arbitration is determined pursuant to its rules.

Should the place of arbitration fail to be determined pursuant to paragraphs 1 through 3 of this Article, it shall be deemed that the place of arbitration is such place being indicated in the arbitral decision as the place of its adjudication.

Excluding from the provisions of the paragraphs 1 through 4 of this Article, unless the parties have agreed otherwise, the arbitration court may be in session in any one place that it deems appropriate, for the consultations by arbitrators or for hearing witnesses, expert witnesses, or parties, as well as for the inspection of goods, other items or papers.

Language

Article 35

The parties may determine by mutual agreement the language or languages in which the arbitral proceedings shall be conducted, and if there is no such agreement, this shall be decided upon by the arbitration court, taking into account the place of arbitration and the language that the parties used in their legal relation.

Permanent arbitral institutions may regulate by their rules the issue of language in the arbitral proceeding.

The language of arbitration is applied to all written statements by the parties, to oral discussions, to arbitral decisions and other enactments of the arbitration court, unless the parties should agree otherwise, or if, in the absence of such agreement, the arbitration court adjudicates otherwise.

Arbitration court may determine that, along with the written evidence, a translation thereof is submitted in the language or languages that the parties have determined by mutual agreement or that the arbitration court has determined.

Until the language of the proceedings is determined, the charges, the answer to charges, and other submissions may be submitted in the language of the contract or in the language of the agreement on arbitration or in Serbian language.

Charges and Answer to Charges

Article 36

Unless the parties have agreed otherwise, the plaintiff discloses in their charges the facts, which are the basis for their demands, matters in dispute, and determines the legal suit.

Had the plaintiff submitted the request for arbitration before charges were brought, the charges shall be filed within the time period agreed by mutual consent between the parties, and should they fail to determine such time period, then in the period determined by the arbitration court.

Unless the parties have agreed otherwise, within the time period that the parties have agreed by mutual consent or that arbitration court determined, the defendant should answer to the charges and make a plea as to the legal suit, the charges, and the evidence thereof.

In the course of the proceedings, the parties may amend or supplement the charges, i.e. the answer to

charges, unless they have agreed otherwise, or unless the arbitration court does not decide otherwise in the interest of more efficient proceedings.

Countercharge

Article 37

The defendant may file countercharge, unless the parties have agreed otherwise.
The countercharge is subject to the application of the provisions of this Law regarding the charges.

Commencement of the Arbitral Proceedings

Article 38

Unless the parties have agreed otherwise, the arbitral proceedings start:

- 1) if the arbitration is organized by a permanent arbitral institution, on the day when such institution receives a request for arbitration or the charges,
- 2) in ad hoc arbitration, on such day when the defendant receives the request for arbitration or the charges and a notification that the plaintiff has proposed an arbitrator or proposed a single arbitrator and invited the adversarial party to nominate their own arbitrator or to come out for or against the proposed single arbitrator.

Hearing and Written Proceedings

Article 39

Unless the parties have agreed otherwise, the arbitration court adjudicates if it will give a hearing or if it will conduct proceedings based on documents and other papers.

Should one of the parties request that a hearing is given the arbitration court shall hear a case unless the parties have agreed to exclude a hearing.

Mandatory Information

Article 40

The parties must be informed in a timely fashion about any hearing, as well as any meeting of the arbitration court, which is being held in order to review the goods, other items or papers.

All submissions, papers, and information, which one party submits to the arbitration court shall be delivered to the other party as well.

The parties shall be sent a copy of every expert witness' report or the papers representing evidence.

Manner of Delivery and Receiving Papers

Article 41

Unless the parties have agreed otherwise, it shall be deemed that a paper was received on the day it was handdelivered to the addressee or on the day it was sent to the postal address of the addressee.

The postal address is such address where the addressee receives mail regularly. Unless the addressee has determined another address or other stemming from the circumstances of the case, the postal address is considered to be such address of the home office of the legal entity or its branch office, i.e. the permanent residence address of a physical entity or such address as listed in the agreement on arbitration.

If it is not possible to determine the address from paragraph 2 of this Article, the paper is deemed to have been received if it was delivered to the last known postal address of the addressee by register mail or in another manner providing evidence in writing of the fact that the paper was sent.

Unless the parties have agreed otherwise, the paper is deemed to have been received on such day when it was delivered, pursuant to the provisions of this Article.

Consequences of Error

Article 42

Unless the parties have agreed otherwise and if, without stating justified reasons;

1) the plaintiff, upon submitting a request for arbitration, fails to file charges pursuant to Article 36 paragraph 2 of this Law, the arbitration court shall discontinue the proceedings, or

2) the defendant fails to answer to charges pursuant to Article 36 paragraph 3 of this Law, the arbitration court shall continue with the proceedings, such error not being taken as the defendant having admitted to the charges and legal suit, or

3) one of the parties, although duly invited, fails to appear at the hearing or fails to submit written evidence, the arbitration court may continue the proceedings and make an arbitral decision based on the evidence submitted.

Loss of Right to Object

Article 43

The party which, having been aware notwithstanding that some of the provisions of this Law, the parties may depart from compliance therewith, is not complied with or that some requirement stemming from the agreement on arbitration is not complied with, continues to participate in an arbitral proceeding, without presenting objection without undue delay or not presenting the objection within a foreseen time period, loses its right to objection by which it refers to noncompliance of such legal provision or such requirement.

Witnesses

Article 44

The hearing of witnesses, as a rule, takes place at a hearing.

The hearing of witnesses may take place outside the hearing, their agreeing to do so, and the parties also not objecting.

The arbitration court may request that witnesses should answer to questions asked within a determined period of time, the parties not objecting.

The hearing of witnesses takes place without taking oath.

An arbitration court may not pronounce procedural measures or sanctions against the witnesses.

Expert Witnesses

Article 45

Unless the parties have agreed otherwise, the arbitration court may:

1) nominate one or more expert witnesses to present findings and opinions on the issues determined by the arbitration court;

2) instruct the parties to provide the expert witness with all relevant information, present all necessary papers to them, as well as make the papers, goods, and other items accessible to the expert witness.

Unless the parties have agreed otherwise, and if requested by one party or if so determined by the arbitration court, an expert witness is obliged, upon submitting written or oral findings and opinion, to participate in a hearing in which the parties may ask him questions or to which they may bring other expert witnesses to discuss the matters in dispute with the expert witness.

The provisions of this Law as regards the disqualification of the arbitrators are therefor applied to disqualification of the expert witnesses as well.

Assistance of the Court in Deducing Evidence

Article 46

An arbitration court may request court assistance in order to deduce evidence.

Evidence deduced before court the arbitration court values as evidence deduced on their own.

Conclusion of the Arbitral Proceedings

Article 47

Arbitral proceedings are discontinued by making a final arbitral decision.

Arbitral proceedings may be discontinued if:

- 1) the plaintiff should revoke the charges, unless the defendant should object, and the arbitration court should make assessment that the defendant has a justified reason to have a final arbitral decision in dispute adjudicated;
- 2) the parties agree by mutual consent to discontinue proceedings;
- 3) the arbitration court makes assessment that the arbitral proceedings have become impossible;
- 4) the arbitral proceedings have been discontinued pursuant to this Law.

Chapter VII

ARBITRAL DECISION

Decisions

Article 48

Arbitration court passes a judgment in the matter in dispute adjudicating thereby all requests by parties (final arbitral decision).

Arbitration court may pass a partial decision or interim decision.

Decision Based on Right or Fairness

Article 49

Arbitration court passes a judgment by applying the right i.e. legal rules, contacts, and practices.

Arbitration court may pass a judgment based on justice and fairness (*ex aequo et bono*, amiable composition) only if the parties have expressly agreed on that.

Competent Right

Article 50

Arbitration court passes a judgment in the international arbitration by applying rights or legal rules, which the parties have agreed by mutual consent.

Any referral to a right of a certain state shall be interpreted as direct referral to the material law of such state, and not to its collisional norms, unless something else has been expressly envisaged by the agreement by the parties.

Should the parties fail to determine competent right or legal rules, the arbitration court in an international arbitration such right i.e. rules determines as based on collisional norms, which it deems appropriate.

Arbitration court shall always render account about the contractual provisions and customs.

Passing Decision

Article 51

Arbitral decision is passed in writing and must be signed by the arbiters i.e. arbiter.

Arbitration chamber makes a decision upon conferring in which all arbitrators must take part, unless the parties have agreed otherwise

Arbitration chamber's decision is passed by a majority vote of the arbitrators, unless the parties have agreed otherwise.

Arbitration chamber's decision is going in effect even if a majority arbitrators sign it and upon deciding determine withholding of signature.

Separate Opinion by an Arbitrator

Article 52

The arbitrator who does not agree with the statement or rationale of the decision may separate its opinion in writing, which is delivered to the parties with the decision if that arbitrator so requests.

Content of an Arbitral Decision

Article 53

Decision contains an introduction, statement about matter in dispute, arbitration costs, and rationale, unless the parties have excluded it by consent.

The decision must contain the date and place of its passing.

Decision Based on Settlement

Article 54

If the parties make settlement in the course of the procedure about the matter in dispute, the arbitration court shall, at their request make a decision based on settlement, unless the effects of such settlement should be contrary to public order.

Arbitral decision, as based on settlement, has a power as any other arbitral decision, except it doesn't have to contain rationale.

Forwarding

Article 55

Permanent arbitration institution that has organized arbitration delivers the decision to the parties, pursuant to its rules.

In ad hoc arbitration, the arbitration court delivers the decision to the parties.

Decision from paragraphs 1 and 2 of this Article may, at the consensual request by the parties, be deposited at a court of the arbitration place.

Amendments, Interpretations, and Supplements to Decisions

Article 56

Arbitration court shall, at the request by any party, perform linguistic and technical amendments in such passed decision or provide certain interpretations of such decision.

Arbitration court shall, at the request by a party, pass a supplement decision on the requests presented in the arbitral proceeding about which it has not made a decision in the arbitral decision.

Requests from paragraphs 1 and 2 of this Article a party must submit no later than 30 days from the day the decision is received.

A decision on amendments, interpretations, and supplements is an integral part of the decision that it

refers to.

Delivery of the decision from paragraph 4 of this Article is carried out pursuant to Article 55 of this Law.

Chapter VIII

ABROGATION OF AN ARBITRAL DECISION

Pressing Charges for Abrogation

Article 57

Charges for abrogation may be pressed only against a domestic arbitral decision.

Domestic arbitral decision is such decision which has been made in the internal and international arbitration in the Republic.

Making a decision on the charges pressed for abrogation lies with the territorial competence of the court in place of arbitration.

Reasons for Abrogation

Article 58

The court shall adopt a legal suit regarding abrogation only if the plaintiff presents evidence that:

1) an agreement on arbitration is not in effect as per Law which the parties have agreed by mutual consent or per Law of the Republic, unless the parties have otherwise agreed;

2) the party against which an arbitral decision has been made was not duly informed about the nomination of the arbitrator or about the arbitration proceedings, or for some other reason was not able to present its views;

3) the arbitral decision has solved a dispute which has not been comprised by the agreement on arbitration or the scope of such agreement has been overstepped by such decision. If it is established that a part of the decision, by which the scope of agreement on arbitration has been overstepped, may be separated from other part of the decision, only such part of the decision may be abrogated;

4) the composition of the arbitration court or arbitral proceeding were not in accordance with the agreement on arbitration, i.e. the rules of a permanent arbitral institution which was entrusted with the organization of the arbitration, except in case such agreement was not contrary to some provision of this Law, the compliance with which the parties may not avoid, or if there is no such agreement, that the composition of the arbitration court or arbitral proceeding were not in accordance with the provisions of this Law, or

5) an arbitral decision is based on a false testimony of a witness or expert witness or is based on a falsified paper or such decision was made based on a criminal offence by an arbitrator or a party, if these reasons are proved by a judgment which went in effect.

Abrogation of a decision shall be pronounced by the court if it determined that:

1) according to the Law of the Republic, the matter in dispute is not suitable for arbitration, or

2) the effects of the decision are in collision with the public order in the Republic.

Time Period for Pressing Charges for Abrogation

Article 59

Pressing charges for abrogation of an arbitral decision may be done in the period of three months from the day the plaintiff received the arbitral decision.

If the party has pressed charges for amendment, interpretation, or supplement of the decision, the charges for abrogation may be done in the period of three months from the day the decision on these request was delivered to the parties.

Interruption of the Proceedings Based on Charges for Abrogation

Article 60

The court before which charges are brought for abrogation may interrupt, at the request of a party, the proceedings in order to enable the arbitration court to undertake activities which it deems necessary to remove the reasons for abrogation.

Application of the Rules on Civil Proceedings

Article 61

To the proceedings per charges for abrogation of the arbitral decision, the provisions of the Law regulating the civil proceedings shall be applied.

Waiver of Right to Press Charges in Advance

Article 62

The parties may not in advance waive their rights to press charges for abrogation of an arbitral decision.

Arbitration Proceedings upon the Abrogation of a Decision

Article 63

If the court has abrogated the arbitral decision based on the reasons not pertaining to the existence and entry into force of the agreement on arbitration, in which the names of arbitrators have not been listed, such agreement is still binding for the parties, until they agree differently.

A new arbitral proceeding between the same parties and pertaining to the same matter may be conducted only as based on a new agreement on arbitration.

If there is suspicion between the parties regarding the reason for the abrogation of an arbitral decision, the court may adjudicate that as requested by a party.

Chapter IX

ACKNOWLEDGEMENT AND EXECUTION OF ARBITRAL DECISIONS

Effects of a Decision

Article 64

Domestic arbitral decision has the power of a domestic court decision having gone in effect and is executed in accordance with the provisions of the law regulating the execution procedure.

Foreign arbitral decision has the power of a domestic court decision having gone in effect upon its being acknowledged by the competent court of the Republic.

Foreign arbitral decision is such decision which is made by an arbitration court whose place is outside the Republic, as well as the decision made by an arbitration court in the Republic if foreign law was applied to arbitral proceedings.

Competence and Procedure for Acknowledgment and Execution

Article 65

The acknowledgement and execution of a foreign arbitral decision is decided upon by a court appointed by law, and the territorial competence lies with the court on whose territory the execution is to take place.

The acknowledgement of a foreign arbitral decision may be addressed by a court as in a previous matter in the execution procedure.

The provisions of this Law do not exclude the application of the provisions of the Law regulating the execution procedure as regards the competence for adjudicating on the provisional measures and their execution.

The procedure of acknowledgement and execution is started before the court by a request, which the party should enclose with:

- 1) original arbitral decision or its certified copy;
- 2) agreement on arbitration or document on its acceptance in the original or a certified copy, and
- 3) certified translation of a foreign arbitral decision and agreement on arbitration to a language,

which is the official language before the competent court.

Reasons for Rejecting Acknowledgement and Execution

Article 66

The acknowledgement and execution of a foreign arbitral decision may be rejected as requested by a party against which it is requested, only if such party should present evidence that:

- 1) agreement on arbitration is not in effect per law that the parties have determined by agreement or per law of the state where such decision was made;
- 2) the party against which decision was made was not duly informed about the appointment or the arbitrator or the arbitral proceedings or for some other reason was not able to present its instruments;
- 3) the decision pertains to a dispute which has not been comprised by the agreement on arbitration or the scope of such agreement has been overstepped by such decision. If it is established that a part of the decision, by which the scope of agreement on arbitration has been overstepped, may be separated from other part of the decision, a partial refusal of acknowledgement and execution of such decision is possible;
- 4) arbitration court or arbitral proceeding were not in accordance with the agreement on arbitration, or if there is no such agreement, in accordance with the law of the state in which the place of arbitration lies;
- 5) the decision has not yet become binding for the parties or such decision has been made null and void or its execution abrogated by a court in a state in which or as based on the law thereof the decision was made.

Competent court shall reject acknowledgement and execution of an arbitral decision if it should establish that:

- 1) according to the Law of the Republic, the matter in dispute is not suitable for arbitration, or
- 2) the effects of the decision are in collision with the public order in the Republic.

Effects of the Procedure for Abrogation Initiated Abroad

Article 67

The court before which acknowledgement and execution of a foreign arbitral decision is sought may postpone, should it deem necessary, the passing of its own judgment, if the procedure for abrogation or for the interruption of the execution of such decision in a state where the said decision was made, or as based on whose law it was made, until the conclusion of such procedure.

The court before which acknowledgement and execution of a foreign arbitral decision is sought may, as requested by a party, condition the judgment on delaying the procedure for acknowledgement and execution by the adversarial party lodging an appropriate security.

Decision on Acknowledgement and Execution

Article 68

Decision of a court on acknowledgement and execution of a foreign arbitral decision must have a rationale.

Against the decision from paragraph 1 of this Article an appeal may be filed within the

period of 30 days from the day it was delivered.

Provisions of the law regulating execution procedure are also applied to the acknowledgement of a foreign arbitral decision, when such acknowledgement was decided as in the previous matter in the execution procedure.

Chapter X CLOSING PROVISIONS

The Previous Law Becoming Null and Void

Article 69

On the day of going into effect of this Law, the provisions of Chapter 31 are becoming null and void (Art. 468a487) of the Law on Civil Proceedings ("Official Gazette of the SFRJ", No's 4/77, 36/77, 6/80, 36/80, 43/82, 72/82, 69/82, 58/84, 74/87, 57/89, 20/90, 27/90 and 35/91 and "Official Gazette of the SRJ", No's 27/92, 31/93, 24/94, 12/98, 15/98 and 3/02).

On the day of going into effect of this Law, the provisions are becoming null and void of the Art. 97-100. of the Law on Resolution of Conflict of the Law with Regulations of Other Countries ("Official Gazette of SFRJ ", No. 43/82, 72/82 and "Official Gazette of SRJ", number 46/96).

Entry into Force

Article 70

This Law is going in effect on the eighth day since the day it is published in the "Official Gazette of the Republic of Serbia".