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of 22 May 2017

of the founder – society

“Finanses un šķīrējtiesa”,   
 registration number 40003502116

**Rules**

**of the Court of Arbitration of the Association of Commercial Banks of Latvia**

**Section 1. General Provisions**

(1) Court of Arbitration of the Association of Commercial Banks of Latvia (hereinafter – Court of Arbitration) is a permanent Court of Arbitration. The status of the Court of Arbitration and other organizational matters are stipulated in the Articles of Association (Attachment No.1).

(2) Dispute resolution shall be only referred to the Court of Arbitration when the parties have agreed so as provided by the law.

(3) The Court of Arbitration resolves all civil disputes subject to review by the Court of Arbitration.

(4) The Court of Arbitration does not resolve disputes that pursuant to the law may only be resolved by the court.

(5) All matters that are not stipulated in the present Rules and regulated in the law shall be resolved by the Court of Arbitration in accordance with the present Rules.

(6) When resolving a dispute the Court of Arbitration will at first consider whether the parties have agreed upon the laws or business practice on basis of which they discuss their mutual relations. Such an agreement shall be valid as far as it does not contradict with provisions of Sections 19, 24 and 25 of the Civil Law. If the parties have not made such an agreement or the Court of Arbitration has declared it invalid the law regulating the legal relations of the parties shall be determined in accordance with provisions of the Introduction of the Civil Law.

**Section 2. Commencement of Arbitral proceedings**

(1) The Arbitral proceedings commences on the day when the Court of Arbitration receives a Request for Arbitration in accordance with provisions of the law and the present Rules.

(2) After commencement of the Arbitral proceedings the Court of Arbitration shall immediately send to the defendant a notification about commencement of the Arbitral proceedings and a copy of the Request for Arbitration, explaining the defendant’s rights to submit a written Response to the Request. The Court of Arbitration shall not send to the defendant the documents attached to the Request for Arbitration; these documents can be reviewed at the premises of the Court of Arbitration.

**Section 3. Arbitral Tribunal**

Number of arbiters shall be one or three. If the parties have not in advance agreed upon the number of arbiters, three arbiters will be appointed. The parties taking into account the provisions of the law may agree upon a larger number of arbiters, determining also the procedure for appointment of the arbiters.

**Section 4. Appointment of Arbiters**

(1) The procedure for appointment of arbiters shall be set up by the parties.

(2) If the parties have not agreed upon the procedure for appointment of arbiters:

1. In case of appointment of one arbiter, who will alone resolve the dispute, any of the parties can offer the other party one or several candidates sending a proposal of the arbiter candidate (candidates). If within 10 days after one of the parties has sent to the other the proposal regarding arbiter candidates the Court of Arbitration has not received proof that the parties have agreed upon the candidate the Chairman of the Court of Arbitration of a person appointed by him shall act as the arbiter.
2. In case of appointment of three arbiters each party shall appoint one arbiter and inform the other party about that. Both appointed arbiters shall elect the third arbiter, who will act as the Chairman of the Arbitral Tribunal. The arbiters shall immediately submit the resolution about election of the chairman of the Arbitral Tribunal. Should any of the parties fail to inform the other party and the Court of Arbitration about appointment of the arbiter within 10 days after it was sent the notice from the other party about appointment of the arbiter, the second arbiter shall be appointed by the chairman of the Court of Arbitration. Should the Court of Arbitration not receive the resolution of arbiters regarding election of the Chairman of the Arbitral Tribunal within 10 days after appointment of the second arbiter, the Chairman of the Court of Arbitration of a person appointed by him shall act as the Chairman of the Arbitral Tribunal.

*Note*: The proposal foreseen in Part 2 Paragraph one of the present Section about arbiter candidates and the notice about appointed arbiter provided in Paragraph two can be attached to the Request for Arbitration or the Response to the Request. If the above-mentioned proposal or notice is not attached to the Request for Arbitration or the Response it shall be sent to the other party after submission of the Request for Arbitration to the Court of Arbitration.

(3) Should there be several claimants and/or defendants in a case, the number of arbiters will not change. In case three arbiters must be appointed all claimants or all defendants shall agree on appointment of one arbiter. Should any of the parties (all claimants or all defendants) fail to inform the other party and the Court of Arbitration about appointment of the arbiter within 10 days after it was sent the notice from the other party about appointment of the arbiter, the second arbiter shall be appointed by the chairman of the Court of Arbitration. Should the Court of Arbitration not receive the resolution of arbiters regarding election of the Chairman of the Arbitral Tribunal within 10 days after appointment of the second arbiter, the Chairman of the Court of Arbitration of a person appointed by him shall act as the Chairman of the Arbitral Tribunal.

(4) If any of the parties has appointed an arbiter and notified the other party about that this party cannot dismiss this arbiter without consent from the other party.

(5) In all cases the arbiters are elected from a list of arbiters that is published on the Court of Arbitration website and submitted to the Enterprise Register.

**Section 5. Independence, Declining, Dismissal and Termination of Powers of the Arbiter**

(1) The arbiter shall fulfil his obligations in good faith, disobeying any influence; he shall be impartial and independent.

(2) The arbiter within five days after the day he is informed about appointment or after the day when he is informed about circumstances that might cause justified doubt of his impartiality and independence shall dismiss himself providing the reasons for dismissal.

(3) An arbiter can be dismissed in the cases provided by the law, as well as if there are circumstances that might cause justified doubt of his impartiality and independence. Any of the parties can dismiss an arbiter appointed by that party or in appointment of whom the party has participated in only if the reasons for dismissal have become known to the party after appointment of the arbiter.

(4) If the arbiter who is announced to be dismissed does not resign from execution of his obligations the issue regarding dismissal of the particular arbiter shall be decided by the Arbitral Tribunal or the arbiter himself within five days after receipt of the notification.

(5) The parties shall submit dismissal of an arbiter not later than within five days after any of the parties has found out or should have found out the circumstances questioning the arbiter’s independence. In the notification about dismissal the party shall indicate which of the arbiters and on what basis is being dismissed. It will be considered that the party who has failed to submit the notification in due time has refused its rights to submit a dismissal.

(6) In case of inactivity of an arbiter or in case he is unable to function in fact or due to legal causes, the Chairman of the Court of Arbitration at his own initiative or by initiative of a party is authorised to dismiss this arbiter.

(7) Authority of an arbiter expires:

1. by dismissal of the arbiter;
2. if the arbiter has suspended himself from resolving of a dispute;
3. if the parties have agreed upon dismissal of the arbiter;
4. if the arbiter is subject to statutory restrictions;
5. by death of the arbiter.

**Section 6. Replacement of Arbiter**

The procedure stipulated in Section 4 of the Rules shall be used to replace an arbiter whose authority has expired. In cases when a dispute is resolved by three arbiters and during the arbitral proceedings an arbiter appointed by one party is replaced more than twice, a new arbiter shall be appointed by the Chairman of the Court of Arbitration. In case the Chairman of the Arbitral Tribunal or an arbiter, who unilaterally resolves a dispute, is replaced after commencement of hearing of the case, the hearing of the case shall be repeated. If another arbiter is replaced the issue about repeated hearing of the case shall be decided by the Court of Arbitration.

**Section 7. Correspondence**

(1) The Court of Arbitration shall send the processed documents (judgements, resolutions, notifications etc.) to the parties by post or electronic mail; the parties have the right to receive such documents also in person.

Documents for a natural person shall be sent by a registered mail to the declared address, but if the declaration contains additional address – to this additional address unless the natural person has indicated another address to the Court of Arbitration; documents for legal entities shall be sent to the registered address.

Documents shall be sent by electronic mail if the party has informed the Court of Arbitration that it agrees to use electronic mail for communication with the Court of Arbitration. In this case the Court of Arbitration shall send the documents to the electronic mail address provided by the party.

If a party has indicated its representative, all documents shall be sent or issued to the representative. Should one party have several representatives the documents will only be sent to one of them.

(2) The Court of Arbitration shall send the Request for Arbitration to the defendants by post or electronic mail. The party submitting other documents (Response to the Request, documents attached to the Request for Arbitration, appendices, amendments to the Request for Arbitration, etc.) to the Court of Arbitration shall inform the other party about such documents. The Court of Arbitration shall ensure possibility to get acquainted with the received documents at the premises of the Court of Arbitration.

(3) Documents sent by the Court of Arbitration shall be considered received on the day of issue provided that they are delivered and issued to the addressee in person. Should the documents be sent by post, it will be considered that the documents are received on the seventh day after sending the documents by post. Should the documents be sent by electronic mail it will be considered that the documents are received within two working days after sending.

**Section 8. Venue of the Court of Arbitration Proceedings**

Proceedings of the Court of Arbitration take place in the premises of the Court of Arbitration of the Association of Commercial Banks of Latvia at 38/40-1 Blaumana street, Riga, LV-1011 (entrance from Perses street 9/11). Correspondence addressed to the Court of Arbitration shall be sent to the address provided above. The web page address of the Court of Arbitration is [www.fstiesa.lv](http://www.fstiesa.lv)

**Section 9. Term of Legal Procedure**

(1) The term of legal procedure that is not stipulated in the present Rules shall be set up by the Court of Arbitration.

(2) A precise date or a term until a particular date, or a period of time (in years, months, days or hours) shall be provided for the execution of legal procedure. If the legal procedure does not have to be executed on a particular date it can be carried out within the determined period. The term can be set indicating an event that must set in.

(3) A term countable in years, months or days shall commence on the next day after the date or the event that determines commencement of the term. A term countable in hours shall commence on the next hour after the event determining commencement of the term.

(4) A term countable in years shall expire on the respective month and day of the last year of the term. A term countable in months shall expire on the respective day of the last month of the term. Should the term countable in months expire on a month that does not have the particular date, the term shall expire on the last day of that month. A term determined until a particular date shall expire on that date. Should the last day of a term be Saturday, Sunday or a statutory holyday the last day of the term shall be the next working day.

(5) Legal procedure the term of which expires can be executed until midnight of the last day of the term. If the legal procedure is to be carried out in the Court of Arbitration the term shall expire on the hour when the Court of Arbitration closes. If a Request for Arbitration, complaint or other information is submitted to the communication service by midnight of the last day of the term, the documents shall be considered submitted in due time.

(6) The right to carry out legal procedure shall expire along with expiry of the term. Claims and documents submitted after expiry of the term of legal procedure shall not be accepted.

(7) When proceeding of the Court of Arbitration is terminated the counting of the term is also stopped. Counting of the term stops at the moment of setting in of the circumstances that caused termination of the proceeding. Counting of the term of legal procedure shall restart from the day when the legal procedure is renewed.

(8) The Court of Arbitration is authorised to prolong the terms of the legal procedures stipulated by the Court of Arbitration. Terms of legal procedures stipulated in the Rules cannot be prolonged.

(9) Delayed terms of legal procedure can be renewed upon request of a party of the claim, provided that the Court of Arbitration finds the reasons for delay justified. When renewing the delayed term it is allowed to execute the delayed legal procedure.

**Section 10. The Request for Arbitration**

(1) The Request for Arbitration shall be drawn up in writing and contain the following information:

1. information about the parties:
   1. for legal entities: title, registration number and registered address;
   2. for natural persons: name, surname, personal code, declared place of residence and additional address indicated in the declaration, but if there is not one – the place of residence.
2. the subject of claim, the amount as well as calculation of the amount of claim;
3. the cause of claim and evidence which confirms it;
4. the claimant’s requests;
5. proposal or notice regarding the arbiter, if it is not drawn up as a separate document;
6. a list of attached documents;
7. other information, if it is necessary for the proceedings.

(2) Documents to be attached to the Request for Arbitration:

* 1. The Arbitration Agreement, unless it is included in the contract in respect of which the dispute has arisen;

1. the agreement in respect of which the dispute has arisen;
2. the documents, to which the Claimant refers to in the Request for Arbitration and
3. documents confirming:
   1. identification data of the parties:
      * for natural persons registered in the Population Register of the Office of Citizenship and Migration Affairs of the Republic of Latvia – copy of passport of a citizen or non-citizen of the Republic of Latvia or a stateless person’s travelling document or an excerpt from the Office of Citizenship and Migration Affairs of the Republic of Latvia; for foreigners – copy of a foreigner’s passport or another document certifying person’s identity, or a copy of a personal identity card.
      * for legal entities registered in the Republic of Latvia – a listing from the SIA “LURSOFT” database, a reference from the Enterprise Register of the Republic of Latvia or a listing from the Enterprise Register database; for legal entities registered abroad – a document confirming registration of the legal entity in the respective register.
   2. the fact that the respondent has been sent the proposal or notice regarding the arbiter unless the proposal or notice is attached to the Request for Arbitration;
   3. payment of the arbitration expenses.

(3) The Request for Arbitration shall be adjoined with copies for the other participants of the arbitration proceeding.

**Section 11. Resolving of the Issue Regarding Acceptance of the Request for Arbitration and Initiation of the Arbitration Proceeding**

After receipt of the Request for Arbitration the Chairman of the Arbitral Tribunal shall make a decision regarding:

1. acceptance of the Request for Arbitration and Initiation of arbitration proceeding;
2. refusal to accept the Request for Arbitration;
3. leaving the Request for Arbitration without review.

**Section 12. Reasons for Refusal to Accept the Request for Arbitration**

The Court of Arbitration shall refuse to accept a Request for Arbitration, if the documents attached to the request clearly indicate that the dispute is not a subject to arbitration.

**Section 13. Leaving the Request for Arbitration without Review**

(1) The Court of Arbitration shall leave the Request for Arbitration without review, if:

1. the Request for Arbitration does not contain all details stipulated in Section 10 of part one of the present Rules;
2. any of the documents stipulated in Section 10 part two of the present Rules is not attached to the Request for Arbitration.

(2) Chairman of the Arbitral Tribunal shall make a justified decision about leaving a Request for Arbitration without progress, send it to the claimant and determines a term for elimination of deficiencies. If during the determined term the deficiencies are eliminated, the Request for Arbitration shall be considered submitted as on the day when it was first submitted to the Court of Arbitration. If during the term prescribed the deficiencies are not eliminated, the Request for Arbitration shall be considered not submitted.

(3) If the deficiencies are insignificant, the Chairman of the Arbitral Tribunal is entitled to start the proceeding and assign the claimant to eliminate the deficiencies during proceeding.

Insignificant deficiencies can be lack of any document provided in Section 10 part two Paragraph 4, subparagraph 1, if the claimant is unable to obtain these documents. In that case Chairman of the Arbitral Tribunal is authorised to decide upon initiation of the arbitral proceedings without submission of the mentioned documents.

**Section 14. Splitting of the Claims and Cases**

(1) The Court of Arbitration is authorised to ask the claimant to separate one or several claims from the main claim and make a new claim, if the court finds separate review of claims useful.

(2) The Court of Arbitration is authorised to separate one or several claims from the main claim and make a new claim, if review of these claims in one proceeding has become difficult or impossible.

(3) If a claim is separated before initiation of the proceedings, the separated claim shall be subject to all provisions of these Rules that apply to the Request for Arbitration.

(4) If a claim is separated after initiation of the proceedings, the separation shall be executed by a decision of the Court of Arbitration. The separated claim shall be reviewed by the same Arbitral Tribunal.

(5) Arbitration expenses for review of the separated claim shall be in full amount as for a separate claim.

**Section 15. Preparation of the Case for Review**

(1) If there are no obstacles for acceptance of the Request for Arbitration, Chairman of the Arbitral Tribunal initiates proceedings and sets the date for review of the case. In his decision the Chairman of the Arbitral Tribunal informs the respondent about his rights to submit a Response and sets a term for submission of such Response that cannot be less than fifteen days from the day when the Request for Arbitration is sent to the respondent. Should it be necessary the decision of the Chairman of the Arbitral Tribunal can include the list of documents requested by the Court of Arbitration, as well as special provisions of the Court of Arbitration. The notification about the first hearing of the Court of Arbitration shall be sent not later than fifteen days before the hearing, unless the parties have agreed on a shorter term.

(2) The respondent within the term determined by the Court of Arbitration shall submit his response to the Court of Arbitration and the claimant.

(3) The respondent in his Response states the following:

1. whether it admits the claim fully or in a part thereof;
2. his objections against the claim and justification;
3. the facts the respondent uses to substantiate his objections and evidence that confirm them;
4. other facts which he considers significant in the adjudication of the case; his telephone number or electronic mail address, if he agrees to use telephone or electronic mail for communication with the Court of Arbitration.

(4) The Response shall be adjoined with copies for the other participants of the arbitration proceeding.

**Section 16. Counterclaim**

The respondent may submit a counterclaim, which may be considered by the Arbitral Tribunal together with the principal claim, if the subject of counterclaim is within the Arbitration Agreement. The counterclaim shall be filed in writing. The counterclaim is subject to the same provisions of the Rules that apply to the Request for Arbitration. The counterclaim may be submitted within the time period, which is set forth for submitting the Response. If the Respondent has exceeded the established deadline, the Court of Arbitration will leave the counterclaim without review, unless the Court of Arbitration finds such delay justified.

**Section 17. Amendment and Supplement of the Claim**

(1) Unless the parties have agreed otherwise, any of the parties is entitled to amend or supplement the claim in writing before commencement of settlement of the dispute in its terms.

(2) In cases when the cause of claim is amended or supplemented, the respondent is entitled to give a Response.

**Section 18. Language of the Arbitration**

(1) The language of the Arbitral proceedings shall be the state language. The proceedings can be held in another language if the parties agree on that. The Arbitral Tribunal may require from the parties translation or notarially certified translation into the language of arbitration of any written evidence.

(2) Should any of the parties not have command of the language of the arbitration, he/she is entitled to involve an interpreter.

(3) The Court of Arbitration only decided on involvement of an interpreter, if it is requested by any of the parties. The party shall submit a request to involve an interpreter not later than five working days before the date of review of the case. The request shall contain a document regarding payment for the interpreting services in the amount stipulated in Regulations on Costs of the Court of Arbitration of the Association of Commercial Banks of Latvia.

**Section 19. Determination of Jurisdiction**

(1) The Arbitral Tribunal shall decide on jurisdiction of the dispute.

(2) Any of the parties may submit a notification stating that a dispute is beyond jurisdiction of the Court of Arbitration until the day when expires the term for submission of the Response.

(3) The issue of jurisdiction of the Court of Arbitration may be decided by the Arbitral Tribunal at any stage of arbitration, including the final resolution.

**Section 20. Dispute Resolution by the Court of Arbitration**

(1) During settlement of a dispute the Arbitral Tribunal shall comply with the principle of equal rights and competition. Both parties have equal rights to outline their opinion and maintain their rights.

(2) On basis of the arbitration agreement concluded between the parties the Arbitral Tribunal shall organise sessions to hear explanations and objections of the parties, as well as to verify the evidence (verbal process) or settles the dispute only on basis of the submitted written evidence and materials (written process). The Arbitral Tribunal shall organise verbal process also in cases when the parties have not agreed on a specific type of process in the arbitration agreement or they have agreed on written process but any of the parties request verbal process before passing the final resolution.

(3) Arbitration sessions shall be closed. Persons, who are not participants of the process, can only participate in the session with permission of the parties.

(4) The Court of Arbitration shall introduce the parties with any applications, documents and other information received by the Court, as well as expert opinions and other evidence. Introduction with the documents is held in the premises of the Court of Arbitration.

**Section 21. Representatives**

Natural persons shall carry out the proceedings themselves or via authorised representatives. Legal entities shall be represented by their officials operating within framework of authority stipulated by the law, Articles of Association or Regulations, or by authorised persons of other legal entities. The parties are authorised to involve sworn lawyers to receive legal assistance during arbitrage.

**Section 22. Evidence**

(1) Statements of the parties, written evidence, physical evidence and expert opinions may be used as evidence in the arbitration.

(2) Evidence shall be provided by the parties. Each party shall prove those circumstances on which it bases its claims or objections. The Court of Arbitration may request the parties to submit additional documents or other evidence.

(3) Documents shall be submitted by way of original, or true copy, copy or extract certified in accordance with the specified procedures. If a party submits a document by way of true copy, copy or extract, the Arbitral Tribunal at its own discretion or at the request of the other party may require the original document to be submitted. The original document, at the request of the person, which has provided this document, shall be returned by the Arbitral Tribunal to the submitter, while adjoining a true copy, copy or extract certified in accordance with the specified procedures to the records of proceeding.

(4) The Arbitral Tribunal itself shall determine admissibility and relevance of the evidence. The Arbitral Tribunal may refuse to accept the evidence submitted by the parties, should it find the evidence useless or not related to the case, r if the evidence can be obtained by other means in more simple and inexpensive way.

(5) No evidence shall have a predetermined effect as would be binding upon the Arbitral Tribunal.

(6) The Arbitral Tribunal on the basis of a reasoned application by the party is entitled to require that the other party dispenses the written evidence available to it. The party, which requests the Arbitral Tribunal to require written evidence, shall describe such evidence and provide their reasons for presuming that the evidence is in the possession of the opposite party.

**Section 23. Expert-examination**

(1) Unless otherwise provided for in the arbitration agreement the Arbitral Tribunal upon request of a party can appoint expert-examination and charge one or several experts to carry out such expert-examination. The expert-examination shall only be carried out if the party has paid for the expert’s services.

(2) The parties upon request of the Arbitral Tribunal shall provide the expert with the necessary information or documents, present goods or other items.

(3) Upon request of the party the Arbitral Tribunal after submission of the opinion can invite the expert to participate in the court session to give explanations and answer questions of the parties regarding the expert’s opinion.

(4) The Arbitral Tribunal shall determine the procedure, according to which the expenses for expert’s services are divided between the parties.

**Section 24. Non-appearance of the Parties**

Should a party without justified reason fail to appear to a verbal process or fails to submit written evidence the Arbitral Tribunal continues the proceedings and settles the dispute on basis of the available evidence.

**Section 25. Minutes**

(1) Minutes of the arbitral proceedings are taken only if any of the parties requests that. The party shall send a request to ensure taking minutes of the proceedings to the Court of Arbitration not later than five working days before the date set for the arbitral proceedings. The request shall include a proof of payment of the fee for services of the secretary in the amount indicated in the Regulations on Costs of the Court of Arbitration of the Association of Commercial Banks of Latvia.

(2) The minutes of session of the Arbitral Tribunal shall be recorded by the secretary chosen by the Court of Arbitration. The minutes of the session of the Arbitral Tribunal shall be signed by all arbitrators and the secretary not later than on the third day after the arbitration session. The parties shall have the right to review the minutes and submit written remarks and objections regarding the minutes within five days after they have been signed. The Arbitral Tribunal shall decide on adequacy of the objections.

**Section 26. Remedial Consequences of Withdrawal of a Party**

(1) The fact per se that a natural person who is one of the parties has deceased or a legal entity which is one of the parties has stopped existing does not terminate the arbitration agreement, unless the parties have agreed otherwise, and if the contested legal relationships permit legal succession.

(2) In that case the Arbitral Tribunal suspends the process before the legal successor is determined.

(3) Assignment of claim shall be the cause to terminate the arbitration proceeding unless the parties have not agreed again about the resolution of the civil dispute in the Court of Arbitration.

**Section 27. Rights to Raise Objections**

(1) Any of the parties shall have the right to raise objections should any provision of the law, the present Rules or the agreement between the parties be breached or disregarded. The party shall submit the objections to the Arbitral Tribunal and the other party in writing, as soon as the party has become aware of the respective breach.

(2) The Arbitral Tribunal shall decide on adequacy of the objections.

(3) If the party does not submit objections it shall be considered that the party has waived its rights to raise such objections.

**Section 28. Making of the Arbitration Decisions**

(1) All resolutions (decisions and awards) of the Arbitral Tribunal, if it consists of one or more arbiters shall be made by simple majority vote, except in cases when the Chairman of the Arbitral Tribunal independently decides on the procedural issues because the parties or other arbiters have given proper authorization.

(2) The resolution of the Arbitral Tribunal shall become effective as of the date when it is made. It may not be appealed or objected against.

(3) The signatures of the arbiters on the award shall be certified by a person appointed by the Chairman of the Arbitral Tribunal.

**Section 29. Arbitration Decisions**

The Arbitral Tribunal can make a decision about postponement, suspension of the review of dispute and other issues without review of the case in its terms. Chairman of the Arbitral Tribunal may independently decide procedural issues, if the parties or other arbiters have entrusted that.

**Section 30. Postponement of the Settlement of Dispute**

(1) The Court of Arbitration shall postpone the settlement of dispute:

1. if any of the participants fail to appear to the arbitration session and this participant has not been informed about the venue and time of the arbitration session;
2. if any of the participants, who was duly informed about the venue and time of the arbitration session, fails to appear to the arbitration session due to a reason that the Court of Arbitration finds justified;
3. if the respondent has not received the claim statement and therefore requests postponement of the settlement of dispute.

(2) The Court of Arbitration may postpone the settlement of dispute:

1. if the claimant, who was duly informed about the venue and time of the arbitration session, fails to appear to the arbitration session due to unknown reason;
2. if the respondent, who was duly informed about the venue and time of the arbitration session, fails to appear to the arbitration session due to unknown reason;
3. upon a participant’s request to give him a possibility to provide further evidence;
4. in other cases, when the Court of Arbitration finds it useful.

(3) After postponement of the settlement of dispute review of the dispute on the next session shall be started over.

**Section 31. Suspension of the Arbitral Proceedings**

(1) The Arbitral Tribunal shall suspend the arbitral proceedings until determination of the legal successor or appointment of legal representative if the natural person which is one of the parties has died or the legal person that is one of the parties has ceased to exist and the rights of the legal relations are capable of being assumed and the parties have not agreed upon termination of the arbitral proceedings in such case.

(2) The Arbitral Tribunal may take a decision to suspend the arbitral proceedings, if:

1. the Arbitral Tribunal assigns the expert-examination;
2. there is a mutual agreement between the parties about suspension of the arbitral proceedings;
3. in other cases when the Arbitral Tribunal finds it useful.

(3) The arbitral proceedings shall be renewed by the Arbitral Tribunal pursuant to a decision on its own initiative or on the bases of the application of the parties.

**Section 32. Leaving of the Claim without Review**

(1) The Arbitral Tribunal may leave the claim without review, if:

1. the claim on behalf of the claimant is raised by a person, who is not duly authorised to do so;
2. a dispute between the same parties with the same subject and on the same basis is under review by the same Court of Arbitration;
3. it is requested by the claimant.

(2) If a claim is left without review, the claimant is entitled to resubmit the Request of Arbitration pursuant to the procedure stipulated in the law and the present Rules.

(3) The claim can be left without review until commencement of consideration of the case in its terms.

**Section 33. The Award**

(1) The Arbitral Tribunal makes decision within 14 days after it has concluded the review of the dispute in its terms. The Arbitral Tribunal shall make the award in writing and it shall be signed by all arbiters. Should any of the arbiters be unable to sign the award, it shall be stated why the arbiter did not sign the award.

(2) The award shall contain the following information:

1. the panel of the Arbitral Tribunal;
2. the date of making and announcement of the award and the place of arbitral proceeding;
3. information on the parties – the natural person’s name, surname, personal code, other personal identification data and declared place of residence or other address used for communication, the legal person’s name, registration number, other data that identify the person and registered address;
4. subject of the dispute;
5. reasoning of the award unless the parties have agreed otherwise;
6. conclusion regarding complete or partial support of the claim or complete or partial rejection and the basis of award of the Arbitral Tribunal;
7. levied sum, if the award is made in respect to collection of money, indicating separately the principal debt and the interest, the time period for which the interest has been awarded, the rights of the claimant regarding receipt of interest for the time period prior to execution of the judgment, including also the amount of that interest;
8. description of particular property and its value, which should be collected in the event of non-existence of any property, if the award is made in respect of transfer of goods in kind;
9. by whom what actions and within what time period should be performed, if the award imposes an obligation to perform certain actions;
10. which part of the award applies to each of the claimants, if the award is made for the benefit of several claimants, or whether part of the award shall be executed by each respondent, if the award is made against several respondents;
11. the arbitration expenses, as well as distribution of these expenses and expenses for legal assistance between the parties;
12. other information as deemed necessary by the Arbitral Tribunal.

(3) Award of the Court of Arbitration is sent or issued to the parties within three days after it is made.

**Section 34. Correction, Explanation and Supplement of the Award**

(1) The Arbitral Tribunal may, upon its own initiative or upon an application of a party, correct clerical and mathematical calculation errors in the award. Such errors may be corrected without the participation of the parties.

(2) Unless the parties have not agreed otherwise, a party, by giving a notice to the other party, within 30 days from the date of dispatch or receipt of copy of the award may request the Arbitral Tribunal to explain the award without changing its contents. The explanation of the award shall become an integral part of the award as of the date of making.

(3) Unless the parties have not agreed otherwise, a party, by giving a notice to the other party, within 30 days from the date of dispatch or receipt of copy of the award may request the Arbitral Tribunal to make an additional award, if some of the declared claims have not been resolved for which evidence has been submitted and on which the parties have provided explanations. If the Arbitral Tribunal considers the request to be reasonable, it shall make the additional award.

(4) The Arbitral Tribunal not later than 15 days before gives notice to the parties on the session of the Arbitral Tribunal in which the question on the correction, explanation of the award or making of the additional award will be resolved. If due to the correction of the award its operative part may change, but the essence of the award does not change, the Arbitral Tribunal shall invite the parties to express their opinion. The failure of the parties to attend is not an impediment to correct, explain the award or to make the additional award.

**Section 35. Settlement**

(1) If during the arbitration proceeding the parties have concluded amicable settlement, the Arbitral Tribunal terminates the arbitration proceeding. The amicable settlement shall be concluded by the parties in writing and it shall contain the following information: for a legal person – its name, registration number and registered address, for a natural person – the name, surname, personal code and address as well as the matter in dispute and obligations of each party which it voluntarily obliges to execute.

(2) If the parties request so the Arbitral Tribunal shall confirm the settlement by an award, provided that provisions of such award do not contradict with the law. Such an award of the Arbitral Tribunal shall have the same legal effect as any other award of the Arbitral Tribunal.

**Section 36. Termination of the Arbitral Proceedings**

(1) The Arbitral Tribunal shall adopt a decision on termination of the Arbitral Proceedings if:

1. the Claimant has withdrawn its claim;
2. the parties have agreed upon the amicable settlement;
3. the arbitration agreement have become invalid pursuant to the law or agreement;
4. it acknowledges that the dispute is not within the jurisdiction of the Court of Arbitration;
5. the natural person who is one of the parties has deceased or the legal person which is one of the parties has stopped existing and the legal relationship does not allow legal succession, or the parties have agreed that the arbitration proceeding shall be terminated in this case.

(2) Should there be a reason to terminate the arbitral proceedings before the appointment of the Panel of the Arbitral Tribunal, the decision regarding the termination of the arbitral proceedings shall be made by the Chairman of the Court of Arbitration.

**Section 37. Costs of the Arbitration**

(1) Costs of the arbitration include fixed expenses of the Court of Arbitration, fees of the arbiters, remuneration for the services of experts, interpreters or secretaries.

(2) The fixed expenses of the Court of Arbitration and amount of fees of arbiters, as well as the payment procedure is stipulated in the Regulations on Costs of the Court of Arbitration of the Association of Commercial Banks of Latvia (Attachment No.2). Other costs of the arbitration are determined by the Court of Arbitration pursuant to the present Rules and such costs shall be reasonable.

**Section 38.Distribution of the Costs of the Arbitration**

(1) Usually the Arbitral Tribunal awards all expenses for the arbitration for the benefit of the party, whose claim was satisfied. When a claim is satisfied partially expenses for the arbitration are awarded to the claimant in proportion to the amount of the satisfied claim.

(2) Should the claimant waive the claim, the respondent shall not cover the expenses for the arbitration paid by the claimant. However, if the claimant does not maintain his claims because the respondent has voluntarily satisfied such claims after submission of the claim, the court upon the claimant’s request shall award from the respondent the arbitration expenses paid by the claimant.

(3) The Arbitral Tribunal may divide any arbitration expenses between the parties in another way, if the Arbitral Tribunal considering the circumstances of the case finds it reasonable.

(4) If the respondent fails to submit the Response to the Request within the set term, the Arbitral Tribunal disregarding the outcome of the proceedings may award from the claimant all the arbitration expenses paid by the respondent.

(5) Should the claimant repeatedly apply to the Court of Arbitration with the same claim because t has not received the writ of execution, the Chairman of the Arbitral Tribunal upon request of the claimant may release the claimant form payment of the arbitration expenses, provided that issue of the writ of execution was rejected due to breaches caused by the Court of Arbitration and such breaches can be stated impartially.

**Section 39. Confidentiality**

(1) The arbitration proceedings shall be confidential.

(2) Sessions of the Arbitral Tribunal shall be closed to the public and the information concerning the arbitration proceeding is not given to other persons and shall not be published, unless the parties have agreed otherwise.

(3) The persons who are not participants of the arbitration proceeding may participate at the session of the Arbitral Tribunal with the consent of the parties.

(4) The Court of Arbitration is prohibited to reveal any information about the case. The case materials shall only be made available to participants of the case, arbiter, Chairman of the Court of Arbitration and employees of Secretariat of the Court of Arbitration.

(3) Information about the arbitral proceedings shall be given to persons who are entitled to receive such information for execution of their statutory functions.

**Section 40. Storage of Documents of the Proceedings**

(1) Upon discretion of the Chairman of the Arbitral Tribunal (arbiter) the case materials before closing of the proceedings shall be kept at the premises of the Court of Arbitration or by the Chairman of the Arbitral Tribunal (arbiter).

(2) The documents of arbitral proceedings shall remain in storage in the Court of Arbitration for 10 (ten) years after completion of the arbitration.

**Section 41. List of Arbiters**

The Court of Arbitration maintains a list of arbiters. The Court of Arbitration includes in the list of arbiters only those persons, whose compliance with the statutory requirements has been verified in accordance with the documents submitted by these persons. The Court of Arbitration shall confirm compliance of arbiters with the statutory requirements submitting an appropriate confirmation and the necessary documents to the Enterprise Register.

***Attachment No. 1***

***to the Rules of the Court of Arbitration***

***of the Association of Commercial Banks of Latvia***

**ARTICLES OF ASSOCIATION**

**of the Court of Arbitrationof the Association of Commercial Banks of Latvia**

**1. General Provisions**

**1.1.**Court of Arbitration of the Association of Commercial Banks of Latvia (hereinafter – Court of Arbitration) is a permanent Court of Arbitration.

**1.2.** Founder of the Court of Arbitration is the society “Finanses un šķīrējtiesa”, registration No. 40003502116.

**1.3.** Full name of the Court of Arbitration is Court of Arbitration of the Association of Commercial Banks of Latvia.

**1.4.** Translation of the name of the Court of Arbitration:\* in English – Court of Arbitration of the Association of Commercial Banks of Latvia\*; in Russian – Третейский суд Ассоциации коммерческих банков Латвии.

**1.5.** The Court of Arbitration is not a legal person.

**1.6.** The Court of Arbitration is located at 38/40-1 Blaumaņa street, Riga, LV-1011 (entrance from Perses street 9/11).

**2. Procedure of the Court of Arbitration**

**2.1.** Settlement of disputes by the Court of Arbitration is carried out in accordance with the Rules.

**2.2.** Execution of the procedural functions determined in the Rules shall be ensured by the Chairman of the Court of Arbitration, who also provides consultations and methodological advice on issues related to operation of the Court of Arbitration.

**2.3.** Chairman of the Court of Arbitration of the Association of Commercial Banks of Latvia is elected by the founder of the Court of Arbitration for a period of three years. Founder may dismiss the Chairman of the Court of Arbitration preterm upon request of the Chairman of the Court of Arbitration, as well as in case if the Chairman of the Court of Arbitration fails to carry out his duties or carries out them inadequately.

**2.4.** During absence of the Chairman of the Court of Arbitration, as well as in other cases when unbiased circumstances hinder execution of his duties, the functions of the Chairman of the Court of Arbitration shall be carried out by a person appointed by the founder of the Court of Arbitration.

***Attachment No. 2***

***to the Rules of the Court of Arbitration***

***of the Association of Commercial Banks of Latvia***

**Regulations on Costs**

**of the Court of Arbitration of the Association of Commercial Banks of Latvia**

1. The present regulations determine the amount and payment procedure of the expenses and fees of the arbiters of the Court of Arbitration of the Association of Commercial Banks of Latvia (hereinafter the Court of Arbitration).
2. Fixed expenses and fees of the arbiters of the Court of Arbitration:

|  |  |  |  |
| --- | --- | --- | --- |
| Amount of the claim  (EUR) | Fixed expenses of the Court of Arbitration | Arbiter’s fee | |
| 1 arbiter (EUR) | 3 arbiters (EUR) |
| up to EUR 2 000 | EUR 140 | 100,00 | 75,00 |
| from EUR 2 001 to  EUR 7 000 | EUR 140 + 3 % of the sum exceeding EUR 2000 | 150,00 | 100,00 |
| from EUR 7 001 to EUR 30 000 | EUR 200 + 1,6 % of the sum exceeding EUR 7 000 | 250,00 | 150,00 |
| from EUR 30 001 to EUR 150 000 | EUR 500 + 1 % of the sum exceeding EUR 30 000 | 300,00 | 200,00 |
| from EUR 150 001 to EUR 700 000 | EUR 1600 + 0,3 % of the sum exceeding EUR 150 000 | 450,00 | 300,00 |
| over EUR 700 001 | EUR 3000 + 0,1% of the sum exceeding EUR 700 000 | 600,00 | 400,00 |
| Non-material claim | EUR 150 | 250,00 | 150,00 |

Note:

Services of the Court of Arbitration are subject to value added tax. The sums provided in the table above are given without the value added tax. When making a payment the fee for services of the Court of Arbitration shall be supplemented with the value added tax in accordance with the valid tax rate.

1. The claimant shall provide the sum of claim or counterclaim in the claim or counterclaim statement. If the provided sum of claim or counterclaim obviously does not conform to the value of the claimed property, the sum of claim or counterclaim shall be determined by the Chairman of the Court of Arbitration. For a claim that is difficult to assess at the moment of submission the Chairman of the Court of Arbitration shall determine average amount of arbitration expenses. The final sum in this case shall be determined by the Court of Arbitration during settlement of the dispute. If the sum of claim or counterclaim is increased the arbitration expenses shall be increased accordingly, with the exception of interest or fine for the period from submission of the claim or counterclaim statement to the Court of Arbitration until the day of drawing up of the respective statement.
2. The fixed expenses and fees of arbiters of the Court of Arbitration shall be paid pursuant to procedure stipulated in the Rules of the Court of Arbitration of the Association of Commercial Banks of Latvia.
3. Considering the difficulty and time spent for review of a particular case, as well as other circumstances the Chairman of the Court of Arbitration may decide to increase the fixed expenses and fees of arbiters. The maximum increase of the fixed expenses – by 100%, increase of the arbiters’ fee – by 200%.
4. All payments to the Court of Arbitration shall be made in Euros. The payment order for the arbitration expenses shall contain the respondent’s – natural person’s surname or the respondent’s – legal entity’s title.
5. An arbiter shall only receive the fee if he has carried out duties of an arbiter until the completion of the arbitral proceedings. If the arbitral proceedings are discontinued due to the fact that the claimant has withdrawn his claim (waived the claim) not later than one day before the first Court of Arbitration session or has asked to leave the claim without review, the arbiter shall receive 50% of the fee.
6. If the Court of Arbitration refuses to accept the claim or counterclaim statement pursuant to procedure stipulated in the Rules, the prepaid arbitration expenses shall be returned in full amount. If the arbitral proceedings are discontinued due to the fact that the claimant has withdrawn his claim (waived the claim) not later than one day before the first Court of Arbitration session or has asked to leave the claim without review, and that is done on the same calendar year when the arbitration expenses are transferred to the account of the Court of Arbitration, the arbitration expenses shall be levied in amount of 50%, but the remaining sum shall be returned. In other cases the arbitration expenses shall not be repaid.
7. Fee for interpreter’s services shall be at least EUR 150.00 without the value added tax. The payment order for the interpreter’s fee shall contain the respondent’s – natural person’s surname or the respondent’s – legal entity’s title.
8. Payment for taking minutes of the Court of Arbitration session amounts to EUR 75.00, without the value added tax. As from the 3rd hour of the Court of Arbitration session the above-mentioned sum shall be supplemented by an hourly fee in amount of EUR 25.00 without value added tax in accordance with the valid tax rate.

The member of the Management Board of the society “Finanses un šķīrējtiesa”

A.Plēsuma

THIS DOCUMENT IS SIGNED WITH THE SECURE ELECTRONIC SIGNATURE AND HAS A TIME STAMP