

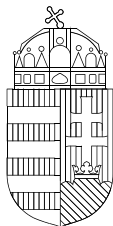


**RULES of PROCEEDINGS  
2022  
of the Arbitration Court**

attached to the  
Hungarian Chamber of Commerce  
and Industry

effective as of **December 31, 2022**





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Bank account of the Hungarian Chamber  
of Commerce and Industry:

No. 10300002-20373432-70073285

with the MKB Bank Nyrt.

Swift code: mkkbhuhb

IBAN HU 58 1030 0002 2037 3432 7007 3285

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*Printed:*  
Pátria Nyomda Zrt.,  
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## MODEL ARBITRATION CLAUSE

The model arbitration clause recommended by the Arbitration Court for parties referring their disputes to arbitration instead of state courts is as follows:

“In the event of any dispute arising from or in connection with the present contract, so especially with its breach, termination, validity or interpretation, the parties exclude the state court procedure and agree to submit the matter to the exclusive and final decision of the Permanent Arbitration Court attached to the Hungarian Chamber of Commerce and Industry (Commercial Arbitration Court Budapest). The Arbitration Court proceeds in accordance with its own Rules of Proceedings (supplemented with the provisions of the Sub-Rules of Expedited Proceedings). The number of arbitrators shall be ... (three/one) and the language to be used in the arbitral proceedings shall be ..... (e.g. Hungarian, German, English). The parties exclude the possibility of the retrial of the proceedings as regulated in Section IX of Act no. LX of 2017 on Arbitration. In order to settle the legal dispute the ..... substantive law shall apply, excluding its private international law rules.”



# I. GENERAL PROVISIONS

## *[Definitions]*

In the application of the Rules and their Annexes

“arbitration agreement”: the parties’ concurrent declaration of intent recorded in a separate agreement or as a clause within a contract (arbitration clause) or manifested through the initiation of an arbitration and the submission of a defence without an objection to jurisdiction, by which they exclude the proceedings of state courts and refer any disputes that have arisen or that may in the future arise between them to be finally settled by arbitration by their chosen arbitrator or arbitrators;

“legal dispute”: a dispute between economic operators or private persons, whether contractual or not, to which the parties have stipulated the application of the Rules in their arbitration agreement;

“Arbitration Court”: the Arbitration Court attached to the Hungarian Chamber of Commerce and Industry (Commercial Arbitration Court), which provides administrative assistance to the parties and the arbitral tribunal through its organs (Presidium, Secretariat) to foster the fast and expedient conduct of arbitral proceedings;

“arbitral tribunal”: a sole arbitrator or a panel of an odd number of arbitrators proceeding to settle the legal dispute of the parties;

“court”: the state court having jurisdiction and competence;

“Rules”: the Rules of Proceedings of the Arbitration Court;

“Fee Chart”: the table applicable in determining the arbitration fee and constituting an annex to the Rules;

“Registration Fee”: a non-refundable sum of money to be paid simultaneously with the filing of the Statement of Claim as a precondition to the commencement of proceedings;

“Arbitration Fee”: payment for the coverage of costs related to the conduct of the arbitral proceedings, thus especially the costs and expenses of the work done and services rendered by the Arbitration Court and its organs (administrative fee) and the fees of the arbitrators, including the taxes and duties related to the arbitration proceedings; the payment of the advance on the Arbitration Fee is a precondition to the conduct of the arbitral proceedings;

“Reserve Fund”: funds established to cover the obligation pursuant to Section 62 Subsection (1) point g) of the Act No. LX of 2017, serving to cover the fees and expenses which shall not be payable by the parties for the appointment of a new arbitrator during the course of the continued proceedings following the setting aside of the arbitral award. It is made up of the non-refundable sums of money to be paid by the parties simultaneously with the filing of the Statement of Claim as defined in the Fee Chart.

“Arbitration Expenses”: the other expenses incurred by the Arbitration Court and the arbitral tribunal during the proceedings, thus especially the additional expenses incurred due to the conduct of the arbitration in a language other than Hungarian, German or English pursuant to Section 4, the expenses related to further translations, the costs of interpreters, experts and witnesses, other expenses incurred in connection with the proceedings of an expert, expenses incurred due to the arbitrators’ travelling and staying abroad;

“Costs of the Parties”: the costs incurred by the parties during the course of the arbitral proceedings in relation to their appearance, the protection of their rights and interests and the presentation of their case, thus especially the fees and expenses of attorneys-at-law or other persons representing the parties in the arbitral proceedings.

### *1. [Scope of Application]*

- (1) The present Rules shall apply if the parties have stipulated the proceedings of the Arbitration Court or the application of the Rules for the settlement of their dispute.
- (2) Unless otherwise agreed by the parties, the Rules shall apply in the version effective on the day of the commencement of the arbitral proceedings.

### *2. [Place of Arbitration, Seat of the Arbitration Court, Place of Procedural Acts]*

- (1) If the proceedings of the Arbitration Court are stipulated, the place of arbitration shall be Hungary.
- (2) The seat of the Arbitration Court is Budapest.

- (3) The provisions of paragraphs (1) and (2) above do not prevent the arbitral tribunal from occasionally proceeding – either at home or abroad – at a location other than the place of arbitration or the seat of the Arbitration Court for the purpose of holding hearings, taking evidence or other procedural acts.

### 3. *[Submissions, Delivery, Time Limits]*

- (1) Until the constitution of the arbitral tribunal the parties shall file their submissions with the Arbitration Court in a number of copies sufficient to provide one copy for the other party, one for each arbitrator, and one for the Arbitration Court. If the submission is received by the Arbitration Court in the required number of copies, the earlier date when the Arbitration Court received the submission in electronic form (by email) shall be deemed the filing date.
- (2) Until the constitution of the arbitral tribunal submissions shall be delivered to the parties by the Arbitration Court.
- (3) After the constitution of the arbitral tribunal the parties shall directly send a copy of their submissions to the Arbitration Court, each arbitrator, as well as simultaneously to each party.
- (4) After the constitution of the arbitral tribunal the decisions and other communications of the arbitral tribunal, with the exception of the award and the termination order, shall be delivered to the parties by the arbitral tribunal or, if the arbitral tribunal so decides, by the Arbitration Court. In case of delivery by the arbitral tribunal, one copy of the document shall be sent to the Arbitration Court. In case of delivery by the Arbitration Court, the Arbitration Court shall send a copy of the document to each member of the arbitral tribunal.
- (5) If the Rules require that a written communication be delivered, sent or filed, the written communication, except for administrative communications without legal effect (e.g. checking of data, arrangement of dates, simple notifications), shall be delivered, sent or filed by registered letter with notice of receipt, by courier or by any other means that provides a record of receipt. Written communications shall, at the same time, also be sent in electronic form (by email) to all addressees if the

electronic address of the addressee is known. Decisions of the arbitral tribunal which may be subject to ordinary court proceeding at the place of arbitration, so especially the award against which an action for setting aside may be submitted, as well as the order on jurisdiction against which an objection may be raised before the court, shall be delivered to the parties by mail, by registered letter with notice of receipt. For such decisions the time limit to initiate court proceedings shall be reckoned from the date of delivery of the registered letter with notice of receipt to the party. With the agreement of the parties the arbitral tribunal may also determine any other way of delivery, sending or filing.

- (6) Any written communication shall be deemed to have been received if it is delivered to the addressee in person or delivered at the place of business, residence, habitual residence, or postal address of the addressee. If receipt of the written communication cannot be established even after due investigation, failing an agreement by the parties to the contrary, the written communication shall be deemed to have been received if it is sent to the last known place of business, residence, habitual residence or postal address of the addressee by registered mail or by any other means which provides a record of the attempt of the delivery. Written communications sent by registered letter with notice of receipt shall be deemed to have been delivered if they return with "not claimed (non-reclamé)" or "refused" postal remark. The written communication shall be deemed to have been received on the eighth day of dispatch in case of a domestic addressee and on the fifteenth day of dispatch in case of a foreign addressee.
- (7) If a party acts through a representative, submissions and other communications shall be transmitted or sent to the representative instead of the party.
- (8) A time limit specified in or fixed under the Rules shall commence on the day following the starting day. The starting day is the day on which the triggering event occurs. Holidays, Saturdays and Sundays are included in the calculation of a time limit. However, if the day following the starting day is a holiday, a Saturday not declared a working day by law or a Sunday, the time limit shall commence on the first following working day.

- (9) Where a time limit is defined in months, it shall expire on the day the number of which corresponds to the first day of the time limit, or, if there is no such day in the month of expiry, on the first day of the next month.
- (10) If the last day of a time limit is a public holiday, a Saturday not declared a working day by law or a Sunday, the time-limit shall expire on the first following working day. The time limit set for the filing of a submission shall be deemed to have been complied with if the submission was sent on the last day of the time limit by registered letter with notice of receipt or by any other means determined by the arbitral tribunal in accordance with paragraph (5) that provides a record of the dispatch.
- (11) If a time limit is to be calculated from the delivery or receipt of a written communication, only those days shall be considered holidays that are holidays at the place of delivery or receipt and the provisions of paragraphs (8) and (10) shall apply *mutatis mutandis* in light of the rules applicable at the place of delivery or receipt. Otherwise for the calculation of a time limit only those days shall be considered holidays or days affecting commencement or expiry pursuant to paragraphs (8) and (10) which are such days at the place where the address of the person whom the time limit concerns is located, in case of the Arbitration Court and the arbitral tribunal in Hungary.

#### 4. [Language of the Arbitration]

- (1) The parties are free to agree upon the language to be used in the arbitration. Failing an agreement, the arbitral tribunal shall determine the language of the arbitration, due regard being given to all relevant circumstances of the case. If the parties have not agreed upon the language of the arbitration, until the constitution of the arbitral tribunal the Arbitration Court communicates with the parties in Hungarian, English or German, due regard being given to all relevant circumstances of the case. The decision of the Arbitration Court on the language of communication shall not be binding upon the arbitral tribunal when determining the language of the arbitration.
- (2) The language determined in accordance with paragraph (1) shall be applied throughout the proceedings including all procedural acts by the parties and the arbitral tribunal,

especially submissions, hearings, minutes and decisions by the arbitral tribunal.

- (3) Upon the request and at the cost of a party not knowing the language of the arbitration the arbitral tribunal may order the use of an interpreter. The Arbitration Court shall inform the parties concerned on the conditions of such order.
- (4) The arbitral tribunal may also order the use of a translator, especially if the translation of documentary evidence into the language agreed upon by the parties or determined by the arbitral tribunal becomes necessary.
- (5) If the language of the arbitration is not Hungarian, English or German, the parties shall pay the advance on the additional costs arising due to the use of a foreign language in equal shares. If the respondent does not comply with the request of the Arbitration Court, or, following its constitution, the arbitral tribunal within the time limit set for the payment of such advance on costs, said advance shall be paid by the claimant upon request by the Arbitration Court or the arbitral tribunal. If the claimant fails to do so, the Arbitration Court or the arbitral tribunal shall set an additional time limit and request the parties to agree on Hungarian, English or German as the language of proceedings. If the parties fail to do so, before the constitution of the arbitral tribunal the Arbitration Court shall determine Hungarian, English or German as the language of communication, and, after the constitution of the arbitral tribunal, the arbitral tribunal shall determine Hungarian, English or German as the language of the arbitration, due regard being given to all relevant circumstances of the case. In determining the language of proceedings the arbitral tribunal shall not be bound by the decision of the Arbitration Court on the language of communication.

##### *5. [Stay of the Arbitration]*

- (1) The proceedings are stayed if in the legal relationship forming the subject of the proceedings on any party's side legal succession occurs, or the arbitration is hindered for reasons beyond control, or the arbitral tribunal suspends the proceedings until a preliminary issue affecting the outcome of the proceedings on the merits is decided by

authority or court, or orders the stay of the proceedings upon a jointly submitted request of the parties.

- (2) Prior to ordering the suspension the arbitral tribunal shall invite the parties to submit their position on the reasons and justification of the suspension.
- (3) Upon the first jointly submitted request of the parties the arbitral tribunal shall order, upon each further joint request it may order the staying of the proceedings. During the course of an arbitration the duration of the stay shall not exceed six months.
- (4) The arbitral tribunal shall set the starting day of the stay and the closing day of the stay by order.
- (5) The duration of the stay shall be disregarded when calculating the time limits. Simultaneously with the order setting the closing day of the stay the arbitral tribunal may, if necessary, extend certain time limits having commenced or having been ordered previously to ensure the exercisability of procedural rights.

## *6. [Representation]*

- (1) The parties may participate in the arbitration and perform procedural acts in person or through their representatives. Legal representatives and corporate officers vested with the power of representation under the personal law of the party or any other persons authorized by the party may act as representatives.
- (2) Representation by legal counsel is not compulsory in arbitral proceedings. Any competent person may represent a party.
- (3) The Arbitration Court and the arbitral tribunal may at any time request the parties to provide proof of the authority of any of their representatives.

## *7. [Waiver of right to object]*

A party who knows that any requirement under the arbitration agreement or the Rules or any provision of the Arbitration Act from which the parties may derogate has not been complied with and yet proceeds with the arbitration without stating his objection to such non-compliance without undue delay, or, if a time limit is provided therefor, within such period of time, shall be deemed to have waived his right to object.

## 8. *[Costs of the Arbitration]*

- (1) The costs of the arbitration shall include
  - a) the Registration Fee,
  - b) the Arbitration Fee,
  - c) the Arbitration Expenses
  - d) the Costs of the Parties.

## 9. *[The Registration Fee and the Arbitration Fee]*

- (1) The Arbitration Court shall determine the Registration Fee and the Arbitration Fee in accordance with the Fee Chart constituting an annex to the Rules.
- (2) The Registration Fee and the Arbitration Fee shall be advanced and borne in Hungarian Forints. In case of claims or counterclaims in foreign currencies the Arbitration Court shall determine the basis for the calculation of the Arbitration Fee by conversion to Hungarian Forints at the official exchange rate of the Hungarian National Bank valid on the day when the claim, counterclaim or set-off claim was filed.
- (3) The payment of the Registration Fee and the Arbitration Fee shall be deemed to have been made when the party gave its bank an unconditional and irrevocable instruction to transfer the said amount, provided that the amount is credited to the account indicated by the Arbitration Court within thirty days from the above date.

## 10. *[Advance on Costs]*

- (1) The advance on the Registration Fee shall be paid by the claimant. The advance on the Arbitration Fee shall be paid by the claimant if the amount in dispute does not exceed HUF 5,000,000. In case the amount in dispute exceeds this sum, the advance on the Arbitration Fee shall be paid in equal shares by the parties. If the respondent fails to comply with this obligation, the claimant shall pay the respondent's share of the advance on the Arbitration Fee. The claimant may choose at its discretion to pay the advance on the total Arbitration Fee without awaiting the payment of the advance by the respondent.
- (2) The advance on Arbitration Expenses related to the taking of evidence shall be paid by the party who requested the taking of evidence.



- (3) The advance on Arbitration Expenses incurred as a result of an arbitrator's travelling and staying abroad shall be paid by the party who appointed or should have appointed the arbitrator. In case of a sole arbitrator or presiding arbitrator, the advance on the expenses not related to the taking of evidence but incurred as a result of travelling and staying abroad shall be paid in equal shares by the parties. If a party fails to comply with its obligation to pay advance on costs pursuant to this paragraph despite being requested to do so, the proceedings may not be continued as long as the advance is not paid by said party or the other party instead.

### *11. [Bearing of Costs]*

- (1) The Arbitration Fee shall be borne by the unsuccessful party to the extent it was unsuccessful.
- (2) The arbitral tribunal may deviate from the provisions of paragraph (1) in justified cases, taking into account especially the parties' approach throughout the proceedings fostering or hindering the conduct of proceedings and the settlement of the dispute, and, in case of the Expenses of the Parties, the extent to which the procedural acts of the parties and their representatives were justified, expedient and necessary.
- (3) The arbitral tribunal shall decide on the bearing of the arbitration fee in its final decision, except when it obliges a party to bear all or part of the arbitration fee without regard to its being successful.
- (4) In case of settlement or the termination of proceedings on the basis of the agreement of the parties, the arbitration fee shall be borne in accordance with the agreement of the parties. Failing an agreement the parties shall bear the Registration Fee, the Arbitration Fee and the Arbitration Expenses in equal shares and each party shall bear its own costs. In other cases of the termination of proceedings the arbitration fee shall be borne by the claimant, except when the claimant withdraws its Statement of Claim on the ground that the respondent, having given cause for the proceedings, has fulfilled the claims in the Statement of Claim after the commencement of proceedings.

## *12. [Arbitration Fee in case of Counterclaims and Set-off Claims]*

- (1) With regard to the payment of the advance on and bearing of fees and costs a counterclaim shall be treated in the same way as the Statement of Claim.
- (2) With regard to the payment of the advance on and the bearing of fees and costs a set-off claim shall be treated in the same way as the Principal Statement of Claim except the obligation to pay the Registration Fee.

## *13. [Reduction of the Arbitration Fee]*

- (1) If the claimant does not fulfil its obligation to remedy defects or withdraws its Statement of Claim before the constitution of the arbitral tribunal, the Arbitration Fee is the full amount of taxes and duties and the reserve fund plus 50% of the administration fee. The reduced Arbitration Fee shall be borne by the claimant.
- (2) If, within eight days at the latest from the case management conference, in case of the scenario pursuant to Section 36(4) from the first hearing or receipt of the notification on deliberation without a hearing, the claimant withdraws its Statement of Claim, or the parties jointly request the termination of proceedings, the Arbitration Court refunds 50% of the advanced Arbitration Fee, calculated without any taxes or duties and reserve fund, to the parties having paid the advance.
- (3) If the arbitral tribunal terminates the proceedings due to the lack of its jurisdiction at the first case management conference, in the first procedural order or for lack of these at the first hearing at the latest, the Arbitration Court refunds 50% of the advanced Arbitration Fee, calculated without any taxes or duties and reserve fund, to the parties having paid the advance.

# II. RULES ON THE CONDUCT OF PROCEEDINGS

## II. 1. Commencement of Proceedings

### 14. *[Commencement of the Arbitration]*

- (1) The arbitration shall be commenced by submitting a Statement of Claim. Simultaneously with the filing of the Statement of Claim with the Arbitration Court the claimant shall also send it to the respondent for its information.
- (2) The arbitration shall commence on the day on which the Statement of Claim was received by the Arbitration Court.

### 15. *[Contents of the Statement of Claim]*

- (1) The Statement of Claim shall contain
  - a) the names, addresses and, if known, the electronic contact details of the parties and their representatives;
  - b) a statement of the facts forming the basis of the jurisdiction of the Arbitration Court and a description of the evidence supporting such facts;
  - c) the right sought to be enforced, along with a description of the facts on which it is based and a description of the evidence supporting such facts;
  - d) a statement of the specific relief sought by the claimant;
  - e) the amount in dispute if it can be determined;
  - f) the nomination of an arbitrator by the claimant, or a request for the appointment of an arbitrator by the Arbitration Court for the claimant, in case of a sole arbitrator a proposal for the person of the sole arbitrator;
  - g) a statement concerning the language of the arbitration and the applicable law;
  - h) the signature of the claimant or its representative.
- (2) The claimant shall annex the document or documents containing the arbitration agreement to its Statement of Claim.

- (3) The claimant shall pay the Registration Fee set forth in the Fee Chart simultaneously with the filing of its Statement of Claim at the latest. The certificate on the payment of the Registration Fee shall be annexed to the Statement of Claim.

#### 16. *[Amount in Dispute]*

- (1) The amount in dispute is the value of the claim or the right sought to be awarded.
- (2) The amount in dispute, also considering the provisions pursuant to paragraphs (3) to (6), shall be determined by the claimant. If the value specified by the claimant is contrary to the Rules, if it is unlikely or if the respondent disputes it, further, if the claimant fails to indicate the amount in dispute even despite a request to remedy such defect, then, until the constitution of the arbitral tribunal the Arbitration Court, after that the arbitral tribunal shall determine the amount. The arbitral tribunal shall not be bound by the amount determined by the Arbitration Court.
- (3) The value of the claim or right sought to be awarded shall be construed
  - a) in case of a claim for money, as the amount claimed;
  - b) in case of claims *in rem*, as the value of the thing (part), share or right *in rem* in dispute;
  - c) in case of a claim for a declaratory award, as the sum which the claimant could claim if performance could be claimed;
  - d) in case of a claim for specific performance requiring the respondent to do or refrain from doing some specified act, as the amount that the claimant accepts as monetary compensation for its claim against the respondent;
  - e) in case of a claim for the periodic performance of services for an indefinite duration that have not expired yet or in case of a claim for a declaratory award concerning a contract related to services to be performed periodically for an indefinite duration, as the value of services for one year;
  - f) in case of a claim for the vacation of rented or leased real estate, as the amount of the rent or lease for one year;

- g) in case of claims for the avoidance of company resolutions, as the value of the property concerned by the contested decision, or, failing such value, as the value of the claimant's share in the subscribed capital of the company, provided that the claimant is a member of the company;
- (4) In determining the amount in dispute, the value existing at the time of the commencement of proceedings shall be considered.
- (5) In determining the amount in dispute, the interest and other ancillary claims not independently enforced shall be ignored.
- (6) In case of several claims the total sum of all claims shall constitute the amount in dispute, except for claims that are alternative to or contingent on each other. In such cases the amount in dispute shall be the value of the claim having the highest value.

*17. [Remedy of Defects of the Statement of Claim and Payment of the Advance on the Arbitration Fee by the Claimant]*

- (1) If the Claimant did not annex the certificate on the payment of the Registration Fee to the Statement of Claim or the Statement of Claim does not contain the items pursuant to Section 15(1) points a) to f) and h), the Arbitration Court shall request the claimant to remedy the defects within a time period of a maximum of thirty days. If the claimant does not remedy the defects within the set time period, the Arbitration Court shall terminate the proceedings.
- (2) If no remedy of defects is necessary or if the defects have been remedied, the Arbitration Court notifies the claimant of the amount of the advance on Arbitration Fee to be paid by the claimant and requests the claimant to pay said amount within the time period and by the means set forth in the notification. Failing such payment, the Arbitration Court shall terminate the proceedings.

## *18. [Statement of Defence and Payment of the Advance on the Arbitration Fee by the Respondent]*

- (1) If no remedy of defects of the Statement of Claim is necessary or if the defects have been remedied the Arbitration Court shall notify the respondent of the commencement of the arbitration by sending the Statement of Claim and the Recommended Roll of Arbitrators to the respondent and simultaneously requests the respondent to nominate an arbitrator and to submit its Statement of Defence.
- (2) The Statement of Defence shall be submitted within thirty days from receipt of the Statement of Claim. Upon request by the respondent this time limit may be extended by thirty days. The respondent shall submit its Statement of Defence to the Arbitration Court and simultaneously send a copy to the claimant for its information.
- (3) The Statement of Defence shall contain
  - a) the names and addresses and electronic contact details of the respondent and its representatives;
  - b) the nomination of an arbitrator by the respondent or a request for the appointment of an arbitrator by the Arbitration Court instead, in case of a sole arbitrator a statement by the respondent whether it accepts the claimant's proposal or makes a different proposal;
  - c) the signature of the respondent or its representative.
- (4) The Statement of Defence may contain especially an objection to the jurisdiction of the Arbitration Court, statements relating to the merits of the claim acknowledging or denying it, set-off claims or counterclaims.
- (5) The precondition for the extension of the time limit set for the submission of the Statement of Defence pursuant to paragraph (2) is that the respondent nominates an arbitrator or requests the Arbitration Court to appoint an arbitrator instead within the original time limit, or, in case of a sole arbitrator, that the respondent makes a statement in response to the claimant's proposal. Failing these the Arbitration Court shall reject the request for time extension or withdraw the time extension already granted and shall simultaneously apply the provisions on appointment pursuant to Section 21.

- (6) In the notification pursuant to paragraph (1) the Arbitration Court shall inform the respondent on the amount of the advance on the Arbitration Fee to be paid by the respondent and requests the respondent to pay such advance within the time limit and by the means set forth in the notification. Failing such payment, the Arbitration Court shall request the claimant to pay the part of the advance that the respondent failed to pay within the time limit and by the means set forth in the notification. If such payment is not made, the Arbitration Court shall terminate the proceedings.

## **II. 2. Constitution of the Arbitral Tribunal**

### *19. [Number of Arbitrators]*

- (1) In each case a tribunal consisting of an odd number of arbitrators or a sole arbitrator shall proceed in accordance with the agreement of the parties. In the application of the Rules "arbitral tribunal" shall also refer to a sole arbitrator. A sole arbitrator shall have the same powers as an arbitral tribunal comprised of three arbitrators.
- (2) If the parties have not agreed upon the number of arbitrators, the number of arbitrators shall be three.
- (3) The arbitral tribunal shall be constituted, the sole arbitrator shall be nominated and the arbitrators shall be appointed in accordance with the provisions of the Rules.

### *20. [Nomination of Arbitrators]*

- (1) Any person on the Roll of Arbitrators, as well as any other person, whether a Hungarian citizen or not, may be nominated as arbitrator.
- (2) Throughout the performance of their duties the arbitrators shall be independent and impartial, they are not representatives of the parties. Throughout the proceedings they may not accept instructions. They shall keep all circumstances of which they obtained knowledge while fulfilling their duties fully confidential also after the termination of proceedings. They may not provide any information nor make any statements on any cases, whether pending or closed.

## 21. [Nomination and Appointment Procedure]

- (1) The claimant shall nominate an arbitrator or submit a request for the appointment of an arbitrator by the Arbitration Court in its Statement of Claim, whereas the respondent shall nominate an arbitrator in the Statement of Defence even if it objects to the jurisdiction of the Arbitration Court.
- (2) In case of an arbitral tribunal comprised of three arbitrators each party nominates one arbitrator, and the two arbitrators thus nominated shall elect the presiding arbitrator. If a party fails to nominate an arbitrator within thirty days from receipt of the request to do so or if the two arbitrators do not agree upon the person of the presiding arbitrator within thirty days from their nomination, the missing arbitrator shall be appointed by the Arbitration Court upon a request by any party.
- (3) In case of a sole arbitrator, if the parties cannot agree upon the person of the sole arbitrator, the sole arbitrator shall be appointed by the Arbitration Court upon a request by any party.
- (4) In case of an arbitral tribunal comprised of more than three arbitrators the provisions of paragraphs (1) and (2) shall apply *mutatis mutandis*, with the parties nominating arbitrators in equal shares and the chosen arbitrators deciding on the nomination of the missing arbitrator by majority.
- (5) Several claimants shall jointly appoint one arbitrator. Several respondents shall jointly appoint one arbitrator. For the calculation of the time limit for the nomination of an arbitrator by the respondents the date of receipt of the request to nominate an arbitrator by the last respondent shall be relevant. If the respondents cannot agree on the person of the arbitrator to be jointly nominated, the Arbitration Court shall appoint an arbitrator both for the claimant and respondent each. Thereby the earlier nomination of an arbitrator by the claimant shall become ineffective. Taking into account the circumstances of the proceedings the Arbitration Court may however decide to appoint an arbitrator for the respondents only. In this case the nomination by the claimant remains effective. For the nomination of the presiding arbitrator the general rules shall apply in all cases.



## 22. *[Acceptance]*

- (1) The arbitrator shall accept the nomination or appointment by signing the Arbitrator Statement of Acceptance, constituting an annex to the Rules, and submitting it to the Arbitration Court within 30 days reckoned from receipt of the notification at the latest. Throughout the proceedings the arbitrator shall ensure that the contents of the statement of acceptance are true and shall disclose any changes affecting the arbitration to the arbitral tribunal, the parties and the Arbitration Court.
- (2) An arbitrator's mandate starts with the acceptance of the nomination or appointment.
- (3) By accepting the nomination or appointment the arbitrator undertakes to perform his / her duties as arbitrator in accordance with the provisions of the present Rules of Proceedings.

## 23. *[Initial and continuous obligation to disclose]*

- (1) The person nominated as arbitrator by the parties or appointed as arbitrator by the Arbitration Court shall disclose all circumstances likely to give rise to justifiable doubts as to his or her impartiality or independence. From the time of his or her nomination or appointment and throughout the proceedings any arbitrator shall without delay disclose any such circumstances.
- (2) An arbitrator, from the time of his or her nomination or appointment and throughout the arbitral proceedings, shall without delay disclose to the Arbitration Court, to the other members of the arbitral tribunal and the parties, or, in case of a sole arbitrator, to the Arbitration Court and the parties, any circumstances of which he or she becomes aware that is incompatible with his or her impartiality and independence, or the requirements agreed upon by the parties.

## 24. *[Termination of an Arbitrator's Mandate]*

- (1) An arbitrator's mandate shall terminate with the completion of proceedings.
- (2) An arbitrator's mandate shall also terminate when
  - a) the arbitrator withdraws from his office;

- b) the parties agree upon the termination of the arbitrator's mandate;
  - c) the Arbitration Court or the court decides on the termination of the arbitrator's mandate; or
  - d) the challenge against the arbitrator is accepted.
- (3) Should any change in the person of the arbitrators occur during the proceedings the arbitrators concerned shall agree upon the division of the arbitration fees. Failing such agreement, the Arbitration Court shall render a decision in this regard. In case the arbitration continues following the setting aside of the arbitral award and there is a change in the person of the arbitrators, the arbitrators concerned shall agree upon the division of their fees. Failing such agreement, the Arbitration Court shall render a decision.

### 25. *[Removal of an Arbitrator from Office]*

If an arbitrator is or becomes unable to perform his function or for other reasons fails to act without undue delay, and does not resign from his or her office, the parties may agree upon the termination of the arbitrator's mandate. Failing such an agreement any party may, with reference to the ground for termination, request the Arbitration Court to decide on the termination of the arbitrator's mandate.

### 26. *[Substitute Arbitrator]*

- (1) If an arbitrator's mandate terminates prematurely for any reason, a substitute arbitrator shall be nominated. If the arbitrator's mandate terminates following the closing of proceedings, the arbitral tribunal may, with the approval of the Arbitration Court, decide, before being fully reconstituted, to continue the proceedings without the nomination of a substitute arbitrator.
- (2) The termination of the mandate of an arbitrator nominated by a party does not affect the mandate of the presiding arbitrator.
- (3) The arbitral tribunal may, upon request by a party or *ex officio*, decide whether the preceding phase of the hearing shall be repeated in whole or in part.

## 27. [Challenge of Arbitrators]

A party may submit a challenge against an arbitrator if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence, or if the arbitrator does not possess the qualifications or other qualities agreed by the parties. A party may challenge an arbitrator nominated by him only for reasons of which the party becomes aware after the nomination has been made.

## 28. [Challenge Procedure]

- (1) The party who intends to challenge an arbitrator shall, within fifteen days after becoming aware of the constitution of the arbitral tribunal or after becoming aware of any circumstance justifying the challenge, send a written statement with the reasons for the challenge to the arbitral tribunal. No challenge may be submitted after the closing of the proceedings.
- (2) If the challenged arbitrator does not withdraw from his office or the other party does not agree to the challenge, the arbitral tribunal shall decide on the challenge.
- (3) The decision on a challenge or a disclosure pursuant to Section 23 shall be made by the other members of the arbitral tribunal after having requested comments from the parties.
- (4) If a challenge is not successful, the challenging party may request, within thirty days after having received notice of the decision rejecting the challenge, the Arbitration Court to decide on the challenge. The Arbitration Court shall decide on the challenge also if two arbitrators or a sole arbitrator have been challenged, as well as if the challenge was submitted prior to the constitution of the arbitral tribunal.
- (5) While a challenge procedure is pending, the arbitral tribunal, including the challenged arbitrator, may continue the arbitral proceedings and may render a decision.
- (6) The provisions of the present section shall apply *mutatis mutandis* to the challenge of experts and interpreters appointed by the arbitral tribunal.

## 29. [Constitution of the Arbitral Tribunal]

- (1) The arbitral tribunal shall be deemed to have been constituted on the day when the statements of acceptance of both the arbitrators nominated by the parties and the presiding arbitrator were received by the Arbitration Court.
- (2) From its constitution all measures necessary for the conduct of the arbitration shall be taken by the arbitral tribunal, whereby it may seek assistance from the organs of the Arbitration Court.
- (3) The Arbitration Court shall notify the parties of the constitution and the composition of the arbitral tribunal without delay.

## 30. [Decision of the Arbitral Tribunal on its Jurisdiction]

- (1) The arbitral tribunal shall examine the existence of its jurisdiction *ex officio*. The arbitral tribunal's jurisdiction shall encompass the decision on the existence or lack of its jurisdiction, as well as any objections with respect to the existence or validity of the arbitration agreement. For that purpose, an arbitration clause shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitral tribunal that the contract is null and void shall not entail *ipso jure* the invalidity of the arbitration clause.
- (2) An objection that the arbitral tribunal does not have jurisdiction shall be raised not later than the submission of the Statement of Defence. A party is not precluded from raising such a plea by the fact that he has appointed or participated in the appointment of an arbitrator. A plea that the arbitral tribunal is exceeding the scope of its jurisdiction shall be raised as soon as the matter alleged to be beyond the scope of its jurisdiction is raised during the arbitral proceedings. The arbitral tribunal may in either case admit a later plea if it considers the delay justified.
- (3) The arbitral tribunal decides on an objection to jurisdiction at its discretion either in a separate order or in an award on the merits.

## II.3. Proceedings before the Arbitral Tribunal

### 31. *[Applicable Rules of Proceedings]*

- (1) By mutual agreement the parties may derogate from any provisions of the Rules as to how to proceed before the arbitral tribunal as long as such derogation does not result in the violation of a mandatory provision of the law applicable in the place of arbitration.
- (2) As to procedural issues not regulated in the Rules, failing an agreement by the parties, the arbitral tribunal may, subject to the mandatory provision of the law applicable in the place of arbitration, conduct the arbitration in such manner as it considers appropriate. In doing so the arbitral tribunal may take into account any domestic and international arbitration principles, practices and recommendations.
- (3) The parties shall be treated equally and each party shall be given a full opportunity to present its case.

### 32. *[Rules of Law Applicable to the Merits]*

- (1) The dispute shall be decided in accordance with the rules of law agreed upon by the parties. Any designation of the law of a given State shall be construed as a direct reference to the substantive law of that State, not including its conflict of laws rules.
- (2) Failing any designation by the parties, the arbitral tribunal shall apply the law determined by the conflict of laws rules which it deems applicable.
- (3) The arbitral tribunal may decide *ex aequo et bono* or as *amiable compositeur* only in cases where the parties have expressly authorised it to do so.
- (4) The arbitral tribunal shall decide on the merits in accordance with the provisions of the contract between the parties, if any, and shall take into account the relevant trade usages applicable to the transaction.

### 33. *[Interim Relief]*

- (1) The arbitral tribunal may, at the request of any party, grant interim measures by order. A request for interim measure shall be delivered to the other party for comments.

- (2) In its request for interim measures a party may request the arbitral tribunal to oblige the other party to comply with the interim measure without giving prior notice to or receiving comments from the other party (preliminary order). The arbitral tribunal may grant a preliminary order provided it considers that prior delivery of the request for the interim measure to the party against whom it is directed risks frustrating the purpose of the measure. The arbitral tribunal shall, taking into account the objections of the other party to the preliminary order, decide whether it upholds the preliminary order as an interim measure, adopting or modifying its contents, or terminates it. If such a decision is not made within twenty days from the issuance of the preliminary order, the preliminary order shall expire.
- (3) The arbitral tribunal may require the party requesting an interim measure and shall require a party applying for a preliminary order to provide security in connection with the interim measure or the preliminary order unless the arbitral tribunal considers it inappropriate to do so.
- (4) The arbitral tribunal may modify, suspend or terminate an interim measure or a preliminary order it has granted, upon application of any party or, in exceptional circumstances and upon prior hearing of the parties, on the arbitral tribunal's own initiative.
- (5) A party may, before or during the arbitral proceedings, also request from a court an interim measure.
- (6) It is not incompatible with the arbitral proceedings for a party to request from a court, notary or any other organ having competence to take preliminary evidence. Any party may rely on the results of the preliminary taking of evidence in the arbitral proceedings.

#### *34. [Amendments to the Statements of Claim and Defence]*

- (1) A party may amend or supplement its Statement of Claim and Statement of Defence until the closing of proceedings.
- (2) If a party submits the amendment or supplement to the Statement of Claim or the Statement of Defence with unjustified delay and this results in a delay of the proceedings, the arbitral tribunal may decide that the amendment or supplement cannot be allowed and thus

ignores it. If the arbitral tribunal takes into consideration the amendment or supplement to the Statement of Claim or the Statement of Defence submitted with unjustified delay, it may, without regard to whether it succeeds, rule the party submitting the amendment or supplement with unjustified delay to bear the additional costs incurred due to the delay in the proceedings.

- (3) In deciding on the application of the legal consequences pursuant to paragraph (2) the arbitral tribunal shall take into account all relevant circumstances, including especially the current stage of the proceedings, the extent of the delay caused by the amendment or supplement as well as the parties' legitimate interests.

### *35. [Counterclaim and Set-off Claim]*

- (1) A respondent may, until the closing of proceedings, file a counterclaim. Subject to provisions to the contrary, the provisions governing the Statement of Claim shall apply to counterclaims.
- (2) If a respondent files a counterclaim with unjustified delay and this results in a delay in the proceedings, the arbitral tribunal may decide to hear the counterclaim in separate proceedings as a new Statement of Claim. If the arbitral tribunal hears the counterclaim within the framework of the pending proceedings as a counterclaim, the arbitral tribunal may, without regard to whether the respondent is successful, oblige the respondent to bear the additional costs incurred due to the delay in the proceedings.
- (3) In deciding on the application of the legal consequences pursuant to paragraph (2) the arbitral tribunal shall take into consideration all relevant circumstances, including especially the subject matter and contents of the counterclaim, the current stage of the proceedings, the extent of the delay caused by the counterclaim as well as the parties' legitimate interests.
- (4) A respondent may, until the closing of proceedings, file a set-off claim, provided that the arbitral tribunal has jurisdiction over the claim to be asserted by set-off. The provisions on amendments and supplements submitted with unjustified delay shall apply to set-off claims submitted with unjustified delay.

### 36. *[Case Management Conference]*

- (1) Within thirty days following the constitution of the arbitral tribunal or the submission of the statement of defence or the expiry of the time limit granted to submit the statement of defence at the latest a case management conference shall be held with the participation of the parties, in person or by means of telecommunication, in order to draw up the procedural timetable.
- (2) During the case management conference the arbitral tribunal shall come to terms with the parties as to the procedural rules to be determined pursuant to Section 31(1) and (2) of the Rules, the means of evidence expected to be applied, including especially the necessity of expert evidence, and shall also invite the parties to declare if they request that a hearing be held. In light of these the arbitral tribunal shall establish the procedural timetable and set time limits for each procedural act.
- (3) During the case management conference or within 3 days thereafter the latest the arbitral tribunal shall render a procedural order on the agreed terms and course of the proceedings.
- (4) In light of the circumstances and complexity of the case the arbitral tribunal may decide to
  - a) proceed without a case management conference and directly set a hearing, or take other procedural measures necessary to advance the proceedings, or
  - b) by mutual consent of the parties, continue the case management conference as a hearing, or
  - c) decide on the case without a case management conference and a hearing. The arbitral tribunal shall notify the parties of this in advance and shall provide the parties with an opportunity to file a request that a hearing be held.

### 37. *[Hearing]*

- (1) The arbitral tribunal shall hold a hearing in person or – in justified cases – by means of telecommunication if, in light of the circumstances of the case, it deems necessary, or, if any party so requests prior to the closing of proceedings. If the arbitral tribunal holds a hearing, the notice summoning



the parties to appear shall be served on the parties so that each party shall have at least fifteen days to prepare for the hearing.

- (2) The hearing is not open to the public. The members of the arbitral tribunal, the parties and their representatives, the recording secretary, interpreters, witnesses and experts may be present at the hearing, as well as persons to the presence of whom all parties have consented.
- (3) Minutes shall be drawn up during the oral hearing. The tribunal shall determine the way of drawing up the minutes. Any party may, subject to paying the advance on costs, request that the minutes be drawn up using specific means, which may include especially verbatim transcripts.

### *38. [Consolidation of Proceedings]*

The Arbitration Court may consolidate several arbitral proceedings commenced before it if all parties to all of these arbitrations unanimously so request or consent to the consolidation. The arbitrations shall be consolidated into the arbitration that was first commenced, except when the parties have unanimously requested or consented to the consolidation of the arbitral proceedings into another arbitration.

### *39. [Default]*

- (1) If the respondent fails to submit its Statement of Defence even within the additional time limit set by the Arbitration Court, the arbitral tribunal shall continue the proceedings without treating such failure in itself as an admission of the claimant's allegations or claims.
- (2) If any party fails to appear at a hearing or perform a procedural act within the respective time limit, the arbitral tribunal may continue the proceedings and may render a decision on the basis of documents and evidence available to it.

### *40. [Evidence]*

- (1) In order to investigate the circumstances relevant for the decision on the dispute the arbitral tribunal may also order the taking of evidence even failing a motion from the parties to do so.

- (2) The arbitral tribunal is not bound by the parties' motions for the taking of evidence.
- (3) The arbitral tribunal may order the parties especially to produce documents, to make such documents available in hard copy or electronically, the taking of witness testimony, the inspection of an object or place and the appointment of experts, it may call upon any legal entity or any organization not being a legal entity.
- (4) The details of the method of taking witness testimony, with specific regard to written witness statements possibly to be filed in advance and the taking of oral testimony at a hearing, shall be established during the case management conference and in the procedural order recording the outcome thereof.
- (5) The details of taking expert evidence, with specific regard to the payment of the advance on the experts' fees, the procedure to be followed after having obtained an expert report of the Body of Experts for the Certification of Performance, the method of hearing experts at a hearing as well as the relationship of several experts to each other, shall be established during the preparatory conference and in the procedural order recording the outcome thereof.
- (6) The arbitral tribunal may, on the motion of any party or *ex officio* order the appointment of an expert. The parties may, in each case submit (an) expert report(s) by party appointed experts. The arbitral tribunal may order especially that the experts appointed by the tribunal and the parties be heard together.

#### 41. [Closing of Proceedings]

- (1) After the last hearing or receipt of the post-hearing briefs filed afterwards the arbitral tribunal shall close the proceedings by order. After that further submissions and evidence may only be filed with prior leave of the arbitral tribunal. After closing the proceedings but prior to issuing its final decision the arbitral tribunal may in exceptionally justified case set a further hearing or order the parties to perform further procedural acts.
- (2) If the arbitral tribunal decides the dispute without holding a hearing, it shall notify the parties in advance of its intention to close the proceedings.

- (3) The arbitral tribunal shall to the extent possible close the proceedings within six months reckoned from its constitution.

## **II. 4. Decisions by the Arbitral Tribunal and Termination of Proceedings**

### *42. [Decisions by the Arbitral Tribunal]*

- (1) The arbitral tribunal shall make an award on the merits of the case and decide all other questions by order.
- (2) Unless otherwise agreed by the parties, the arbitral tribunal shall make its decision by majority. Failing a majority standpoint, the presiding arbitrator shall decide. Issues of procedure may be decided by the presiding arbitrator alone, if so authorized by the parties or all members of the arbitral tribunal.

### *43. [Making of the Award and Service on the Parties]*

- (1) The arbitral tribunal shall make an award if it decides the dispute on the merits, or if the parties request that the settlement made between them be recorded in the form of an award. The arbitral tribunal may record the parties' settlement in the form of an award on agreed terms provided that its contents comply with the law. The arbitral tribunal may also make an interim award or a partial award.
- (2) The award shall be made in writing and shall be signed by the members of the arbitral tribunal. In arbitral proceedings with more than one arbitrator, the signatures of the majority of all members of the arbitral tribunal shall suffice, provided that the reason for any omitted signature is stated and certified by the Arbitration Court in the award.
- (3) The arbitral tribunal shall present the award to the Arbitration Court within forty-five days from the closing of proceedings the latest. The Arbitration Court may in exceptionally justified case extend this time limit. Following the presentation of the award the Arbitration Court shall deliver it to the parties if payment of the advance on all the costs and expenses required throughout the proceedings has been made.

#### 44. *[Contents of the Arbitral Award]*

- (1) The arbitral award shall contain:
  - a) the name of the Arbitration Court and the case number;
  - b) the names and addresses of the parties and their representatives;
  - c) the decisions on the claims and the reasons upon which these are based, unless the award contains the settlement of the parties only;
  - d) the amount of the arbitration fees and costs and the decision as to who shall bear them;
  - e) the place of the arbitration and the date of the award.
- (2) The arbitral award shall be deemed to have been made at the place of the arbitration stated therein.
- (3) An arbitrator who signs the award may provide a dissenting opinion to the award in writing which shall be placed in a closed envelope among the files of the case. The President of the Arbitration Court may, if justified, permit the examination of the dissenting opinion. No pieces of information about the in camera deliberation of the arbitrators may be included in the dissenting opinion.
- (4) If no time limit is indicated in the award for the execution, it shall be executed immediately.

#### 45. *[Effect of the Arbitral Award]*

The arbitral award shall have the same effect as a final and binding court judgment.

#### 46. *[Termination of the Arbitral Proceedings without Making an Award]*

- (1) The arbitral tribunal shall terminate the proceedings by order if
  - a) the claimant does not remedy the defects of the Statement of Claim pursuant to Section 17;
  - b) the claimant does not pay its share of the advance on the Arbitration Fee or the share that the respondent failed to pay despite a notice by the Arbitration Court within the time limit determined therein;

- c) the arbitral tribunal establishes the lack of its jurisdiction;
  - d) the claimant withdraws its Claim, unless the respondent objects thereto and the arbitral tribunal recognizes a legitimate interest of the respondent in obtaining a decision on the merits;
  - e) the parties agree on the termination of the proceedings;
  - f) the parties make a settlement and do not request that it be recorded in the form of an award; or
  - g) the arbitral tribunal considers that the continuation of the arbitral proceedings becomes unnecessary or impossible for any other reason.
- (2) The provisions of Section 43(2)-(3) and Section 44(1) and (2) shall be applied *mutatis mutandis* to the termination order.
- (3) The termination of proceedings by order does not affect the parties' right to assert their claims in new proceedings.

### III. REMEDIES

#### 47. *[Correction and Interpretation of the Award; Additional Award]*

- (1) Within thirty days from receipt of the award a party may request the arbitral tribunal to correct in the award any clerical or typographical errors or any errors in computation.
- (2) Within thirty days from receipt of the award a party may request the arbitral tribunal to give an interpretation of a specific point or part of an award.
- (3) If the arbitral tribunal considers that the request pursuant to paragraphs (1)-(2) is justified, it shall make the correction or give the interpretation within thirty days. If the arbitral tribunal deems it justified, it may send the request for correction and interpretation, respectively, to the counterparty other than the party requesting the correction and / or interpretation, setting a time limit not exceeding fifteen days to make its statement. In such case the thirty-day time limit shall be reckoned from receipt by the Arbitration Court of the statement made by the counterparty to the requesting party, failing such statement, from the expiry of the time limit set for making the statement without success. If the correction concerns the operative part of the award, the corrected operative part shall be considered as the operative part of the award. Any correction having bearing on the reasons and the interpretation shall form part of the reasons of the award.
- (4) The arbitral tribunal may correct any error of the type referred to in paragraph (1) failing a request by any party on its own initiative within thirty days from the date of the award.
- (5) Within thirty days of receipt of the award, a party may request the arbitral tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted from the award. If the arbitral tribunal considers the request as justified, it shall make the additional award within sixty days, if necessary, based on a hearing.
- (6) The arbitral tribunal may extend by a maximum of further thirty days, if necessary, the period of time determined

above in this section for the correction, interpretation or the rendering of an additional award.

- (7) The provisions of Sections 43-45 shall be applied *mutatis mutandis* to a correction or interpretation of the award or to an additional award.

#### 48. [Procedure in Case of Remedies]

- (1) A party having made an application for setting aside an arbitral award shall send a copy of the application to the Arbitration Court within eight days from the commencement of such an action.
- (2) The mandate of the arbitral tribunal terminates with the making of the award or the termination of the proceedings. However, the arbitral tribunal shall continue to proceed in the procedure aiming at the correction or interpretation of the award, the making of an additional award or, in case of the staying of the setting aside proceedings, the elimination of the grounds for setting aside, furthermore, if the parties have not excluded it in their arbitration agreement, in case of the retrial of the proceedings.
- (3) The arbitrator who has participated in making the award shall participate in the proceedings aiming at the correction or interpretation of the award or the making of an additional award without receiving additional fees.
- (4) If in the proceedings continued at the request of either party after the setting aside of the arbitral award the composition of the arbitral tribunal remains unchanged, the parties shall not be obliged to pay any fees due to the arbitrators, as well as any administrative fee. If following appointment by the parties (or by the Arbitration Court) the composition of the arbitral tribunal changes, the fee(s) of the new arbitrator(s) as specified in the Fee Chart shall be settled to the burden of the Reserve Fund. Payments to the burden of the reserve fund shall be effected in accordance with the provisions relating to the payment of fees.

## **IV. CLOSING PROVISIONS**

### *49. [Confidentiality of the Arbitration]*

Any persons aware of the existence of arbitral proceedings shall treat as confidential both the existence and any details in connection with the arbitral proceedings. There shall be no obligation of confidentiality towards the Arbitration Court.

### *50. [Disclaimer]*

The liability for damages or any other legal consequences, furthermore for compensation under any title whatever of the Hungarian Chamber of Commerce and Industry, the Arbitration Court and its organs and employees, the arbitral tribunal and its members for any act or omission in connection with the arbitral proceedings is excluded, except for liability for damages caused due to an intentional breach of duty or gross negligence.

### *51. [Transitional Provisions]*

The provisions of the Rules shall apply in proceedings commenced on the date of the entry into effect or thereafter.



## V. ANNEXES

### Annex 1 – Sub-Rules of Expedited Proceedings

#### 52. *[Expedited Proceedings]*

- (1) The provisions of the present Sub-Rules of Expedited Proceedings shall apply if the parties have expressly agreed so in their arbitration agreement.
- (2) If the Sub-Rules are applied, the provisions of the Rules shall apply subject to the deviations in the present section.
- (3) The time limit set for the claimant to remedy defects shall not exceed fifteen days from receipt of the request to do so. If the parties have agreed to apply the provisions of the Sub-Rules of Expedited Proceedings, the advance on the Arbitration Fee shall be paid by the claimant in full, irrespective of the amount in dispute. The respondent shall submit its Statement of Defence within fifteen days from receipt of the Statement of Claim from the Arbitration Court. This time limit may be extended upon a request by the respondent by eight days at most.
- (4) In expedited proceedings a sole arbitrator shall proceed, unless the parties have agreed otherwise. If the parties have agreed that instead of a sole arbitrator an arbitral tribunal shall proceed, the arbitral tribunal shall be constituted in accordance with Section 21 of the Rules. The provisions of the present Sub-Rules concerning a sole arbitrator shall apply also to proceedings conducted by an arbitral tribunal.
- (5) If the parties fail to appoint the sole arbitrator by common consent within the time limit set for the filing of the Statement of Defence, the Arbitration Court shall appoint the sole arbitrator within additional eight days.
- (6) In expedited proceedings the claimant shall pay simultaneously with the submission of the Statement of Claim the Registration Fee set forth in the Fee Chart. The Arbitration Fee shall also be determined in accordance with the Fee Chart.
- (7) The sole arbitrator shall render a decision without holding an oral hearing, based on the parties' submissions. After filing the Statement of Claim and the Statement of

Defence the parties may be allowed to submit one further submission each within a time limit of a maximum of fifteen days. The sole arbitrator may in justified cases allow exceptionally the submission of further submission(s).

- (8) An oral hearing shall be held if either party files a written request to hold a hearing within the deadline granted for filing the Statement of Defence or if the sole arbitrator considers this reasonable.
- (9) When a hearing is held, the notice summoning the parties to appear shall be delivered so that each party shall have at least eight days to prepare for the hearing.
- (10) The sole arbitrator shall, if possible, close the expedited proceedings within three months from receipt of the nomination or appointment.
- (11) The sole arbitrator shall present the award to the Arbitration Court within fifteen days from the closing of proceedings.
- (12) If an expert shall be involved in the case, from the date of the issuing of the relevant order on the appointment of the expert the proceedings shall continue without the application of the present Sub-Rules, whereby the sole arbitrator shall continue to proceed and the earlier procedural acts shall remain in effect.

## Annex 2 – Fee Chart

### 53. [Fee Chart of the Arbitration]

- (1) Registration Fee: HUF 25,000.
- (2) The Arbitration Fee consists of:

#### a) Administrative Fee:

Amount in dispute (HUF)		Administrative Fee (HUF)
0-	5.000.000	1.5%, but minimum 25,000
5.000.001-	10.000.000	75,000 + 1.3% of the amount over 5,000,000
10.000.001-	25.000.000	140,000 + 1.2% of the amount over 10,000,000
25.000.001-	50.000.000	320,000 + 1% of the amount over 25,000,000
50.000.001-	125.000.000	570,000 + 0.8% of the amount over 50,000,000
125.000.001-	250.000.000	1,170,000 + 0.7% of the amount over 125,000,000
250.000.001-	1.250.000.000	2,045,000 + 0.4% of the amount over 250,000,000
1.250.000.001-	5.000.000.000	6,045,000 + 0.18% of the amount over 1,250,000,000
5.000.000.001-		12,795,000 + 0.01% of the amount over 5,000,000,000

#### b) Arbitrator's Fee:

Amount in dispute (HUF)		Arbitrator's Fee (HUF)
0-	5.000.000	2,4 %, but minimum 40,000
5.000.001-	10.000.000	120,000 + 2% of the amount over 5,000,000
10.000.001-	25.000.000	220,000 + 1.6% of the amount over 10,000,000
25.000.001-	50.000.000	460,000 + 1.2% of the amount over 25,000,000
50.000.001-	125.000.000	760,000 + 0.8% of the amount over 50.000.000
125.000.001-	250.000.000	1,360,000 + 0.4% of the amount over 125,000,000
250.000.001-	1.250.000.000	1,860,000 + 0.2% of the amount over 250,000,000
1.250.000.001-	5.000.000.000	3,860,000 + 0.12% of the amount over 1,250,000,000
5.000.000.001-		8,360,000 + 0.007% of the amount over 5,000,000,000

#### c) Reserve Fund

Reserve Fund pursuant to Sect. 62 subsection 1 lit g) of the AA	2% of the Arbitrators' Fee
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*d) Taxes and duties:*

Duties:	1% of the amount in dispute, but minimum HUF 5,000 and maximum HUF 250,000
Healthcare contribution	13% of the Arbitrators' Fees

- (3) The Arbitration Fee consists of the Administrative Fee, the Arbitrators' Fees, the Reserve Fund and the taxes and duties. The amounts and proportions indicated in the table as arbitrators' fees mean the fee payable to one arbitrator. In case of an arbitral tribunal this fee shall be multiplied by the number of arbitrators. The fee of the presiding arbitrator and the sole arbitrator is the amount of the Arbitrators' Fee increased by 30%. In case of the retrial of the arbitral proceedings the Administrative Fee and the arbitrators' fee shall be 50% of the sum indicated in the Fee Chart. The public taxes and duties shall be paid to the state according to the prevailing law provisions. Should these provisions be modified during the arbitral proceedings, the Arbitration Fee shall also be modified accordingly. In case of the increase of taxes and duties the advance on the difference shall be paid upon request by the Arbitration Court. In case of a decrease of taxes and duties the differences shall be reimbursed to the party having made the advance.
- (4) The Arbitration Court is entitled to decrease the arbitrators' fees, should the arbitral tribunal not present its award to the Arbitration Court within forty-five days as per Section 43 (3) and it has not requested the extension of this time limit, either. In case of such decrease of the arbitrators' fees the difference shall be paid into the Reserve Fund.

### Annex 3 – Arbitrator Statement of Acceptance

The undersigned, .....  
(postal address: .....  
e-mail:.....)  
declare herewith that in the case no. Vb .....

I accept to serve as arbitrator under and in accordance with the Rules of Proceedings of the Permanent Arbitration Court attached to the Hungarian Chamber of Commerce and Industry.

I decline to serve as arbitrator in this case.

I declare that I am impartial and independent of the parties and intend to remain so. I have no knowledge of any facts or circumstances, either past or present, that might touch my impartiality and / or independence in this case. Should any such circumstance come to my knowledge later during the proceedings, I shall disclose this without delay to the parties and the other members of the arbitral tribunal, and acting as a sole arbitrator to the Arbitration Court, respectively.

I declare that I am impartial and independent of the parties and intend to remain so. However, with my obligation to disclose in mind, I draw the attention to my (i) professional, business or other relationship(s) with the parties, past or present, and (ii) other circumstance(s), respectively, as follows.

.....  
.....  
.....  
.....

I declare that the above circumstances do not affect my impartiality and / or independence. Should any further circumstance to be disclosed come to my knowledge later during the proceedings, I shall disclose this without delay to the parties and the other members of the arbitral tribunal, and acting as a sole arbitrator to the Arbitration Court, respectively.

I confirm furthermore that I speak the language of the arbitral proceedings at a high level, and possess any other language skills eventually required to perform the arbitrator’s functions. I also confirm with knowledge of the time limits in the Rules that I can devote the time necessary to perform my obligations as arbitrator.

Date: .....

.....  
arbitrator

## **Annex 4 – Mediation Rules of the Arbitration Court**

**Effective as of December 31, 2022**

### *1. [Mediation by the Arbitration Court]*

- (1) If no arbitral proceedings have yet commenced, the Arbitration Court may conduct mediation proceedings between the parties having an interest in a dispute, which, in accordance with the applicable law, falls within the ambit of the jurisdiction of the Arbitration Court, regardless of whether the parties have concluded an arbitration agreement.
- (2) The aim of mediation is to reach an amicable settlement of a dispute in accordance with the agreement of the parties having an interest in the dispute with the involvement of an independent and impartial third person not concerned by the dispute (“mediator”). The mediator does not have the authority to impose upon the parties a solution to the dispute.
- (3) The Arbitration Court, through its organs (Presidium, Secretariat), provides administrative assistance to the parties and the mediator to facilitate the fast and expeditious conduct of proceedings.

### *2. [Scope of Application of the Mediation Rules]*

- (1) The present Mediation Rules shall apply in the mediation proceedings before the Arbitration Court.
- (2) The parties may agree to exclude or deviate from any provisions of the present Mediation Rules, as long as this does not result in the violation of a mandatory provision of the applicable law or the principles of independence, impartiality and the fair and equal treatment of the parties.

### *3. [Commencement of Mediation Proceedings]*

- (1) Any party, or the parties jointly, may request with a short description of the subject matter of the dispute that mediation proceedings be conducted. Unless otherwise agreed by the parties, mediation shall be deemed to have commenced on the day on which the parties to the dispute request that mediation proceedings be conducted.

- (2) If one party requests mediation, the Arbitration Court shall deliver the request to the other party with the invitation to state within thirty days whether it is willing to participate in the proceedings. If the other party communicates its refusal to participate in the proceedings or does not answer within thirty days from the day on which the invitation was sent by any means that provides for a record of its transmission, or within such other period of time as specified in the invitation, the party sending the invitation may treat this as a rejection of the invitation to mediate. In such case, furthermore, if the addressee of the invitation does not pay its share of the Mediation Fee to the Arbitration Court within the above time limits, and the party having requested the mediation does not pay said share of the advance instead of the other party either, the mediation proceedings shall be deemed to have been unsuccessful.
- (3) Mediation proceedings may be conducted with the participation of any number of parties.

#### 4. *[The Mediator]*

- (1) There shall be one mediator in the mediation proceedings, unless the parties agree that there shall be more mediators. If there is more than one mediator, the mediators shall act jointly. Where the present Mediation Rules are applied, the mediators acting jointly shall be understood as mediator, as well.
- (2) The parties shall be free to agree on the person of the mediator. By mutual consent the parties may replace a mediator at any time. The parties may seek the assistance of the Arbitration Court for selecting a mediator, which recommends or appoints mediator(s) according to the request of the parties.
- (3) If the parties have agreed upon the person of the mediator and none of the grounds for the exclusion of arbitrators pursuant to the Arbitration Act applies to the mediator, the Arbitration Court shall appoint the mediator agreed upon by the parties. If the parties agree that mediation proceedings be conducted but have not agreed upon the person of the mediator, the Arbitration Court shall appoint a mediator in the first place from the roll of arbitrators,

having regard to the requirements indicated by the parties and to the circumstances of the case, and observing the principles of independence and impartiality.

- (4) The initial and continuous obligation to disclose applicable to arbitrators shall also apply to mediators.
- (5) The mediator may not participate as judge, arbitrator, party representative, advisor, witness or expert in judicial, arbitral or other dispute resolution proceedings initiated after the termination of proceedings in any legal dispute with the same subject matter, as well as in legal disputes arising from the same contract or legal relationship. This does not affect the possibility to record a settlement reached in the mediation proceedings into arbitral award upon the joint request of the parties pursuant to Section 11.
- (6) Failing a mandatory provision of the law applicable to mediation or the parties' agreement to the contrary, the mediator shall keep confidential all information relating to the mediation proceedings conducted earlier with the mediator's participation.

##### *5. [Conduct of Mediation Proceedings]*

- (1) The mediator shall always seek to maintain fair and equal treatment of the parties, taking into account the principle of impartiality and independence of the mediator, the circumstances of the case, the parties' requests, as well as the fast resolution of the dispute.
- (2) As regards procedural questions not covered in the present Mediation Rules, the mediator may, failing an agreement of the parties, conduct the mediation as he or she considers appropriate within the limits of the mandatory provisions of the applicable law after consultation with the parties.
- (3) The mediator may request the parties to provide a short written summary of the essence of the dispute and their positions. The mediator shall hold a meeting with the participation of the parties, where he or she hears the parties' positions and inspects the documents presented by the parties. Upon request by and by mutual consent of the parties, respectively, the mediator may also hear or call upon other natural persons and legal entities and institutions if he or she considers it necessary to be able to establish the facts of the case. At any stage of



the mediation the parties may submit information and statements, respectively, concerning the legal dispute, furthermore any supporting documents, including pieces of information and documents relating to the goals, interests and motivations of the parties. The mediator may share the merits of the information received from any party concerning the dispute with other parties participating in the mediation. However, when the mediator receives such information from a party, indicating that the information should be kept confidential, the given information may not be disclosed to other parties participating in the mediation.

- (4) The mediator may, at any stage of the proceedings, request further clarifications or suggestions from the parties.
- (5) Unless the parties agree otherwise, the mediator may also communicate with each of the parties separately. When the mediator receives information concerning the dispute from a party, the mediator may disclose the substance of that information to any other party to the mediation, unless the party giving the information requests that it be treated confidentially.
- (6) The mediator may, with the agreement of the parties, appoint an expert at the parties' costs.
- (7) The mediator may, at any stage of the mediation proceedings, make proposals to the parties for a settlement of the dispute.
- (8) In conducting the mediation, the mediator may, in consultation with the parties and taking into account the circumstances of the dispute, utilize any technological means as he or she deems appropriate, including communication and meetings with the parties remotely, via electronic means.

## 6. *[Minutes of Meetings]*

Unless the parties agree otherwise, the mediator shall keep a record of all meetings throughout the proceedings containing the essence of the meeting. The mediator shall sign such minutes. If the parties reach an agreement, upon request of the parties, the mediator shall record such settlement in the minutes.

## 7. *[Representation]*

The parties may participate in the proceedings and perform procedural acts in person or through representatives, and they may be assisted by any person(s). The provisions of the Rules of Proceedings of the Arbitration Court on representation shall also apply mutatis mutandis in mediation proceedings. If a party is represented or assisted by other person(s), the name, address and function of such persons shall be communicated to all parties and to the mediator without delay.

## 8. *[Admissibility of Information and Evidence in Other Proceedings]*

- (1) An invitation by a party to engage in mediation, the fact that a party was willing to participate in mediation, statements and admissions made in the course of the mediation and in relation to this, respectively, views expressed and suggestions made in the mediation in respect of a possible settlement of the dispute, proposals, made by the mediator to the parties, the fact that a party had indicated its willingness to accept such proposal (or parts thereof), as well as documents prepared for the purposes of the mediation proceedings, apart from their form (hereinafter together "information") shall not bind the parties in eventual judicial, arbitral or other dispute resolution proceedings at a later time, no one shall rely on, introduce as evidence or give evidence regarding such information, whether or not the given proceedings relate to the subject matter of the mediation proceedings. The same shall apply to the evidence introduced in the mediation proceedings, except where said party could obtain and rely on such evidence regardless of the mediation proceedings. Such evidence is further on admissible in arbitral, judicial or other dispute resolution proceedings, apart from the fact that it has been used in a mediation.
- (2) The information and evidence referred to in paragraph (1) may be disclosed and relied on as evidence to the extent required for the purposes of implementation or enforcement of a settlement agreement.

### *9. [Confidentiality of Mediation Proceedings]*

Unless otherwise agreed by the parties, all information relating to the mediation proceedings, including any settlement, shall be kept confidential, and no information on these may be given to third persons, except where disclosure of the information is required by a mandatory provision of the law governing the mediation or for the purposes of implementation or enforcement of a settlement agreement.

### *10. [Termination of Mediation Proceedings]*

The mediation proceedings are terminated

- a) when the mediator presents the settlement agreement concluded and signed by the parties or the minutes recording the settlement agreement to the Arbitration Court;
- b) when the mediator notifies the Arbitration Court in a written declaration that any of the parties has requested the termination of the proceedings in a written declaration addressed to the mediator and simultaneously to the other party or in the minutes of the proceedings;
- c) when the mediator notifies the Arbitration Court in a written declaration that the parties have notified him or her of their agreement to terminate the mediation proceedings;
- d) when the mediator, having informed the parties beforehand, notifies the Arbitration Court in a written declaration that the mediation proceedings have been unsuccessful;
- e) at the expiration of any mandatory period pursuant to mandatory statutory provision, court order or as agreed upon by the parties.

### *11. [Settlement and its Recording in Arbitral Award]*

- (1) Once the parties agree upon the terms of a settlement to resolve all or part of the dispute in the mediation proceedings, they shall prepare and sign a settlement agreement. At the request of the parties the mediator may assist them in preparing the settlement agreement and may record it in the minutes drawn up during his or her meeting with the parties. The conclusion of the settlement

agreement shall be verified by the stamp of the Arbitration Court on the minutes.

- (2) The parties may request that the settlement concluded by them be recorded in an arbitral award, in which case the mediator(s), acting as arbitrator, may record the settlement of the parties in arbitral award pursuant to Section 43 (1) and Section 44 (1) lit. c) of the Rules of Proceedings of the HCCI Arbitration Court. If no settlement agreement is reached in the mediation, the mediator may not be an arbitrator in the arbitral proceedings thereafter.

## 12. *[Registration Fee and Mediation Fee]*

- (1) As a precondition for the commencement of mediation proceedings the parties shall pay a non-refundable Registration Fee. The amount of the Registration Fee shall be identical to the amount of the Registration Fee pursuant to the Fee Chart of the Arbitration.
- (2) For mediation proceedings the parties shall pay the Mediation Fee, which is a payment for the coverage of costs incurred in connection with the conduct of the mediation proceedings, thus especially the fees and expenses of the mediator and the work done and services rendered by the Arbitration Court and its organs. The Mediation Fee shall be determined by the Arbitration Court in light of the amount in dispute and the complexity of the case. The Mediation Fee may not be higher than 50% of the costs of an arbitration with the same amount in dispute conducted by a sole arbitrator.
- (3) The Registration Fee and the Mediation Fee shall be borne by the parties in equal shares.
- (4) The party initiating the mediation shall, simultaneously with initiating the mediation, pay its share of the advance on the Registration Fee and the Mediation Fee. If the other party does not participate in the mediation proceedings, the Arbitration Court shall, after the deduction of the Registration Fee, refund the advance paid to the party or parties having paid such advance.
- (5) If the other party or parties do not pay their respective share of the advance on the Mediation Fee, the party initiating the mediation may pay such share of the advance.

- (6) The provisions of the Rules of Proceedings on the use of languages shall apply also to the mediation proceedings.
- (7) The parties shall bear their other expenses in connection with the mediation proceedings themselves.

### *13. [Disclaimer]*

The liability for damages or any other legal consequences, furthermore for compensation under any title whatever of the Hungarian Chamber of Commerce and Industry, the Arbitration Court and its organs and employees and the mediator(s) for any act or omission in connection with the mediation proceedings is excluded, except for liability for damages caused due to an intentional breach of duty or gross negligence.

### *14. [Transitional Provisions]*

The provisions of the Mediation Rules shall apply to mediation proceedings commenced on the day of their entry into force or thereafter.





