

**ARBITRATION RULES OF THE UNITED NATIONS COMMISSION ON
INTERNATIONAL TRADE LAW
(UNCITRAL Arbitration Rules)
Administered by the Arbitration Court at the Chamber of Economy of Montenegro
(ACCEMN)**

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Section I Introductory rules

Scope of application

Article 1

Where parties have agreed that disputes between them in respect of a defined legal relationship, whether contractual or not, shall be referred to arbitration under the UNCITRAL Arbitration Rules Administered by the ACCEMN (hereinafter referred to as the “Rules”) then such disputes shall be settled in accordance with these Rules subject to such modification as the parties may agree.

Unless otherwise agreed by the parties, the Rules in effect on the date of the commencement of the arbitral proceedings shall apply to the dispute.

These Rules shall govern the arbitration except that where any of these Rules are in conflict with a provision of the law applicable to the arbitration from which the parties cannot derogate, that provision shall prevail.

Notice, calculation of periods of time and required copies of written pleadings and attachments

Article 2

A notice, including a notification, communication or proposal, may be transmitted by any means of communication that provides or allows for a record of its transmission.

If an address has been designated by a party specifically for this purpose or authorized by the arbitral tribunal, any notice shall be delivered to that party at that address, and if so delivered shall be deemed to have been received.

Delivery by electronic means such as facsimile or e-mail may only be made to an address so designated or authorized.

In the absence of such designation or authorization, a notice is:

- (a) Received if it is physically delivered to the addressee; or
- (b) Deemed to have been received if it is delivered at the place of business, habitual residence or mailing address of the addressee.

If, after reasonable efforts, delivery cannot be effected in accordance with paragraphs 2 or 3, a notice is deemed to have been received if it is sent to the addressee's last-known place of business, habitual residence or mailing address by registered letter or any other means that provides a record of delivery or of attempted delivery.

A notice shall be deemed to have been received on the day it is delivered in accordance with paragraphs 2, 3 or 4, or attempted to be delivered in accordance with paragraph 4. A notice transmitted by electronic means is deemed to have been received on the day it is sent, except that a notice of arbitration so transmitted is only deemed to have been received on the day when it reaches the addressee's electronic address.

For the purpose of calculating a period of time under these Rules, such period shall begin to run on the day following the day when a notice is received. If the last day of such period is an official holiday or a non-business day at the residence or place of business of the addressee, the period is extended until the first business day which follows. Official holidays or non-business days occurring during the running of the period of time are included in calculating the period.

In case notices are to be filed with the Secretariat of the Arbitration Court at the Chamber of Economy of Montenegro, such notices and attachments shall be submitted in a number of copies at least sufficient to provide one copy for each arbitrator, for each party and for the Secretariat of the ACCEMN (hereinafter referred to as the "Secretariat").

Notice of arbitration

Article 3

The party or parties initiating recourse to arbitration (hereinafter referred to as the "claimant") shall communicate to the Secretariat a notice of arbitration.

Arbitral proceedings shall be deemed to commence on the date on which the notice of arbitration is received by the Secretariat.

The notice of arbitration shall include the following:

- (a) A demand that the dispute be referred to arbitration;
- (b) The names and contact details of the parties;
- (c) Identification of the arbitration agreement that is invoked;

- (d) Identification of any contract or other legal instrument out of or in relation to which the dispute arises or, in the absence of such contract or instrument, a brief description of the relevant relationship;
- (e) A brief description of the claim and an indication of the amount involved, if any;
- (f) The relief or remedy sought;
- (g) A proposal as to the number of arbitrators, language and place of arbitration, if the parties have not previously agreed thereon.

The notice of arbitration may also include:

- (a) A proposal for the appointment of a sole arbitrator referred to in Article 8, paragraph 1;
- (b) Notification of the appointment of an arbitrator referred to in Article 9 or 10.

The constitution of the arbitral tribunal shall not be hindered by any controversy with respect to the sufficiency of the notice of arbitration, which shall be finally resolved by the arbitral tribunal.

Upon communicating the notice of arbitration, the claimant shall pay in full to the ACCEMN the administrative fee in accordance with article 41 paragraphs 1, 5 and 6 and the Schedule of Arbitration Costs in force on the date of receipt of the notice of arbitration by the Secretariat. If the payment is not effected by the party within two months from the date the party has been directed to do so, the party's claim shall be deemed withdrawn and the arbitral proceedings terminated without prejudice to the claimant's right to reintroduce the same claim.

The Secretariat shall communicate the notice of arbitration to the other party or parties (hereinafter referred to as the "respondent") without undue delay. The Secretariat may make delivery of the notice of arbitration contingent on having received the number of copies of the notice of arbitration required pursuant to article 2 paragraph 7 of the Rules, as well as payment required pursuant to paragraph 6 of this article.

Response to the notice of arbitration

Article 4

Within 30 days of the receipt of the notice of arbitration, the respondent shall communicate to the Secretariat a response to the notice of arbitration, which shall include:

- (a) The name and contact details of each respondent;
- (b) A response to the information set forth in the notice of arbitration, pursuant to article 3, paragraphs 3 (c) to (g).

The response to the notice of arbitration may also include:

- (a) Any plea that an arbitral tribunal to be constituted under these Rules lacks jurisdiction;
- (b) A proposal for the appointment of a sole arbitrator referred to in article 8, paragraph 1;
- (c) Notification of the appointment of an arbitrator referred to in article 9 or 10;

(d) A brief description of counterclaims or claims for the purpose of a set-off, if any, including where relevant, an indication of the amounts involved, and the relief or remedy sought;

(e) A notice of arbitration in accordance with article 3 in case the respondent formulates a claim against a party to the arbitration agreement other than the claimant.

The constitution of the arbitral tribunal shall not be hindered by any controversy with respect to the respondent's failure to communicate a response to the notice of arbitration, or an incomplete or late response to the notice of arbitration, which shall be finally resolved by the arbitral tribunal.

The Secretariat communicates the response to the notice of arbitration to the claimant without undue delay.

In case the respondent files a counterclaim, the respondent shall pay to the ACCEMN the administrative fee in accordance with article 41 paragraphs 1, 5 and 6 and the Schedule of Arbitration Costs in force on the date of receipt of the notice of arbitration by the Secretariat. If the payment is not effected by the respondent within two months from the date the respondent has been directed to do so, the counterclaim is deemed not to have been filed.

The Secretariat shall communicate the counterclaim to the claimant without undue delay. The Secretariat may make delivery of the counterclaim contingent on having received the number of copies of the counterclaim and attachments required pursuant to article 2 paragraph 7 of the Rules as well as payment required pursuant to paragraph 5 of this article.

Representation and assistance

Article 5

Each party may be represented or advised by persons chosen by it. The names and addresses of such persons must be communicated to the Secretariat, all parties and to the arbitral tribunal.

Such communication must specify whether the appointment is being made for purposes of representation or advice. Where a person is to act as a representative of a party, the Secretariat and the arbitral tribunal, on their own initiative or at the request of any party, may at any time require proof of authority granted to the representative in such a form as the Secretariat or the arbitral tribunal may determine.

Designating and appointing authorities

Article 6

The provisions regarding the powers of the designating authority under the UNCITRAL Arbitration Rules are not applicable to proceedings under these Rules.

The powers vested in the appointing authority under the UNCITRAL Arbitration Rules shall be exercised by the Presidency of the ACCEMN (hereinafter referred to as the "Presidency").

Section II

Composition of the arbitral tribunal

Number of arbitrators

Article 7

If the parties have not previously agreed on the number of arbitrators, and if within 30 days after the receipt by the respondent of the notice of arbitration the parties have not agreed that there shall be only one arbitrator, three arbitrators shall be appointed.

Notwithstanding paragraph 1, if no other parties have responded to a party's proposal to appoint a sole arbitrator within the time-limit provided for in paragraph 1 and the party or parties concerned have failed to appoint a second arbitrator in accordance with article 9 or 10, the Presidency may, at the request of a party, appoint a sole arbitrator pursuant to the procedure provided for in article 8, paragraph 2, if it determines that, in view of the circumstances of the case, this is more appropriate.

Appointment of arbitrators

Article 8

If the parties have agreed that a sole arbitrator is to be appointed and if within 30 days after receipt by all other parties of a proposal for the appointment of a sole arbitrator the parties have not reached agreement thereon, a sole arbitrator shall, at the request of a party, be appointed by the Presidency.

The Presidency shall appoint the sole arbitrator as promptly as possible.

In making the appointment, the Presidency shall use the following list-procedure, unless the parties agree that the list-procedure should not be used or unless the Presidency determines in its discretion that the use of the list-procedure is not appropriate for the case:

- (a) The Presidency shall communicate to each of the parties an identical list containing at least three names;
- (b) Within 15 days after the receipt of the list, each party may return the list to the Presidency after having deleted the name or names to which it objects and numbered the remaining names on the list in the order of its preference;
- (c) After the expiration of the period of time referred to in subparagraph (b) above the Presidency shall appoint the sole arbitrator from among the names approved on the list and in accordance with the order of preference indicated by the parties;
- (d) If for any reason the appointment cannot be made according to this procedure, the Presidency may exercise its discretion in appointing the arbitrator.

Article 9

If three arbitrators are to be appointed, each party shall appoint one arbitrator and shall inform the Secretariat accordingly. The two arbitrators thus appointed shall choose the third arbitrator who will act as the presiding arbitrator of the arbitral tribunal and shall inform the Secretariat accordingly.

If within 30 days after the receipt of the Secretariat's notice of a party's notification of the appointment of an arbitrator the other party has not notified the Secretariat of the name of the arbitrator it has appointed, the first party may request the Presidency to appoint the second arbitrator.

If within 30 days after the appointment of the second arbitrator the two arbitrators have not agreed on the presiding arbitrator, the presiding arbitrator shall be appointed by the Presidency in the same way as a sole arbitrator would be appointed under article 8.

Article 10

For the purposes of article 9, paragraph 1, where three arbitrators are to be appointed and there are multiple parties as claimant or as respondent, unless the parties have agreed to another method of appointment of arbitrators, the multiple parties jointly, whether as claimant or as respondent, shall appoint an arbitrator.

If the parties have agreed that the arbitral tribunal is to be composed of a number of arbitrators other than one or three, the arbitrators shall be appointed according to the method agreed upon by the parties provided that the number of arbitrators is an odd number.

In the event of any failure to constitute the arbitral tribunal under these Rules, the Presidency shall, at the request of any party, constitute the arbitral tribunal and, in doing so, may revoke any appointment already made and appoint or reappoint each of the arbitrators and designate one of them as the presiding arbitrator.

Disclosures by and challenge of arbitrators

Article 11

A person who could be appointed as an arbitrator shall notify the Secretariat of any circumstances likely to give rise to justifiable doubts as to his or her impartiality or independence. An arbitrator, from the time of his or her appointment and throughout the arbitral proceedings, shall without delay disclose any such circumstances to the Secretariat unless it has already been informed by him or her of these circumstances. The Secretariat informs the parties accordingly thereof and grants the parties an opportunity to comment within an appropriate time-limit.

Article 12

Any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence.

A party may challenge the arbitrator appointed by it only for reasons of which it becomes aware after the appointment has been made.

In the event that an arbitrator fails to act or in the event of the de jure or de facto impossibility of his or her performing his or her functions, the procedure in respect of the challenge of an arbitrator as provided in article 13 of these Rules shall apply.

Article 13

A party that intends to challenge an arbitrator shall send request for its challenge within 15 days after it has been notified of the appointment of the challenged arbitrator, or within 15 days after the circumstances mentioned in articles 11 and 12 become known to that party.

The request for challenge shall be communicated to the Secretariat.

The request shall state the reasons for the challenge. The Secretariat grants all parties, to the arbitrator who is challenged and to the other arbitrators an opportunity to comment within an appropriate time-limit.

When an arbitrator has been challenged by a party, the parties may agree to the challenge. The arbitrator may also, after the challenge, withdraw from his or her office. In neither case does this imply acceptance of the validity of the grounds for the challenge.

If, within 15 days from the date of receipt of the request for challenge, all parties do not agree to the challenge or the challenged arbitrator does not withdraw, the party making the challenge may elect to pursue it. In that case, within 30 days from the date of receipt of the request for challenge, it may seek a decision on the challenge by the Presidency.

Replacement of an arbitrator

Article 14

In the event where an arbitrator has to be replaced during the course of the arbitral proceedings, a substitute arbitrator shall be appointed or chosen pursuant to the procedure provided for in articles 8 to 11 that was applicable to the appointment or choice of the arbitrator being replaced. This procedure shall apply even if a party had failed to exercise its right to appoint or to participate in the appointment of the arbitrator to be replaced.

If, at the request of a party, the Presidency determines that, in view of the exceptional circumstances of the case, it would be justified for a party to be deprived of its right to appoint a substitute arbitrator, the Presidency may, after giving an opportunity to the parties and the remaining arbitrators to express their views appoint the substitute arbitrator.

Repetition of hearings in the event of the replacement of an arbitrator

Article 15

If an arbitrator is replaced, the proceedings shall resume at the stage where the arbitrator who was replaced ceased to perform his or her functions, unless the arbitral tribunal decides otherwise.

Exclusion of liability

Article 16

Save for intentional wrongdoing, the parties waive, to the fullest extent permitted under the applicable law, any claim against the arbitrators, the Presidency and the Secretariat, and any

person appointed by the arbitral tribunal, based on any act or omission in connection with the arbitration.

Section III **Arbitral proceedings**

General provisions

Article 17

Subject to these Rules, the arbitral tribunal may conduct the proceedings in such manner as it considers appropriate, provided that the parties are treated with equality and that at an appropriate stage of the proceedings each party is given a reasonable opportunity of exercising its rights and presenting its proposals. The arbitral tribunal, in exercising its discretion, shall conduct the proceedings so as to avoid unnecessary delay and expense and to provide a fair and efficient process for resolving the parties' dispute.

As soon as practicable after its constitution and after inviting the parties to express their views, the arbitral tribunal shall establish the provisional timetable of the arbitration. The arbitral tribunal may, at any time, after inviting the parties to express their views, extend or abridge any period of time prescribed under these Rules or agreed by the parties.

If at an appropriate stage of the proceedings any party so requests, the arbitral tribunal shall hold hearings for the presentation of evidence by witnesses, including expert witnesses, or for oral argument. In the absence of such a request, the arbitral tribunal shall decide whether to hold such hearings or whether the proceedings shall be conducted on the basis of documents and other materials.

All communications to the arbitral tribunal by one party shall be communicated by that party to all other parties. Such communications shall be made at the same time, except as otherwise permitted by the arbitral tribunal if it may do so under applicable law.

The arbitral tribunal may, at the request of any party, allow one or more third persons to be joined in the proceedings as a party provided such person is a party to the arbitration agreement, unless the arbitral tribunal finds, after giving all parties, including the third person or persons to be joined, the opportunity to be heard, that joinder should not be permitted because of prejudice to any of those parties.

The arbitral tribunal may make a single award or several awards in respect of all parties so involved in the arbitration.

Place of arbitration

Article 18

If the parties have not previously agreed on the place of arbitration, the place of arbitration shall be determined by the arbitral tribunal having regard to the circumstances of the case. The award shall be deemed to have been made at the place of arbitration.

The arbitral tribunal may meet at any location it considers appropriate for deliberations. Unless otherwise agreed by the parties, the arbitral tribunal may also meet at any location it considers appropriate for any other purpose, including hearings.

Language

Article 19

Subject to an agreement by the parties, the arbitral tribunal shall, promptly after its appointment, determine the language or languages to be used in the proceedings. This determination shall apply to the statement of claim, the statement of defence, and any further written statements and, if oral hearings take place, to the language or languages to be used in such hearings.

The arbitral tribunal may order that any documents annexed to the statement of claim or statement of defence, and any supplementary documents or exhibits submitted in the course of the proceedings, delivered in their original language, shall be accompanied by a translation into the language or languages agreed upon by the parties or determined by the arbitral tribunal.

Statement of claim

Article 20

The claimant shall communicate its statement of claim in writing to the respondent and to each of the arbitrators within a period of time to be determined by the arbitral tribunal. The claimant may elect to treat its notice of arbitration referred to in article 3 as a statement of claim, provided that the notice of arbitration also complies with the requirements of paragraphs 2 to 4 of this article.

The statement of claim shall include the following particulars:

- (a) The names and contact details of the parties;
- (b) A statement of the facts supporting the claim;
- (c) The points at issue;
- (d) The relief or remedy sought;
- (e) The legal grounds or arguments supporting the claim.

A copy of any contract or other legal instrument out of or in relation to which the dispute arises and of the arbitration agreement shall be annexed to the statement of claim.

The statement of claim should, as far as possible, be accompanied by all documents and other evidence relied upon by the claimant, or contain references to them.

Statement of defence

Article 21

The respondent shall communicate its statement of defence in writing to the claimant and to each of the arbitrators within a period of time to be determined by the arbitral tribunal. The

respondent may elect to treat its response to the notice of arbitration referred to in article 4 as a statement of defence, provided that the response to the notice of arbitration also complies with the requirements of paragraph 2 of this article.

In the statement of defence the respondent shall reply to the particulars of the statement of claim referred to in Article 20 paragraph 2 subparagraphs (b) to (e). The statement of defence should, as far as possible, be accompanied by all documents and other evidence relied upon by the respondent, or contain references to them.

In its statement of defence, or at a later stage in the arbitral proceedings if the arbitral tribunal decides that the delay was justified under the circumstances, the respondent may make a counterclaim or a claim for the purpose of a set-off provided that the arbitral tribunal has jurisdiction over it.

Amendments to the claim or defence

Article 22

During the course of the arbitral proceedings, a party may amend or supplement its claim or defence, including a counterclaim or a claim for the purpose of a set-off, unless the arbitral tribunal considers it inappropriate to allow such amendment or supplement because it was submitted late or having regard to prejudice to other parties or any other circumstances.

A claim or defence, including a counterclaim or a claim for the purpose of a set-off, may not be amended or supplemented in such a manner that the amended or supplemented claim or defence falls outside the jurisdiction of the arbitral tribunal.

Pleas as to the jurisdiction of the arbitral tribunal

Article 23

The arbitral tribunal shall have the power to rule on its own jurisdiction, including any objections with respect to the existence or validity of the arbitration agreement. For that purpose, an arbitration clause that forms part of a contract 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 shall not entail automatically the invalidity of the arbitration clause.

A plea that the arbitral tribunal does not have jurisdiction shall be raised no later than in the statement of defence or, with respect to a counterclaim or a claim for the purpose of a set-off, in the reply to the counterclaim or to the claim for the purpose of a set-off. A party is not precluded from raising such a plea by the fact that it has appointed, or participated in the appointment of, an arbitrator. A plea that the arbitral tribunal is exceeding the scope of its authority shall be raised as soon as the matter alleged to be beyond the scope of its authority is raised during the arbitral proceedings. The arbitral tribunal may, in either case, admit a later plea if it considers the delay justified.

The arbitral tribunal may rule on a plea referred to in paragraph 2 of this article either as a preliminary question or in an award on the merits.

The arbitral tribunal may continue the arbitral proceedings and make an award, notwithstanding any pending challenge to its jurisdiction before an ordinary court of law.

Further written statements

Article 24

The arbitral tribunal shall decide which further written statements, in addition to the statement of claim and the statement of defence, shall be required from the parties or may be presented by them and shall fix the periods of time for communicating such statements.

Periods of time

Article 25

The periods of time fixed by the arbitral tribunal for the communication of written statements (including the statement of claim and statement of defence) should not exceed 45 days. However, the arbitral tribunal may extend the time-limits if it concludes that an extension is justified.

Interim measures

Article 26

The arbitral tribunal may, at the request of a party, grant interim measures.

An interim measure is any temporary measure by which, at any time prior to the issuance of the award by which the dispute is finally decided, the arbitral tribunal orders a party to:

- (a) Maintain or restore the status quo pending determination of the dispute;
- (b) Take action that would prevent, or refrain from taking action that is likely to cause current or imminent harm or prejudice to the arbitral process itself;
- (c) Provide a means of preserving assets out of which a subsequent award may be satisfied; or
- (d) Preserve evidence that may be relevant and material to the resolution of the dispute.

The party requesting an interim measure under paragraphs 2 (a), (b) and (c) shall satisfy the arbitral tribunal that:

- (a) Harm not adequately reparable by an award of damages is likely to result if the measure is not ordered, and such harm substantially outweighs the harm that is likely to result to the party against whom the measure is directed if the measure is granted; and
- (b) There is a reasonable possibility that the requesting party will succeed on the merits of the claim.

The determination on this possibility shall not affect the discretion of the arbitral tribunal in making any subsequent determination.

With regard to a request for an interim measure under paragraph 2 (d), the requirements in paragraphs 3 (a) and (b) shall apply only to the extent the arbitral tribunal considers appropriate.

The arbitral tribunal may modify, suspend or terminate an interim measure it has granted, upon application of any party or, in exceptional circumstances and upon prior notice to the parties, on the arbitral tribunal's own initiative.

The arbitral tribunal may require the party requesting an interim measure to provide appropriate security in connection with the measure.

The arbitral tribunal may require any party promptly to disclose any material change in the circumstances on the basis of which the interim measure was requested or granted.

The party requesting an interim measure may be liable for any costs and damages caused by the measure to any party if the arbitral tribunal later determines that, in the circumstances then prevailing, the measure should not have been granted. The arbitral tribunal may award such costs and damages at any point during the proceedings.

A request for an interim measure addressed by a party to an ordinary court of law shall not be deemed incompatible with the agreement to arbitrate, or as a waiver of that agreement.

Evidence

Article 27

Each party shall have the burden of proving the facts relied on to support its claim or defence.

Witnesses, including expert witnesses, who are presented by the parties to testify to the arbitral tribunal on any issue of fact or expertise may be any individual, notwithstanding that the individual is a party to the arbitration or in any way related to a party. Unless otherwise directed by the arbitral tribunal, statements by witnesses, including expert witnesses, may be presented in writing and signed by them.

At any time during the arbitral proceedings the arbitral tribunal may require the parties to produce additional evidence within such a period of time as the arbitral tribunal shall determine.

The arbitral tribunal shall determine the admissibility, relevance and weight of the evidence offered.

Hearings

Article 28

In the event of an oral hearing, the arbitral tribunal shall give the parties adequate advance notice of the date, time and place thereof.

Witnesses, including expert witnesses, may be heard under the conditions and examined in the manner set by the arbitral tribunal.

Hearings shall be held in camera unless the parties agree otherwise. The arbitral tribunal may require the retirement of any witness or witnesses, including expert witnesses, during the testimony of such other witnesses, except that a witness, including an expert witness, who is a party to the arbitration shall not be asked to retire.

The arbitral tribunal may direct that witnesses, including expert witnesses, be examined through means of telecommunication that do not require their physical presence at the hearing (such as videoconference).

Experts appointed by the arbitral tribunal

Article 29

After consultation with the parties, the arbitral tribunal may appoint one or more independent experts to report to it, in writing, on specific issues to be determined by the arbitral tribunal. A copy of the expert's terms of reference, established by the arbitral tribunal, shall be communicated to the parties.

The expert shall, before accepting appointment, submit to the arbitral tribunal and to the parties a description of his or her qualifications and a statement of his or her impartiality and independence.

Within the time ordered by the arbitral tribunal, the parties shall inform the arbitral tribunal whether they have any objections as to the expert's qualifications, impartiality or independence.

The arbitral tribunal shall decide promptly whether to accept any such objections. After an expert's appointment, a party may object to the expert's qualifications, impartiality or independence only if the objection is for reasons of which the party becomes aware after the appointment has been made. The arbitral tribunal shall decide promptly what, if any, action to take.

The parties shall give the expert any relevant information or produce for his or her inspection any relevant documents or goods that he or she may require of them. Any dispute between a party and such expert as to the relevance of the required information or production shall be decided by the arbitral tribunal.

Upon receipt of the expert's report, the arbitral tribunal shall communicate a copy of the report to the parties, which shall be given the opportunity to express, in writing, their opinion on the report. A party shall be entitled to examine any document on which the expert has relied in his or her report.

At the request of any party, the expert, after delivery of the report, may be heard at a hearing where the parties shall have the opportunity to be present and to interrogate the expert. At this hearing, any party may present expert witnesses in order to testify on the points at issue. The provisions of article 28 shall be applicable to such proceedings.

Default

Article 30

If, within the period of time fixed by these Rules or the arbitral tribunal, without showing sufficient cause:

- (a) The claimant has failed to communicate its statement of claim, the arbitral tribunal shall issue an order for the termination of the arbitral proceedings, unless there are remaining matters that may need to be decided and the arbitral tribunal considers it appropriate to do so;
- (b) The respondent has failed to communicate its response to the notice of arbitration or its statement of defence, the arbitral tribunal shall order that the proceedings continue, without treating such failure in itself as an admission of the claimant's allegations -(the provisions of

this subparagraph also apply to a claimant's failure to submit a defence to a counterclaim or to a claim for the purpose of a set-off).

If a party, duly notified under these Rules, fails to appear at a hearing, without showing sufficient cause for such failure, the arbitral tribunal may proceed with the arbitration.

If a party, duly invited by the arbitral tribunal to produce additional evidence, fails to do so within the established period of time, without showing sufficient cause for such failure, the arbitral tribunal may make the award on the evidence before it.

Closure of hearings

Article 31

The arbitral tribunal may inquire of the parties if they have any further proof to offer or witnesses to be heard or submissions to make and, if there are none, it may declare the hearings closed.

The arbitral tribunal may, if it considers it necessary owing to exceptional circumstances, decide, on its own initiative or upon application of a party, to reopen the hearings at any time before the award is made.

Waiver of right to object

Article 32

A failure by any party to object promptly to any non-compliance with these Rules or with any requirement of the arbitration agreement shall be deemed to be a waiver of the right of such party to make such an objection, unless such party shows that, under the circumstances, its failure to object was justified.

Section IV

The award

Decisions

Article 33

When there is more than one arbitrator, any award or other decision of the arbitral tribunal shall be made by a majority of the arbitrators.

In the case of questions of procedure, when there is no majority or when the arbitral tribunal so authorizes, the presiding arbitrator may decide alone, subject to revision, if any, by the arbitral tribunal.

Form and effect of the award

Article 34

The arbitral tribunal may make separate awards on different issues at different times.

All awards shall be made in writing and shall be final and binding on the parties. The parties shall carry out all awards without delay.

The arbitral tribunal shall state the reasons upon which the award is based, unless the parties have agreed that no reasons are to be given.

An award shall be signed by the arbitrators and it shall contain the date on which the award was made and indicate the place of arbitration. Where there is more than one arbitrator and any of them fails to sign, the award shall state the reason for the absence of the signature.

An award may be made public with the consent of all parties or where disclosure is required of a party by legal duty, to protect or pursue a legal right or in relation to legal proceedings before a state court or other competent authority.

A sufficient number of copies of the award signed by the arbitrators shall be communicated to the Secretariat by the arbitral tribunal.

The Secretariat communicates one copy of the award to each party. Communication of the award to the parties may be withheld until the costs of the arbitral proceedings have been paid in full to the arbitral tribunal and to the ACCEMN

Applicable law, amiable compositeur

Article 35

The arbitral tribunal shall apply the rules of law designated by the parties as applicable to the substance of the dispute. Failing such designation by the parties, the arbitral tribunal shall apply the law which it determines to be appropriate.

The arbitral tribunal shall decide as *amiable compositeur* or *ex aequo et bono* only if the parties have expressly authorized the arbitral tribunal to do so.

The arbitral tribunal shall decide in accordance with the terms of the contract, if any, and shall take into account any usage of trade applicable to the transaction.

Settlement or other grounds for termination

Article 36

If, before the award is made, the parties agree on a settlement of the dispute, the arbitral tribunal shall either issue an order for the termination of the arbitral proceedings or, if requested by the parties and accepted by the arbitral tribunal, record the settlement in the form of an arbitral award on agreed terms. The arbitral tribunal is not obliged to give reasons for such an award.

If, before the award is made, the continuation of the arbitral proceedings becomes unnecessary or impossible for any reason other than that mentioned in paragraph 1 of this article, the arbitral tribunal shall inform the parties of its intention to issue an order for the termination of the proceedings. The arbitral tribunal shall have the power to issue such an order unless there are remaining matters that may need to be decided and the arbitral tribunal considers it appropriate to do so.

Copies of the order for termination of the arbitral proceedings or of the arbitral award on agreed terms, signed by the arbitrators, shall be communicated by the arbitral tribunal to the

Secretariat. Where an arbitral award on agreed terms is made, the provisions of article 34, paragraphs 2, 4, 5, 6 and 7 shall apply.

Before the arbitral tribunal is constituted, the Presidency may decide to terminate the arbitral proceedings if:

- (a) the claimant withdraws its claim, unless the respondent objects thereto and the Presidency recognizes a legitimate interest on the respondent's part in obtaining a final arbitral award in the dispute; or
- (b) the parties agree on the termination of the proceedings; or
- (c) when the continuation of the proceedings has for any other reason become unnecessary or impossible.

Interpretation of the award

Article 37

Within 30 days after the receipt of the award, a party, with notice to all other parties and the Secretariat, may request that the arbitral tribunal give an interpretation of the award.

The interpretation shall be given in writing within 45 days after the receipt of the request. The interpretation shall form part of the award and the provisions of article 34 paragraphs 2 to 7 shall apply.

Correction of the award

Article 38

Within 30 days after the receipt of the award, a party, with notice to all other parties and the Secretariat, may request the arbitral tribunal to correct in the award any error in computation, any clerical or typographical error, or any error or omission of a similar nature. If the arbitral tribunal considers that the request is justified, it shall make the correction within 45 days of receipt of the request.

The arbitral tribunal may within 30 days after the communication of the award make such corrections on its own initiative.

Such corrections shall be in writing and shall form part of the award. The provisions of article 34 paragraphs 2 to 7 shall apply to corrections.

Additional award

Article 39

Within 30 days after the receipt of the termination order or the award, a party, with notice to the other parties and the Secretariat, may request the arbitral tribunal to make an award or an additional award as to claims presented in the arbitral proceedings but not decided by the arbitral tribunal.

If the arbitral tribunal considers the request for an award or additional award to be justified, it shall render or complete its award within 60 days after the receipt of the request. The arbitral tribunal may extend, if necessary, the period of time within which it shall make the award.

The provisions of article 34 paragraphs 2 to 7 shall apply to such an award or additional award.

Definition of costs

Article 40

The arbitral tribunal shall fix the costs of arbitration in the final award and, if it deems appropriate, in any other decision.

The term “costs” includes:

- (a) The fees of the arbitral tribunal to be stated separately as to each arbitrator and to be fixed by the tribunal itself in accordance with article 41 of these Rules, within the limits set out in the schedule of costs;
- (b) The reasonable travel and other expenses incurred by the arbitrators;
- (c) The reasonable costs of experts and of other assistance required by the arbitral tribunal;
- (d) The reasonable travel and other expenses of witnesses to the extent such expenses are approved by the arbitral tribunal;
- (e) The legal and other costs incurred by the parties in relation to the arbitration to the extent that the arbitral tribunal determines that the amount of such costs is reasonable;
- (f) The ACCEMN administrative fee;
- (g) Any value-added tax levied upon the costs itemized (a)-(f).

In relation to interpretation, correction or completion of any award under articles 37, 38 and 39, the arbitral tribunal may charge the costs referred to in paragraphs 2 (b) to (g), but no additional fees of the arbitrators.

Fees and expenses of arbitrators and the ACCEMN administrative fee

Article 41

The arbitrators are entitled to fees and expenses pursuant to article 40, paragraph 2 (a) and (b), and the ACCEMN is entitled to an administrative fee pursuant to article 40, paragraph 2 (f). All these amounts are fixed by reference to the amount in dispute. The amount in dispute is to be finally determined by the arbitral tribunal at its due discretion. The amount of fees of the arbitral tribunal and the amount of administrative fee shall be calculated in accordance with the Schedule of Arbitration Costs referred to in Annex III. If more than two parties participate in the proceedings, the administrative fee of the ACCEMN and the fees of arbitrators shall be increased by 10% per each further party.

Gross amount of the fee for each arbitrator shall be calculated so that the presiding arbitrator shall have 40% and each co-arbitrator shall have 30% of the total amount of fee determined within the limits set out in the Schedule of fees for arbitrators' work.

If arbitral proceedings are terminated prematurely, the arbitral tribunal may at its discretion reduce the fees in accordance with the achieved stage of the proceedings.

If the amount in dispute is not specified in a statement of claim or counterclaim, the Secretariat or the arbitral tribunal, as the case may be, may assess an advance on the costs of the arbitration at its due discretion.

The parties are jointly and severally liable to the arbitral tribunal for payment of the costs of the arbitral proceedings, notwithstanding any claim for reimbursement by one party against the other.

When submitting the notice of arbitration or a statement of claim, a counterclaim or a claim for the purpose of a set-off, the party concerned shall deposit with the Secretariat the amount of registration fee.

Allocation of costs

Article 42

The costs of the arbitration shall in principle be borne by the unsuccessful party or parties. However, the arbitral tribunal may apportion such costs between the parties if it determines that such apportionment is reasonable, taking into account the circumstances of the case.

The arbitral tribunal shall in the final arbitral award or, if it deems appropriate, in any other award, determine any amount that a party may have to pay to another party as a result of the decision on allocation of costs.

Deposit of supplementary advance on costs

Article 43

In addition to the advance on the costs of the arbitration the claimant paid to the ACCEMN pursuant to article 3 paragraph 6 of these Rules and the advance on the costs of the arbitration paid by the respondent to the ACCEMN pursuant to article 4 paragraph 5 of these Rules, the arbitral tribunal may, during the course of the arbitral proceedings, request supplementary deposits from the parties, in particular in case of increase in the amount in dispute due to increase in the claim or counterclaim to cover the costs of witnesses, experts, translation or interpretation etc.

If the required supplementary deposits are not paid in full within 30 days after the receipt of the request, the arbitral tribunal shall so inform the parties in order that one or more of them may make the required payment. If such payment is not made in the additional period of time which may not exceed 30 days from the expiry of the original time limit, the arbitral tribunal shall consider that the amount in dispute is unchanged and that the requested procedural action is unfeasible, and it may order the suspension or termination of the arbitral proceedings if it considers that justified.

After a termination order or final arbitral award has been made, the arbitral tribunal shall render an accounting to the parties of the use of the deposits received. The parties shall be entitled to be returned any unexpended balance.

Entry into force
Article 44

These Rules enter into force on the date of their adoption.

Number: 010-
Podgorica, 11 November 2015

ASSEMBLY OF THE CHAMBER OF ECONOMY OF MONTENEGRO

Annex I

Model arbitration clause

Any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) before the Arbitration Court at the Chamber of Economy of Montenegro.

Note: Parties should consider adding:

- (a) The number of arbitrators shall be ... [one or three];
- (b) The place of arbitration shall be ...;
- (c) The language to be used in the arbitral proceedings shall be

Annex II

Model statement of independence pursuant to article 11 of the Rules

No circumstances to disclose: I am impartial and independent of each of the parties and intend to remain so. To the best of my knowledge, there are no circumstances, past or present, likely to give rise to justifiable doubts as to my impartiality or independence. I shall promptly notify the parties and the other arbitrators of any such circumstances that may subsequently come to my attention during this arbitration.

Circumstances to disclose: I am impartial and independent of each of the parties and intend to remain so. Attached is a statement made pursuant to article 11 of the UNCITRAL Arbitration Rules of (a) my past and present professional, business and other relationships with the parties and (b) any other relevant circumstances. [Include statement.] I confirm that those circumstances do not affect my independence and impartiality. I shall promptly notify the parties and the other arbitrators of any such further relationships or circumstances that may subsequently come to my attention during this arbitration.

Note: Any party may consider requesting from the arbitrator the following addition to the statement of independence:

I confirm, on the basis of the information presently available to me, that I can devote the time necessary to conduct this arbitration diligently, efficiently and in accordance with the time-limits in the Rules.

Annex III

Schedule of Arbitration Costs

Registration fee

Article 1

The registration fee amounts to EUR 500 and is non-refundable.

The registration fee is part of the administrative fee of the ACCEMN referred to in Article 3 of this Annex.

The registration fee shall be credited to the advance to be paid by the Claimant pursuant to Article 41 of these Rules.

Fees of the arbitral tribunal

Article 2

The Secretariat shall determine the fee of the sole arbitrator on the basis of Table A.

Total fees for the panel of three arbitrators shall be fixed in the amount of 250% of the amount calculated by using the scale from Table A. The chairperson of the tribunal shall be entitled to the fee equalling 40% of the amount calculated in this manner, whereas the other arbitrators shall be entitled to 30% each. After having consulted the arbitral tribunal, the Secretariat may order that the different percentage be applied with regard to the distribution within the tribunal. If the case is resolved by the tribunal composed of more than three arbitrators, total amount of the fee set out in Table A shall be increased for every further arbitrator by the 0.5% factor, whereas the Secretariat shall decide on the distribution of fees within the tribunal after having consulted the tribunal.

The amount in dispute shall be determined as the aggregate value of all claims and counterclaims. The same applies to set-off claims unless their consideration does not represent a significant increase of the workload. Where the amount in dispute cannot be established, the Secretariat shall determine the fees of the arbitral tribunal taking into account all relevant circumstances of the case.

When determining the fees of the arbitral tribunal, the Secretariat shall take into account the diligence and efficiency of the arbitrators, the amount of work performed, the complexity of the case, the efficiency of the proceedings and the timeliness of the making of the arbitral award. In exceptional circumstances, the Secretariat may depart from the amounts set out in Table A.

Administrative fee of the ACCEMN

Article 3

The Secretariat shall determine the administrative fee of the ACCEMN on the basis of Table B.

The amount in dispute shall be determined as the aggregate value of all claims and counterclaims. The same applies to set-off claims unless their consideration does not represent

a significant increase of the workload. Where the amount in dispute cannot be established, the Secretariat shall determine the administrative fee of the ACCEMN taking into account all relevant circumstances of the case.

In exceptional circumstances, the Secretariat may depart from the amounts set out in Table B.

Expenses of the Arbitral Tribunal and the ACCEMN

Article 4

In addition to the fees of the arbitral tribunal and the administrative fee of the ACCEMN, the Secretariat shall determine an amount to cover any reasonable expenses incurred by each of the arbitrators and the ACCEMN.

The expenses of the arbitral tribunal may also include the fees and costs of experts appointed by the arbitral tribunal.

The ACCEMN may issue guidelines for the accounting of the expenses of the arbitral tribunal intended for arbitrators.

Table A: Fees for Arbitrators` Work

Amount in dispute in EUR	Amount of fees in EUR
up to 5,000	550
5,000 - 10,000	550 + 10% of the amount exceeding 5,000
10,001 - 20,000	1,050 + 7% of the amount exceeding 10,000
20,001 - 50,000	1,750 + 5% of the amount exceeding 20,000
50,001 - 100,000	3,250 + 3.5 of the amount exceeding 50,000
100,001 - 500,000	5,000 + 2% of the amount exceeding 100,000
500,001 - 1,000,000	13,000 + 1.1% of the amount exceeding 500,000
1,000,001 - 2,000,000	18,500 + 0.61% of the amount exceeding 1,000,000
2,000,001 - 5,000,000	24,600 + 0.25% of the amount exceeding 2,000,000
5,000,001 - 10,000,000	32,100 + 0.23% of the amount exceeding 5,000,000
10,000,001 - 20,000,000	43,600 + 0.12% of the amount exceeding 10,000,000
over 20,000,000	55,600 + 0.02% of the amount exceeding 20,000,000

If the case is resolved by the tribunal composed of three arbitrators, the amount of fee for the arbitrators` work shall be increased by the 2.5 factor, whereas the distribution of fees between the chairperson of the tribunal and co-arbitrators, in accordance with Article 2, shall equal 40%-30%-30%. If the case is resolved by the tribunal composed of more than three members, the total amount of fee set out in Table A shall be increased by the 0.5 factor for each further arbitrator, while the Presidency shall decide on the distribution of fees within the tribunal.

Table B: Administrative fee

Amount in dispute in EUR	Amount of fee in EUR
up to 5,000	350
5,001 - 10,000	350 + 6% of the amount exceeding 5,000
10,001 - 20,000	650 + 4.5% of the amount exceeding 10,000
20,001 - 50,000	1,100 + 2% of the amount exceeding 20,000
50,001 - 100,000	1,700 + 1.6% of the amount exceeding 50,000
100,001 - 500,000	2,500 + 1% of the amount exceeding 100,000
500,001 - 1,000,000	6,500 + 0.4% of the amount exceeding 500,000
1,000,001 - 2,000,000	8,500 + 0.2% of the amount exceeding 1,000,000
2,000,001 - 5,000,000	10,500 + 0.15% of the amount exceeding 2,000,000
5,000,001 - 10,000,000	15,000 + 0.1% of the amount exceeding 5,000,000
10,000,001 - 20,000,000	20,000 + 0.05% of the amount exceeding 10,000,000
over 20,000,000	25,100 + 0.01% of the amount exceeding 20,000,000