

Arbitration Proceedings Pursuant to Legal Profession Act and Notaries Public Act

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UDK 347.918:347.916:347.965
Original scientific paper

Two new Acts - Legal Profession Act and Notaries Public Act - require lawyers and notaries public to carry compulsory insurance for damages incurred to their clients by performing legal or notary services. If parties to such insurance agreements, i.e. their professional organizations (Croatian Bar Association or Croatian Chamber of Notaries on one hand, the insurers on the other and the Ministry of Justice as third party) fail to agree upon the insurance conditions, these conditions have to be determined by the Permanent Arbitration Court at the Croatian Chamber of Commerce. By these provisions, a new form of arbitration, the so-called compulsory arbitration, was imported into Croatian arbitration law. The scarce wording of these new Acts raises questions on the possibility of its implementation within the present legal framework. The author argues that most of the problems may be solved by an analogous interpretation of the existing arbitration rules and other procedural provisions.

1. Introduction

The enactment of the Notaries Public Act (NPA)¹ and the Legal Profession Act (LPA) greatly contributed the Croatian system of justice, as they introduce numerous new rules. Among others, they require compulsory insurance for lawyers and notaries public for damages incurred to third persons, namely their clients.² These provisions, novelties in the Croatian legal system, introduced the mandatory submission to arbitration of disputes arising in the process of negotiating the terms of such compulsory insurance. Two terse and almost

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¹ Official Gazette No. 78/93 of August 25, 1993. The Notary Public Act entered into force on September 2, 1993, and is applicable since October, 10 1994.

² See Art. 17 of NPA and Art. 44 of LPA.

identical provisions of the NPA and LPA on that specific form of arbitration³ raise various issues regarding the future form of such arbitration proceedings and the practical application of this institute.

2. Compulsory liability insurance

Both lawyers, who have long and continuous traditions in Croatia, and notaries, whose tradition was interrupted suddenly half a century ago and now needs to be newly established,⁴ perform significant social duties: *lawyers "provide legal aid for persons and companies in the realization and protection of their rights and legal interests",*⁵ while notaries perform public services in *"official composing and issuing of public documents on legal transactions, affidavits and documents on certain facts relevant for establishing of clients' rights, official notarization of private documents, depositing of documents, money and values for delivery to other parties or authorized institutions as well as performing legal actions by order of the courts or other public institutions".*⁶

The common denominator to which these two, in many ways similar, professions may be reduced would be first, that both professions are performed by skilled, independent and autonomous individuals, and second, that the services they perform have a special public and social importance. Moreover, that special importance is emphasized for notaries public by their legal definition as persons of public confidence⁷ and by determining that the documents issued by public notaries have the force of authorized public documents⁸ (and thereby the same

³ See Art. 17 par. 9 of NPA:

"If the agreement specified in the previous Article is not reached within thirty days from one party's request to the other two parties, the Permanent Arbitration Court at the Croatian Chamber of Commerce shall decide on the insurance conditions upon the motion of any party thereto. The award of the Arbitration Court determining the conditions of insurance for the next year is final and binding for all insurers, the Ministry, the Chamber and notaries public."

Similarly Art. 44 par. 9 of LPA:

"If the agreement specified in the previous Article is not reached within thirty days from one party's request to the other two parties, the Permanent Arbitration Court at Croatian Chamber of Commerce shall decide on the insurance conditions upon the motion of any party thereto. The award of the Arbitration Court determining the conditions of insurance for the next year is final and binding for all insurers, the Ministry, the Chamber and lawyers or law firms."

⁴ For a comparative survey of the notary public model as well as the substance of the services provided by notaries public see Crni}, Dika, *Zakon o javnom bilje`ni{tvu (The Notaries Public Act)*, Zagreb, 1994, pp. 27-40, 41-55 and 89-120.

⁵ See Art. 1 of LPA.

⁶ See Art. 2 par. 1 of NPA.

⁷ See Art. 2 par. 2 of NPA.

⁸ See Art. 3 par. 2 of NPA.

presumption of veracity and authenticity applies to them). Notarized documents have, in certain cases, the quality of enforceable document as well.⁹ On the other hand, the social importance of lawyers' services is the special relationship between lawyers and their clients, by definition based on mutual trust and confidence, where lawyers protect the interests of the clients and undertake appropriate actions on their behalf wherever and whenever necessary.

The legal and social importance of the services performed by notaries and lawyers give rise to the special responsibility. This responsibility is not merely abstract but, in certain cases, requires notaries and lawyers to compensate their clients for large material damages caused by their services. The possibility of causing damages by actions performed in official capacity as well as by actions performed on the client's request is not limited only to notaries and lawyers. However, unlike the damages caused by the actions of state officials and agencies, those damages are not covered by the joint and several liability of the state.¹⁰ It is possible that damages caused by negligent actions on the part of a notary public or a lawyer can multiply exceed the value of the total assets they possess, in which case the damaged persons may eventually realize only a relatively small portion of their legitimate claims.¹¹ For that reason, the makers of the new legislation considered that the traditional guarantees for providing the professional and responsible performance, such as special education, professional and expert experience, additional state examinations and supervision of professional and state associations, as well as disciplinary, civil and criminal sanctions for negligent performance of duties, do not sufficiently safeguard the interests of citizens and other customers of legal services provided by notaries and lawyers.

The grounds and the scope of the liability for damages caused to third persons by negligent provision of legal services will be addressed in this paper only briefly. The notaries are liable for the damages caused by violation of official duty according to the legal rules on liability of official persons.¹² The same principle applies for notary assessors and clerks. Moreover, the notary public shall be jointly and severally liable for his staff if he authorizes them to perform certain actions autonomously.¹³ However, the lawyers shall be liable according to the general rules on liability but the members of a law firm shall be jointly and severally liable for the damages caused by the law firm and other lawyers

⁹ See Art. 3 par. 3 of NPA.

¹⁰ NPA expressly specifies in Art. 42 Par 2. sentence 2 that "*...the State is not liable for the acts of notaries public...*" and in Art. 3 sentence 4. "*...The State is not liable for damages caused by the notary assessor or clerk.*"

¹¹ It should be noted that the legal profession in Croatia is performed mainly by individual attorneys or small law firms in which not more than two or three lawyers are associated.

¹² See Art. 42 of NPA; for rules on liability of damages caused by official persons see Art. 172 of the Law on Obligations.

¹³ See Art. 42 par. 3 of NPA.

employed in it, if such obligations have risen from performing legal services.¹⁴ The liability of notaries and lawyers (including law firms) is personal and unlimited. They shall be liable to compensate the caused damages with their total assets.

However, the differences in the otherwise analogous texts of Art. 17 par. 2 of NPA and Art. 44 par. 1 of LPA have to be emphasized: while the provisions of LPA determine the insurance conditions may provide that compensation **up** to a certain amount shall be paid by the lawyer who acted negligently, the provisions of the NPA specify that the insurance conditions may provide such compensation **from** a certain amount by the notary public who caused the damage. There can be no other reasonable explanation for this difference but a mere typing error in the text of NPA.¹⁵ Otherwise, the principle of liability would be severely unbalanced: the latter option would mean that the conditions of insurance could determine the highest limits of security funds for the liability of notaries public (which could be relatively low compared to damage caused), while the first (in our view the only correct) provision means that the insurance of the lawyers has to cover the entire amount of damages, but that the conditions of insurance may provide for lawyers' contribution to the compensation up to the certain amount (franchise). Since both professions are in the same position to cause damages, although the notaries in a certain way should be subjected to even more rigid rules, there is no justification of such different treatment. The only solution that can achieve *ratio legis*, the protection of the users of lawyer and notary services as well as the protection of lawyers and notaries themselves, is the obligation of insurance companies to cover the entire amount of compensation.

3. Settlement of disputes according to LPA and NPA

The issue of compulsory liability insurance is covered by one single article in both the NPA and LPA. Within that article, one single paragraph in each article deals with dispute settlement.¹⁶ Such relatively terse regulations raise questions regarding the implementation and predictability of such procedures. In order to answer these questions, it is necessary to consider the nature of possible future arbitral proceedings pursuant to NPA and LPA.

4. Compulsory arbitration and its characteristics

The arbitration procedure set forth in those two Acts may doubtlessly be defined as the so-called compulsory arbitration. The very notion of "compulsory

¹⁴ See Art 33 of LPA.

¹⁵ In the Croatian language, it is merely a difference in the order of two letters ("od" means "from", whereas "do" means "up to").

¹⁶ See Art. 17 par. 9 of NPA and Art. 44 par. 9 of LPA.

arbitration” could raise some doubts since arbitration by definition means a voluntary agreement on the jurisdiction of one or more private arbitrators which excludes the jurisdiction of the otherwise competent state courts and tribunals. In this case the arbitration is not voluntary: the parties may not autonomously decide whether they would submit their dispute to jurisdiction of a state court or to arbitration, they can not even freely choose the arbitration institution in charge of the administration of the arbitral proceedings, since the law expressly and mandatorily provides for the jurisdiction of the Permanent Arbitration Court at Croatian Chamber of Commerce (PAC-CCC). Therefore, the existence of an arbitration agreement between parties is not at all relevant. Furthermore, any agreement on arbitration would be unnecessary, simply because it is substituted by such a mandatory legal provision. The special agreement on arbitration before PAC-CCC as well as any other agreement which would provide for the jurisdiction of any other court or institution would be contrary to law and would not produce any legal effect.

Why do these two Acts resort to this method of dispute settlement instead of determining the exclusive jurisdiction of a state court or allowing parties the full autonomy to stipulate jurisdiction within standard alternatives? Would it be possible to determine the insurance conditions administratively if disputes occur, thereby avoiding this issue at all?

The answer arises out of the very nature of that specific relation: compulsory arbitration is the procedural reflex of contractual relations between parties to such disputes. Compulsory insurance contracts themselves are, in a way, an aberration from a non-mandatory character of contractual relations: the contractual parties, in this case, the insurance companies and lawyers/notaries, can not autonomously decide whether they will enter into such a contract. On contrary, they are obliged to conclude agreements with insurers containing certain minimum elements - the insurer’s obligation to compensate damages to third persons on the one side, and the lawyer’s or notary’s duty to pay the insurance for taking such risks on the other.¹⁷

It would seem that the parties to these contracts are free to determine their mutual rights and duties within the limits of the minimum requirements. However, some additional restrictions are imposed in order to prevent illegitimate differences in insurance conditions which would result in discrimination of the lawyers’ and notaries’ clients and thereby annul the protective effects of the compulsory insurance provisions. Therefore, the insurance conditions have to be uniformly agreed upon at the state level (Art. 44 par. 8 of LPA and Art. 17 par. 6 of NPA). To achieve such uniformity, the law also provides for a form of compulsory

¹⁷ The weight of this obligation may also be seen from the possibility to release the notary public from duty if he does not extend his liability insurance contract - Art. 21 par. 1 item 7 of NPA.

representation of contractual parties: the Croatian Bar Association represents the lawyers as parties to the contract, while the Croatian Chamber of Notaries Public represents the notaries.¹⁸ On the other hand, the insurers shall be represented by a representative of their own choice.¹⁹ According to these characteristics this process may be compared to the “collective agreements” of labor law.

Although party autonomy is rather restrained, the disputes regarding the insurance conditions may arise anyway. The interests indirectly involved in such forms of insurance surpass those of the contractual parties. Apart from the insurers’ interests, guided mostly by profit and the interests of lawyers and notaries, guided mostly by the wish to transfer the greatest risks to the other party for minimum costs, the process of negotiating the insurance conditions involves public interests (the interest of the “third parties”), represented by the Ministry of Justice. Its task is to protect the consumers of legal or notarial services, regardless of the costs. It should be assumed that these three main forces shall participate in negotiating the insurance conditions: the joint insurers, aiming at taking the minimum risks for the maximum price, the lawyers and notaries, seeking to gain the highest possible coverage of the risks at the least price and the Ministry of Justice, that should supervise the process and challenge unfair terms of insurance and agreement of two other parties to the detriment of the insurance beneficiaries (e.g. such terms which would leave some damages to third parties completely uncovered). Those three different interests could not in any way be completely reconciled, at least not in a very short period of time. Moreover, there are no relevant objective indicators and the possible amounts of annual insurance paid by the insurers are still unknown. Therefore, the possibility of disagreement in negotiating insurance conditions as well as the possibility that the parties fail to timely achieve the agreement is increased.

One of the requirements of the new statutes is that the annual insurance conditions have to be announced in advance for the next year, at the latest by the end of the preceding calendar year. This corresponds to the obligation on the part of the lawyers and notaries who have, under LPA and NPA, to prolong their insurance on time or face disciplinary consequences ranging from financial penalties to suspension and loss of the right to act as lawyer/notary public. Hence, the two Acts regulate that, if an agreement between all the parties has not been reached within a period of thirty days of the date the request has been placed, each party may initiate an action before the Permanent Arbitration Court requesting the determination of insurance conditions.

¹⁸ However, it is possible for the Chambers to take over the insurance of lawyers or notaries, though in that case the Chambers would not be mere representatives, but parties to the contract - Art. 44 par. 5; Art. 17 par. 5.

¹⁹ In case of disagreement, the Ministry of Justice shall choose the representative. This decision can not be appealed - Art. 44 par. 8 sentence 3.

5. Procedural features of arbitration according to Legal Profession Act and Notaries Public Act

The procedures set in motion according to the provisions of the LPA and NPA shall be governed by the application of the general provisions on arbitration set forth in the Code of Civil Procedure (CCP).²⁰ However, most provisions of the CCP are of ancillary nature and therefore will be applied only if the parties have not agreed otherwise. For example, Art. 475 par. 1-3, Art. 477 par. 3, Art. 479a, Art. 481 and Art. 483 par. 1 expressly determine the application only if the parties have not agreed otherwise.

These provisions may be vague with regard to the nature of compulsory arbitration which does not require the existence of an arbitration agreement, as it is specified in the LPA and NPA. However, it should be emphasized that in this case the previously mentioned mandatory provisions substitute for the arbitration agreement and make the irrefutable fiction that such an agreement was in fact concluded. Since both the LPA and NPA specify that the disputes on insurance conditions shall be settled before the Permanent Arbitration Court at the Croatian Chamber of Commerce, that legal provision substitutes for the arbitration clause containing the same text. The most important procedural consequence is that these Acts, by determining the jurisdiction of PAC, indirectly determine the application of the relevant procedural rules governing the arbitration proceedings before that arbitration institution. However, the compulsory character of the arbitration does not necessarily mean that the parties have no autonomy in agreeing upon the procedural rules to be applied. In other words, the parties might, respecting the legal restrictions, agree on the procedure that should be followed by the arbitral tribunal.

Some of the provisions of the CCP are clearly irrelevant for arbitration in accordance with the LPA and NPA, since they deal with elements that are not applicable. For example, the provisions of Art. 470 regarding the form of the arbitration agreement, and Art. 485 par. 1 item 1, on setting aside the arbitral award if the arbitration agreement has not been concluded or is not valid. Both of these requirements, the existence of the arbitration agreement and its legal form, are presumed *ex lege* and the contrary could not even be argued. However, this does not mean that the other reasons for setting aside, mostly concerning the contents of the arbitration agreement, could not be applied, such as the provision on deciding beyond the scope of the submission to arbitration.²¹

²⁰ See Chapter XXXI. Arts. 468a-487 of Code of Civil Procedure.

²¹ See Art. 485 par. 1 item 4 of CCP.

The most important provisions of CCP are certainly the ones which parties can not derogate by their agreement - the provisions regarding challenge of arbitrators,²² form of an award and its delivery to the parties²³ and provisions on setting aside arbitral awards.²⁴ However, these provisions are not very numerous and contain only the general minimum standards, especially regarding the provisions on challenging arbitrators and form of the award. Those issues are specified in details in the internal procedural rules of the arbitration institution and the procedural rules determined by the arbitral tribunal.

It should be assumed that proceedings under the LPA and NPA will be governed by the Rules of Arbitration of the Permanent Court of Arbitration at Croatian Chamber of Commerce (ARPAC).²⁵ These Rules, like the provisions of the CCP, are mostly non-mandatory and the parties may depart from them on terms to which they agree.

However, having in mind the specific nature of disputes pursuant to the LPA and NPA, such arbitration would differ in some procedural elements from the "conventional" voluntary arbitration proceedings before the PAC-CCC. While in conventional proceedings the disputes settled by arbitration arise from contracts (much more rarely in connection with torts), the eventual disputes according to LPA and NPA arise from the very fact that the parties can not agree on the conditions of the contract. Thus, unlike the usual cases where the parties' dispute deals with the application of a pre-existing contract, in this case there is no contract at all - it should be produced ("concluded") at the very end of the arbitration. The arbitral award in this way does not constitute a remedy to the violated parties' rights but authoritatively regulates the relations between parties to the dispute - we may even speak of "regulatory" vs. traditional "jurisdictional" arbitration.²⁶ The arbitral award would even rule on the relations of those parties who do not participate in the arbitration proceedings since the insurance conditions set by the arbitral award would affect the individual lawyers or notaries²⁷ and not their obligatory representatives - the Chamber and a representative of insurers. The position of the Ministry of Justice is specific in this matter since the arbitral award can not impose any obligations on it apart from the

²² See Art. 477 par. 1 and 2 of CCP.

²³ See Art. 481 par. 2 and 3 of CCP.

²⁴ See Arts. 484-486 of CCP.

²⁵ Official Gazette No. 19/85, 1/89, 15/90, 69/91 and 25/92, see full amended text of the Rules in Off. Gaz. 113/93.

²⁶ In the sense that arbitration in such cases regulate the mutual rights and duties of the parties, whereas "conventional" arbitration deals with adjudication.

²⁷ However, the possibility that the Bar Association or Chamber of Notaries directly conclude the insurance agreement on behalf of lawyers and notaries still remains opened. In that case the arbitral award would bind the Chambers as parties to a dispute. See Art. 17 par. 5 of NPA; Art. 44 par. 5 of LPA.

general obligation to recognize and confirm the insurance conditions determined in the arbitral award. The Ministry of Justice, though the scant wording of the provision would suggest that it is a party to the proceedings, has in fact the role of the intervenor in the arbitration proceedings.

This distribution of roles in “regulatory” arbitration and the nature of its arbitral awards results in specific procedural forms. Among others, the proceedings before PAC-CCC commence upon a submission of a *request of any party* and not by submitting a statement of claim (that is otherwise the standard form of commencing the procedure under ARPAC). In consequence, there is no claimant or respondent in this proceeding. The terms 'claimant' and 'respondent' may be used in these proceedings only figuratively, to denote which of the parties has filed the request. According to NPA and LPA, the request of just one of the parties shall suffice for the commencement of the proceedings, but the possibility of two or even all three parties filing the request is not excluded.

Nevertheless, in a procedural sense, the request for arbitration before PAC-CCC is still analogous to the statement of a claim and therefore the appropriate provisions of ARPAC should apply.²⁸ The request should be submitted to the Secretariat of the PAC-CCC in a sufficient number of copies,²⁹ and should include the identification of the parties, the subject matter of the request, facts on which the request is grounded, evidence to prove these facts and the appointment of an arbitrator and his substitute. With regard to the legal nature of that form of arbitration, the requirement that the claim should include "the specific claim regarding the subject matter and all accessory claims" should be considered fulfilled if the request contains a summary statement regarding the relations between the parties and the request that the arbitral tribunal decide on the insurance conditions. The parties may also include their respective proposals regarding insurance conditions in their request and the answer thereto.

After the submission of the request the proceedings shall continue in accordance with the provisions of ARPAC: the Secretariat of PAC-CCC should communicate the request to other parties and determine the deadline for submission of the answer to the request.³⁰ Within eight days after receipt of the request, the respondents should submit to the Court a written statement on the appointment of their joint arbitrator³¹. The arbitrators may be appointed from the panel of

²⁸ See Art. 27 of ARPAC.

²⁹ See Art. 30 of ARPAC

³⁰ See Art. 29 of ARPAC; for communication of documents see Art. 40 of ARPAC.

³¹ See Art. 29 par. 3 of ARPAC

arbitrators in domestic disputes of the PAC-CCC.³² If one of the parties fails to appoint an arbitrator on time, the arbitrator shall be appointed by the President of the PAC-CCC. The same shall apply if the appointed arbitrators do not agree upon the appointment of the presiding arbitrator.³³

The dispute may be decided by a sole arbitrator or by a tribunal of three (in exceptions five) arbitrators.³⁴ The arbitrators must remain independent and impartial (the provisions of the CCP on the challenge of judges shall apply subsidiarily).³⁵ The parties themselves shall decide on the number and appointment of arbitrators. It should be assumed that in most cases a panel of three arbitrators shall be deciding the case. If so, a certain difficulty can arise by the rigid application of ARPAC since the party submitting the request shall have certain advantages in the process of appointing arbitrators. Because of the trilateral structure of the proceedings, the requesting party is free to appoint its arbitrator alone, and the other two parties have to agree on their joint arbitrator; failing such an agreement, the arbitrator has to be appointed by the appointing authority. However, a flexible approach to this issue would give an opportunity to the representatives of lawyers/notaries and representatives of the insurers to appoint their arbitrators, whereas the Ministry of Justice, having only a supervisory role which protects the public and not partial interests, would not have legitimate reasons to insist on appointing a specific arbitrator.

The basic motives for submitting insurance conditions disputes to arbitration are certainly efficiency, flexibility and the speed inherent in arbitral proceedings. Moreover, since this "regulatory" arbitration does not have to decide on violations of parties' rights but to determine the content of these rights, the lengthy procedure of presenting evidence, hearing witnesses and finding facts could be avoided for the most part. The main task of the arbitral tribunal shall be to determine the respective positions of the parties, evaluate their proposals and to find, independently or with assistance of experts, the objective factors that might lead to a just and equitable decision on insurance conditions that would be satisfying to all parties to dispute - lawyers, notaries and insurers, as well as to consumers of their services. Under optimal conditions, the whole procedure should not exceed a few weeks, provided that the arbitrators monitor the duration of the proceedings and prevent all actions that may lead to delay.

³² See Art. 5 par. 3 and Art. 34 par. 1 of ARPAC. The List of PAC Arbitrators in domestic disputes is published in Off. Gaz. No. 59/93 and contains names of 110 prominent lawyers and businessmen.

³³ See Art. 35 of ARPAC.

³⁴ See Art. 32 par. 1 and Art. 33 of ARPAC.

³⁵ See Arts. 71-76 of CCP; Art. 39 par. 2 of ARPAC.

Both LPA and NPA provide that the arbitral award on insurance conditions is legally valid and binding for all insurers, lawyers, notaries, their professional organizations and the Ministry of Justice (in legal doctrine, such broad effect *ultra partes* is known as “extended effect of *res iudicata*”). The arbitral award is constitutive by its nature; it substitutes for the contract between parties and takes effect from the moment it is rendered. The only possibility of appeal is a request for setting aside the arbitral award. However, the reasons for setting aside, being generally limited, in this case would be even more restricted. Since the objection to the invalidity of the arbitration agreement can not be raised, the reasons for setting aside would be narrowed only to some grave procedural errors such as denial of the right to present the case, participation of an arbitrator who was or should have been challenged, false witness or expert statements, exceeding the scope of arbitrators’ authority, unintelligible or contradictory decisions in the award, lack of reasons or arbitrators’ signatures etc. If the award would be set aside, which is highly improbable, the proceedings should be, according to the dominant opinions in legal theory, reopened according to the same rules.³⁶

6. Conclusion

Although LPA and NPA do not contain sufficient procedural details, many open questions may be answered by analogous application of the existing arbitration rules, primarily by the interpretation of the Arbitration Rules of the Permanent Arbitration Court at the Croatian Chamber of Commerce (ARPAC). In any case, the arbitral tribunal and the PAC-CCC may, with minimal cooperation by the parties, solve all possible problems and fill in the gaps by application of the general principles and rules appropriate to such arbitration proceedings.³⁷ This, however, does not exclude the possibility of enacting specific rules for that kind of arbitration in order to achieve full predictability of the proceedings.³⁸ In this

³⁶ See Triva, “Arbitra`ni ugovor nakon poni{taja arbitra`ne odluke” (*Arbitration Agreement after Setting Aside Arbitral Award*), JAZU, XX/81, pp. 87-120.

³⁷ Elasticity, flexibility and party autonomy are the most important characteristics of arbitration. These elements are incorporated in the Arbitration Rules of the PAC. See Art. 39 of ARPAC.

“The provisions of these Rules shall apply to the arbitration proceedings unless the parties have agreed to the application of other rules in writing.”

“If these Rules do not contain special provisions and if the parties have not agreed otherwise for that case, the arbitrators shall determine the proceedings by application of the provisions of the Code of Civil Procedure of the Republic of Croatia if it corresponds to the nature of the procedure before Arbitral Tribunal.”

“It shall be deemed that the party has waived the right to object to violations of the rules governing the arbitration, if the objection is not submitted immediately after the party found out that there was a violation, but proceeded to participate in the proceedings without stating its objection.”

³⁸ One of the problematic issues is the costs of the arbitration according to LPA and NPA, since the amount in dispute is very difficult to evaluate. In the meantime, the costs should be evalu-

moment, the Permanent Arbitration Court is completely prepared to administer this new form of arbitration. Future events will show whether such “regulatory” arbitration may well be transferred to some other similar areas.

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ated according to the existing list of charges and comparative practice of similar institutions.
Comp. Uzelac, Costs of arbitral proceedings in: Croatian Arbitration Yearbook, 1 (1994), pp. 109-125.