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Dispute Resolution

in 47 jurisdictions worldwide

Contributing editor: Simon Bushell

2012

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Dispute Resolution 2012
Published by
Law Business Research Ltd
87 Lancaster Road
London, W11 1QQ, UK
Tel: +44 20 7908 1188
Fax: +44 20 7229 6910

First published 2003
Tenth edition 2012
ISSN 1741-0630

Printed and distributed by
Encompass Print Solutions
Tel: 0844 2480 112

Law Business Research

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Macedonia

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Litigation

1 Court system

What is the structure of the civil court system?

The civil court system in the Republic of Macedonia is divided into three levels:

- first level – basic court (27 in total);
- second level – appellate court (3 in total); and
- third level – the Supreme Court of the Republic of Macedonia.

The system does not recognise specialised courts, but in each of the courts there are the following departments according to subject matter: civil dispute department, labour dispute department and commercial dispute department. Administrative disputes are resolved by the Administrative Court at first instance and by the Higher Administrative Court at second instance. The Supreme Court decides upon the appeals against the decisions of the Higher Administrative Court.

The appellate court decides upon an appeal against first-instance judgments made by the basic court. In certain cases stipulated by law, the parties have the right to challenge the appellate court judgment at the Supreme Court of the Republic of Macedonia.

At the first level, in the basic courts, the individual judge decides upon interim measures and civil claims in amount up to 1.8 million Macedonian denars. In cases in which the claim exceeds this amount, as well as in certain type of disputes stipulated by law (labour disputes, intellectual property disputes, certain family law disputes, etc), the court acts as council composed of one professional judge and two lay judges.

2 Judges and juries

What is the role of the judge and the jury in civil proceedings?

The judge is a career judge appointed by the Judiciary Council. Jurors are not professional judges.

In the civil procedure, it may be conceded that the judge's role is rather passive. The judge controls the process from the procedural perspective and decides which evidence provided by the parties will be examined during the proceeding. The judge does not collect evidence at his discretion.

The jurors are part of the court council when certain thresholds with regard to the value of the claim or type of a dispute are met. The jurors have the right to ask questions to the parties or witnesses, to vote for a procedural decision, when required, and for a judgment. The votes of the jurors are equal in value as the vote of the professional judge.

3 Limitation issues

What are the time limits for bringing civil claims?

Civil claims between individuals and between individuals and legal entities would be time barred after five years except for claims related to compensation for damage, rents and other cases specified by the law, where the statute of limitation is three years.

Claims between legal entities that arise from commercial agreements would be time barred after three years.

The parties cannot agree to suspend time limits. However, the debtor may acknowledge the claim and thereby cease the limitation period, which would start to run again from the day of acknowledgment.

4 Pre-action behaviour

Are there any pre-action considerations the parties should take into account?

In general, there is no pre-action consideration that the parties should take into account or take before initiating a civil procedure except for certain cases provided by law (for example, in event of material and/or legal defect the claimant must inform the other party about the defect within eight days. If not, the claimant would lose the right to seek court protection).

5 Starting proceedings

How are civil proceedings commenced?

The civil proceeding is commenced by filing of the lawsuit by the claimant. There are very strict rules in law on what the lawsuit should contain. If not, the court may ask for removal for deficiency or reject the lawsuit if it is filed by professional lawyer, ie, attorney-at-law.

6 Timetable

What is the typical procedure and timetable for a civil claim?

Pursuant to the law, after the lawsuit has been filed, the court shall ask the defendant party to file the response to the lawsuit within a period provided by the court. This period cannot be longer than 30 calendar days in complex cases or less than 15 calendar days. The parties are obliged to submit relevant evidence as enclosure to the lawsuit or response to the lawsuit and provide proposals for other evidence to be adduced during the procedure. After the receipt of the response to the lawsuit, the court will schedule a preliminary hearing for collection or proposal of evidence. The preliminary hearing may revert to a main hearing. However, usually the main hearing takes place after the preliminary hearing is closed. The forthcoming hearings would be related to providing of statements by the parties and findings of experts, if necessary, and to hearing of witnesses and examining other evidence. The first-instance proceeding in a lawsuit usually takes between six and 12 months.

7 Case management

Can the parties control the procedure and the timetable?

The parties do not have the right to control the procedure or the timetable. The parties are obliged to respect the rules of proceedings

stipulated by law. Certain violations by the parties that may prolong the procedure, ie, misuse of procedural rights, may be sanctioned by the court with a monetary fine against the party and/or its attorney.

8 Evidence – documents

Is there a duty to preserve documents and other evidence pending trial? Must parties share relevant documents (including those unhelpful to their case)?

The procedural law does not provide an obligation to preserve documents and other evidence pending trial.

The law provides a general obligation for the parties to provide all relevant documents in support to the facts declared by them. The parties cannot share the relevant documents between themselves directly, but through the court.

The law does not provide that a party should provide the opposite party a document that is unhelpful to its case. However, if one of the parties is referring to a document that it is held by the other party, the court shall summon the latter party to submit the document within a certain period.

A party cannot refuse to submit that document if it has itself referred to the same document as evidence in its allegations, or if it refers to a document that according to the law that party is obliged to submit, or if the document, in regard to its content, is considered mutual to both parties.

A party may refuse to provide certain documents for important reasons, and especially if such an action would expose the party to shame, significant material damage or personal criminal prosecution or criminal prosecution of his relatives, or it has obtained such a document in performance of professional duties as attorney-at-law, doctor, or another profession that is obliged to maintain confidentiality.

When the party summoned by the court to submit the document denies that it holds the document, the court can exhibit evidence in order to confirm this fact.

The court can order a third party to submit a document only when that person is obliged to provide or show such a document under the law or if such a document pursuant to its content is mutual to that person and the relevant litigation party. The court will hear the third party before the court reaches its decision whether the third party should provide such a document. If the third party denies that it holds the document, for the purpose of confirming this fact, the court can exhibit evidence. The enforcement of a decision to provide such a document by a third party would be made under the rules of enforcement law.

If the relevant document is held by a state administration or institution or by a legal entity or individual that performs public duties and the party itself cannot obtain it, then the court, on the basis of a proposal by that litigation party, shall obtain the document.

9 Evidence – privilege

Are any documents privileged? Would advice from an in-house lawyer (whether local or foreign) also be privileged?

The procedural law does not regulate the issue of privileged documents. The parties are free to provide any document that they deem relevant to support their legal position in the litigation. The law provides a general privilege when allowing a person that was or is an attorney-at-law to refuse to give a testimony or a document that was entrusted to him by a relevant party as a client. Please see question 8. If an in-house lawyer is not engaged as professional attorney-at-law of the party, but is its employee, such advice would not be treated as privileged.

10 Evidence – pretrial

Do parties exchange written evidence from witnesses and experts prior to trial?

The parties cannot directly exchange written evidence from witnesses and experts prior to trial.

The parties should submit written evidence and expert opinion as enclosure to the lawsuit or to the response to the lawsuit, but in any case all evidence, including witnesses, must be revealed at the preliminary hearing at the latest. All evidence that the court finds relevant would be produced at the main hearing.

11 Evidence – trial

How is evidence presented at trial? Do witnesses and experts give oral evidence?

Witnesses must be heard by the court directly. The court and the parties may ask questions of the witness.

Experts provide written opinions and, if necessary, an expert may be heard by the court and the parties after the opinion has been delivered.

12 Interim remedies

What interim remedies are available?

The following interim remedies are provided by law, but the law does not limit the nature of the interim remedy.

The following interim remedies may be provided by the court at the request of the relevant party for securing a monetary claim, but are not limited to these:

- prohibition on the debtor to have moveables at his or her disposal, as well as keeping those objects;
- prohibition on the debtor to alienate or burden his or her immoveable or other proprietary rights being registered on the property on his or her behalf, including any note about that prohibition in a public book, or giving them under lease;
- prohibition on the debtor to sell securities and shares;
- prohibition on the debtor's debtor to pay a claim to the debtor or to give in objects, as well as prohibition on the debtor to receive objects, collect a claim and have them at his or her disposal; and
- order to the finance officer of the debtor or third party not to approve payment from the debtor's accounts in the monetary amount subject to an approved temporary measure, by order of the debtor.

For non-monetary claims, the law provides the following measures:

- prohibition on alienation and encumbrance of moveables that are subject to securing, as well as keeping these objects;
- prohibition on alienation and encumbrance of an immoveable that is subject to securing, including any note on the prohibition in a public book;
- prohibition on the debtor from undertaking activities that can cause damage to the creditor, as well as prohibition on performing changes on the objects that are subject to securing;
- prohibition on the debtor's debtor to give in the objects that are subject to securing to the debtor; and
- payment of salary compensation to the employee during a dispute due to unfair dismissal, if that is necessary for his or her support and support of the persons that, in accordance with law, he or she is obliged to support.

In case of foreign proceedings, issuance of interim reliefs is not directly prescribed. But by way of analogy with this possibility in international arbitration, it may be conceded that a party may ask for an interim measure from a Macedonian court. The court may grant such a measure and order the party to initiate relevant litigation within a specific period.

13 Remedies

What substantive remedies are available?

The remedies depend on the type of claim. If the claim is a monetary claim, then the plaintiff has the right to claim penalty interest. Punitive damages are not automatically allowed, unless such damages are agreed by the parties in dispute and such an agreement (fulfilment, termination, etc) is the subject of the dispute.

14 Enforcement

What means of enforcement are available?

The enforcement of a judgment is handled by enforcement agents. Enforcement may be addressed against moveable and immoveable property of the debtor, as well as claims against third parties.

In the case of disobeying enforcement over the share of the debtor, the court will issue a monetary fine against the company and the manager. A fine will also be issued in the case of obstructing enforcement of a non-monetary claim.

The Criminal Code provides a criminal liability for a responsible person in a legal entity that refuses to execute the final and enforceable court decision. The punishment is a monetary fine or imprisonment up to three years.

15 Public access

Are court hearings held in public? Are court documents available to the public?

The court hearings are public, unless the dispute is a family law dispute or there is a special reason for the court not to allow the public to be present on the hearing. Court documents (such as pleadings, witness statements and orders) are not available to the public. The court, after the announcement and finalisation of written filing, publishes its judgment or decision on the website of the court, subject to the protection of personal data of the parties, ie, the names and other relevant data of the parties are not published.

16 Costs

Does the court have power to order costs?

The court will order the settlement of procedural costs if the party requests it.

If the party has been represented by a professional attorney-at-law, then the court, upon the request of the party that succeed in the case, will order the other party to compensate the procedural costs to the other party in a value determined by the Advocacy Tariff. The Advocacy Tariff is based on the value of the dispute or type of dispute. If the party and its attorney have made an arrangement with regard to the costs and award of the attorney, the court will not accept it.

If the party is not represented by a professional attorney-at-law, then it has the right to be compensated, as the winning party, for the costs related to court taxes, expert costs and similar costs.

17 Funding arrangements

Are 'no win, no fee' agreements, or other types of contingency or conditional fee arrangements between lawyers and their clients, available to parties? May parties bring proceedings using third-party funding? If so, may the third party take a share of any proceeds of the claim? May a party to litigation share its risk with a third party?

The Advocacy Tariff provides the possibility for the client and the attorney-at-law to make an agreement about fees, notwithstanding the official tariff. Therefore 'no win, no fee' agreements or other types of contingency or conditional fee arrangements between lawyers and their clients may be agreed respecting the rules of the contractual law. The same applies to third-party funding or share of the risk.

18 Insurance

Is insurance available to cover all or part of a party's legal costs?

Insurance is not available as a solution to cover all or part of a party's legal costs. If one of the litigation parties is a foreign legal entity, the domestic party may ask the court to order *cautio iudicatum solvi*.

19 Class action

May litigants with similar claims bring a form of collective redress? In what circumstances is this permitted?

The law does not specifically regulate class action. However, several claimants may file a lawsuit together based on the same legal and factual grounds (for example, litigation in case of collective redundancy, compensation of damages).

20 Appeal

On what grounds and in what circumstances can the parties appeal? Is there a right of further appeal?

The right to appeal against first-instance court decisions is always provided, unless the party has waived this right. The term for appeal is 15 calendar days from the day of receipt of the decision. In certain cases such as labour disputes, commercial disputes, the term for appeal is eight calendar days. In certain cases stipulated by law, the parties have the right to challenge the appellate court judgment at the Supreme Court of the Republic of Macedonia (if the value of the claim is more than 1 million Macedonian denars, in certain family cases, intellectual property cases, etc) by filing an extraordinary legal remedy – revision. The term for filing of this remedy is 30 calendar days from the day when the second-instance court decision was received.

21 Foreign judgments

What procedures exist for recognition and enforcement of foreign judgments?

Foreign judgments will be recognised by Macedonian courts if the following conditions are met:

- the party has provided the original or duly verified copy of the award to be provided;
- the award is confirmed as final by the relevant authority;
- the judgment is confirmed as enforceable by the relevant authority;
- there was no violation of due process in the foreign procedure against the opposite party;
- there is no exclusive jurisdiction of a Macedonian court for the subject of the dispute;
- there is no agreement between the parties that a Macedonian court be competent for solving the dispute;
- there is no res judicata in the substantive case; and
- the judgment is not contrary to Macedonian public order.

Reciprocity is not a condition for recognition of a foreign judgment.

The procedure for recognition is as follows:

- a proposal for recognition and determination of enforceability of the foreign judgment is to be filed with the competent Macedonian court (on the basis of residence of the opposite party) against the opposite party;
- the court will examine ex officio whether the above conditions for recognition have been met;
- if the above conditions for recognition have been met, the court will make a decision on the recognition and determination of enforceability of the foreign judgment;
- the court will send the decision to the opposite party;
- the opposite party has the right to file an opposition against the decision within 15 calendar days from the day of receipt of the decision;

- a council of three judges will decide upon the opposition of the opposite party. If the court finds that the decision upon the opposition depends on certain disputable facts, then the court will decide upon a hearing;
- the court will make a decision upon an opposition; and
- any unsatisfied party has the right to file an appeal within eight days to the appellate court.

22 Foreign proceedings

Are there any procedures for obtaining oral or documentary evidence for use in civil proceedings in other jurisdictions?

The law stipulates a procedure for collection of oral or documentary evidence before or during the litigation at the request of a party. However, the possibility of a foreigner as a party to collect evidence locally for purposes of foreign litigation is not explicitly regulated in law nor prohibited. The practice in this regard is not developed.

In relation to the support of the courts, the courts shall provide legal assistance to foreign courts in the cases anticipated by an international agreement, as well as in the case of reciprocity in providing legal assistance.

The court shall refuse to provide legal assistance to a foreign court if it is requested to perform an activity against the public order of the Republic of Macedonia. In this case the court competent for providing legal assistance shall, ex officio, refer the case to the Supreme Court of the Republic of Macedonia.

The courts shall provide legal assistance to foreign courts in a manner anticipated by the national legislation. The activity that is the subject of the foreign court's request can also be enforced in a manner requested by the foreign court, unless such procedure is against Macedonian public order.

Arbitration

23 UNCITRAL Model Law

Is the arbitration law based on the UNCITRAL Model Law?

International arbitration with a basis in the Republic of Macedonia is regulated by the Law on International Commercial Arbitration in the Republic of Macedonia, based on the UNCITRAL Model Law. Rules of the Law on International Arbitration of the Republic of Macedonia determine the international nature of arbitration (if at least one of the parties is an individual with domicile or habitual residence abroad, or a legal entity whose registered office is abroad; or if the place where a substantial part of the obligations of the commercial relationship is to be performed or the place with which the subject matter of the dispute is most closely connected are abroad), and there are certain differences, which are in fact additions to the UNCITRAL rules related to practical implementation of the procedure such as receipt of written communications, language of the proceeding, and costs.

Domestic arbitration is regulated by the Law on Civil Procedure from 2005 with subsequent changes. This law regulates the rules for implementation of procedure at the 'chosen court', as well as terms and conditions for annulment of the award of such a court and by the Rulebook on the Permanent Elected Court (within the Chamber of Commerce) that apply to proceedings at this forum. The Chamber of Commerce is an arbitration authority for domestic and international disputes. These regulations are not based on the UNICITRAL Model Law.

24 Arbitration agreements

What are the formal requirements for an enforceable arbitration agreement?

The arbitration agreement must be in writing. The law provides that an agreement is in writing if it is contained in a document signed by the parties or in an exchange of letters, telex, telegrams or other means of telecommunication which provide a record of the agreement, or in an exchange of a lawsuit and response to the lawsuit in which the existence of an agreement is alleged by one party and not denied by another. The reference in a contract to a document (general term for a legal deed, text of another agreement or similar) containing an arbitration clause constitutes an arbitration agreement provided that the contract is in writing and the reference is such as to make that clause part of the contract.

In addition, the law provides that an arbitration agreement may also be concluded by the issuance of a bill of lading, if the bill of lading contains an express reference to an arbitration clause in a shipping agreement.

The arbitration agreement (even in the form of general terms of a legal deed) must also be in writing for the purpose of domestic arbitration.

25 Choice of arbitrator

If the arbitration agreement and any relevant rules are silent on the matter, how many arbitrators will be appointed and how will they be appointed? Are there restrictions on the right to challenge the appointment of an arbitrator?

If the number of arbitrators is not determined by the agreement between the parties, three arbitrators shall be appointed.

If the parties have not agreed on the procedure for appointment of an arbitrator or arbitrators, then in an arbitration with three arbitrators, each party shall appoint one arbitrator, and the two arbitrators thus appointed shall appoint the third arbitrator. If one party fails to appoint the arbitrator within 30 days as of the receipt of the request to do so from the other party, or if the two arbitrators fail to agree on the third arbitrator within 30 days as of their appointment, upon a request of one of the parties, the appointment shall be made by the court.

In an arbitration with a sole arbitrator, and if the parties cannot agree on the arbitrator, upon request of one of the parties, he or she shall be appointed by the court (basic court Skopje 2 in Skopje).

If during the procedure for appointment agreed by the parties, one of the parties fails to act in accordance with the rules of that procedure, or the parties, or the two arbitrators, cannot reach an agreement in accordance with the rules of that procedure, or a third party, including an institution, fails to perform the duty entrusted in accordance with the rules of that procedure, each of the parties can request the court to take the necessary measures, unless the contract for the procedure for appointment anticipates another way to ensure such appointment.

When appointing arbitrators, the court shall take into consideration the qualifications required for appointment of an arbitrator on the basis of the agreement of the parties and everything that can ensure appointment of an independent and impartial arbitrator, and in the case of appointment of a sole arbitrator or a third arbitrator, it should take into consideration the advisability of appointing an arbitrator of a citizenship other than those of the parties.

Appeal against the decision of the court is not allowed.

When a person is approached in connection with his possible appointment as an arbitrator, he shall disclose any circumstances likely to give rise to justifiable doubts as to his impartiality or independence. An arbitrator, from the time of his appointment and throughout the arbitral proceedings, shall without delay disclose any such circumstances to the parties unless they have already been informed of them by him. An arbitrator may be challenged only if circumstances that give rise to justifiable doubts as to his impartiality or independence exist, or if he does not possess the qualifications agreed by the parties. In addition, the party can request disqualification of the arbitrator appointed by it or in whose appointment it participated, only for reasons of which it becomes aware after the appointment.

In national arbitration, there has to be an odd number of judges in the selected court. Unless the number of judges is established in the agreement of the parties, each party shall appoint one judge and they shall elect a president. The courts' judges can only be elected as president of the selected court.

In national arbitration, it is provided that an arbitrator can be exempted in certain circumstances, such as:

- he himself is a party, legal representative or a party's attorney-in-fact, if he is in a relationship of co-authorised person, co-obligor or regress obligor with the party, or if he has been heard as witness or expert witness in the same case;
- he is permanently or temporarily employed at an employee who is a party in the procedure;
- the party or the legal representative or the party's attorney-in-fact is his blood relative in direct line to any degree, and in indirect line until fourth degree, or is his spouse, unwed partner or an in-law up to second degree, regardless of whether the marriage has ended;
- he is a guardian, adoptive parent, adopted child, supporter or dependant of the party, of its legal representative or of the attorney-in-fact;
- he has, in the same case, participated in bringing the decision of the court of lower instance or another body; and
- any other circumstances that put his impartiality in doubt.

26 Arbitral procedure

Does the domestic law contain substantive requirements for the procedure to be followed?

The law stipulates that the parties are free to agree on the procedure to be followed by the arbitral tribunal in conducting the proceedings, subject to the provisions of the law. If the parties do not agree, the arbitral tribunal may, again subject to the provisions of the law, conduct the arbitration in such manner as it considers appropriate. The power conferred upon the arbitral tribunal includes the power to determine the admissibility, relevance, and materiality of any evidence.

Subject to any contrary agreement by the parties, the arbitral tribunal shall decide whether to hold oral hearings for the presentation of evidence or for oral argument, or whether the proceedings shall be conducted on the basis of documents. However, unless the parties have agreed that no hearings shall be held, the arbitral tribunal shall hold such hearings at an appropriate stage of the proceedings, if so requested by a party. The parties shall be given sufficient advance notice of any hearing and of any meeting of the arbitral tribunal for the purposes of inspection of goods, other property or documents and of any procedure for taking evidence. All statements, documents or other information supplied to the arbitral tribunal by one party shall be communicated to the other party. Also any expert report or evidentiary document on which the arbitral tribunal may rely in making its decision shall be communicated to the parties.

In case of national arbitration, the Law on Civil Procedure provides that if the parties did not agree otherwise, the procedure shall be determined by the arbitrators.

27 Court intervention

On what grounds can the court intervene during an arbitration?

In international arbitration, the court will stay actions in favour of agreements to arbitrate if the party objects to the court's competence in a manner and time provided by law.

Also, the arbitral tribunal or a party with the approval of the arbitral tribunal may request assistance from a competent Macedonian court in taking evidence. The court may execute the request within its competence.

28 Interim relief

Do arbitrators have powers to grant interim relief?

In international arbitration, unless otherwise agreed by the parties, the arbitral tribunal may, at the request of a party, order any party to take such interim measure of protection as the arbitral tribunal may consider necessary in respect of the subject matter of the dispute. The arbitral tribunal may require any party to provide appropriate security in connection with such measure. If a party to which an interim measure relates does not agree to undertake it voluntarily, the party that made the motion for such a measure may request its enforcement before the competent court.

29 Award

When and in what form must the award be delivered?

After the proceeding in international arbitration has been closed, the arbitral tribunal will make its decision.

The arbitral award shall be made in writing and must be signed by the sole arbitrator or the members of the arbitration panel. In the arbitration procedure with more than one arbitrator, the signatures of the majority of the members of the arbitration panel shall be sufficient, provided that the reason for any omitted arbitrator's signature is stated.

The arbitral award must contain the reasons on which it is based, unless the parties have agreed that no explanation shall be given or if it is an arbitral award adopted on the basis of a settlement of the parties.

The date of adoption and the place of holding the arbitration determined should be stated in the arbitral award. It shall be considered that the award is adopted at that place.

Following the adoption of the arbitral award, each of the parties shall be delivered a copy signed by the arbitrators.

30 Appeal

On what grounds can an award be appealed to the court?

In international arbitration in the Republic of Macedonia, the award may be annulled for the following reasons, if a plaintiff provides proof that:

- a party to the arbitration agreement was incapable of concluding the arbitration agreement or to be a party to an arbitration dispute according to the law applicable to its capacity; or
- the arbitration agreement is not valid under the law to which the parties have referred to or, failing any indication thereon, under the law of Republic of Macedonia; or
- a party was not duly represented; or
- the party making the application was not given proper notice of the appointment of an arbitrator or of the commencement of the arbitral proceedings or was otherwise unable to present his case; or
- the award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or contains decisions on matters beyond the scope of the submission to arbitration, provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the award which contains decisions on matters not submitted to arbitration may be set aside; or
- the composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement of the parties, unless such agreement was in conflict with a provision of the Law on International Arbitration in the Republic of Macedonia from which the parties cannot derogate or, failing such agreement, was not in accordance with the cited law.

Also, such arbitration award may be annulled by the court if it finds, even if a plaintiff has not raised the above grounds, that:

- the subject matter of the dispute is not capable of settlement by arbitration under the law of the Republic of Macedonia; or
- the award is in conflict with public policy of the Republic of Macedonia.

An award of a national arbitration tribunal may be annulled for the following reasons:

- no agreement has been concluded for the chosen court or the agreement is not valid;
- in terms of the composition of the chosen court any provisions of the Law on Civil Procedure or of the agreement for the chosen court have been violated;
- the award has not been explained, or the master copy or the copies of the award have not been signed in the manner determined by law;
- the chosen court has exceeded the limit of its assignment;
- the wording of the award is incomprehensible or self-contradictory;
- the award is contrary to the Constitution of the Republic of Macedonia and to the established basis of the state system, and grounds exist for repealing the procedure as provided by the Law on Civil Procedure.

31 Enforcement

What procedures exist for enforcement of foreign and domestic awards?

Foreign arbitration awards should be recognised by the competent Macedonian court prior to the enforcement. The procedure should be initiated with submission of a proposal for recognition of the foreign arbitral award if the general conditions for recognition of foreign arbitral awards (the same as for the recognition of foreign judgment) are met, the court will recognise it without re-examination of the merits of the case.

National awards do not have to be recognised by the court.

32 Costs

Can a successful party recover its costs?

A successful party may recover its costs in accordance with the award.

As provided by the rules of international arbitration, at the request of a party, the arbitral tribunal, in the arbitral award or the conclusion of proceedings, shall determine which party and to what extent it is obliged to compensate the other party for the costs of conducting the procedure, including the costs of representation and the fees of arbitrators, and to submit its own expenses, unless otherwise determined in the arbitration agreement.

The arbitral tribunal shall freely assess the costs of the proceedings, taking into consideration all the circumstances of the case, especially the outcome of the arbitral proceedings.

Update and trends

The current Law on Civil Procedure was enacted in 2005. It made significant changes in legal practice. Since 2005, this law has been amended several times in order to improve its efficiency and to resolve issues that arose during its practical implementation. The most recent amendments were implemented in 2011. These amendments related to court efficiency, provided certain periods for actions by the court, and increased procedural discipline for the parties.

There is no current proposal for dispute resolution reform. However, the system will be always be open to reform in the light of experience from practice and the need to improve the courts' protection of parties' rights.

If the arbitral tribunal fails to decide on the costs of the proceedings, or if such decision is possible only after the termination of the proceedings, the arbitral tribunal shall adopt a separate arbitral award regarding the costs.

Alternative dispute resolution

33 Types of ADR

What types of ADR process are commonly used? Is a particular ADR process popular?

Mediation is provided by law as an ADR process. Mediation is not widely developed and popular for the parties.

34 Requirements for ADR

Is there a requirement for the parties to litigation or arbitration to consider ADR before or during proceedings? Can the court or tribunal compel the parties to participate in an ADR process?

In litigation, in disputes where mediation is allowed, the court is obliged to serve the parties with written instructions, together with the summons for the pretrial hearing, stating that the dispute can be resolved in a mediation procedure.

This rule is not provided in the case of international arbitration in Macedonia.

Miscellaneous

35 Are there any particularly interesting features of the dispute resolution system not addressed in any of the previous questions?

No.

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DISPUTE RESOLUTION 2012 ISSN 1741-0630