



REPUBLIC OF CROATIA
MINISTRY OF ECONOMIC AFFAIRS

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Zagreb, 2 February 1998

ENERGY CHARTER SECRETARIAT	
Date:	2/2/98
Reg No:	10976
For Info:	SC/REG-110

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THE ENERGY CHARTER SECRETARIAT

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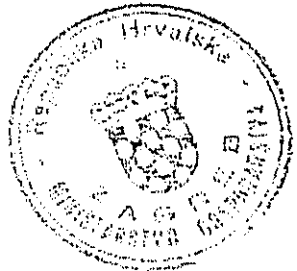
Subject: Statement regarding obligation from Article 26 (3) (b) (ii) of Energy Charter Treaty (Annex ID)

For the settlement of a dispute with international element, either domestic or foreign, institutional, or *ad hoc*, arbitration can be agreed on (CCP, 469). Arbitration agreement shall be legally valid only if it is concluded in writing. An arbitration agreement shall also be considered to have been concluded in writing if it was concluded by an exchange of letters, telegrams, telefaxes or by means of telecommunication means which enable prove that arbitration agreement is concluded in writing (CCP, 470). It means during the phase of making contract foreign investor has possibility to choose, that is agree, with Croatian side, some of the procedures stated in Article 26. of Energy Charter Treaty Contracting parties which have once concluded certain arbitration agreement, may agree in any time to change provisions of arbitration agreement, but this must be done only before final Croatian court decision (LSCL, 80).

Foreign court decisions are equalized with the decisions of the court of law of the Republic of Croatia and shall have legal effect in the Republic of Croatia, but then arbitration agreement must have the clear provisions that for the settlement of a dispute foreign arbitration is agreed on (LSCL, 97 - 99). A foreign court decision shall not be recognized if a court of law, or another organ of the Republic of Croatia, has rendered decision on the same issue which has the force of final judgment (LSCL, 90).

Relevant laws:

1. The Code of Civil Procedure (CCP), OG 53/91, 91/92
2. The law on the settlement of conflicts of (Croatian) laws and legal provisions of other countries concerning specific matters (LSCL), OG 53/1991
3. The rules of the foreign trade court attached to the Croatian Chamber of economy, OG 25/1992



Assistant minister
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