

BULGARIAN STOCK EXCHANGE - SOFIA



BULGARIAN
STOCK EXCHANGE

RULES AND REGULATIONS

PART VII RULES OF THE ARBITRATION COURT WITH THE BULGARIAN STOCK EXCHANGE

Article 1. These Exchange Arbitration Rules form part of the Rules and Regulations of the Exchange and govern the terms and procedure for examination of claims against members or participants on the Exchange, as well as the status and operation of the Arbitration Court with the Exchange and the proceedings in arbitration cases before the said Court.

Article 2. (1) An Arbitration Court shall operate with the Exchange and shall be competent to hear disputes regarding:

1. the conclusion and execution of Exchange transactions;
2. membership in the Exchange;
3. other cases related to trading in financial instruments or to the activity of the Exchange.

(2) The Chairperson and the Deputy Chairpersons of the Arbitration Court shall be elected by the Shareholders' General Meeting of the Exchange for a term of three (3) years and may be removed by the General Meeting prior to the expiration of their term of office.

Article 3. (1) The Arbitration Court with the Exchange shall be a special jurisdiction established in pursuance of Article 167(2), point 2 of the MFIA.

(2) The Arbitration Court shall hear cases according to the applicable jurisdiction by law, as well as cases related to the conclusion and execution of Exchange transactions and their effects, voluntary arbitration and other relations arising from these Rules.

(3) A dispute may be brought before the Arbitration Court, and such dispute shall be heard and resolved on the merits, regardless of the circumstance that the same dispute is subject to a pending procedure before a court of law or another special jurisdiction in Bulgaria or abroad.

(4) An arbitration agreement shall be opposable to other judicial acts according to the general principles of the applicable law.

(5) In case of a dispute concerning the enforceability of an award and the applicability of the law, the consent of the party regarding the examination of the dispute shall be deemed prevailing.

(6) The Arbitration Court shall collect arbitration fees in accordance with a Tariff of Fees and Costs, which shall be approved by the Board and shall constitute a document separate from these Rules.

Article 4. (1) The Arbitration Court with the Exchange shall consist of a Chairperson, two Deputy Chairpersons and arbitrators.

(2) There shall be an administrative secretary, a court reporter and a record keeper with the Arbitration Court.

Article 5. (1) The Chairperson of the Arbitration Court shall organise the operation of the Court and, to this end, shall:

1. ensure timely hearing of cases;
2. direct the work of the administrative secretary and of the record keeping function;
3. ensure the interaction between the Court and the management bodies of the Exchange;
4. organise the continuing training of the arbiters and the administrative staff;
5. allocate tasks regarding the overall organisation and management to the Deputy Chairpersons.

(2) Where the Chairperson is absent, his or her functions shall be performed by the Deputy Chairpersons according to the allocation referred to in point 5 of the preceding paragraph.

Article 6. (1) When ruling on cases arbitrators shall be equal in rights, autonomous and independent, and shall conform only to the law and to these Rules.

(2) Arbitrators shall be required to respect the confidentiality of any information that comes to their knowledge in the course of or in connection with the performance of their functions.

Article 7. The administrative secretary shall organise, direct and supervise the work in the records office of the Court and, to this end, shall:

1. direct and supervise the record keeping function;
2. see to the compliance with orders of the Chairperson, the Deputy Chairpersons, and of arbitration panels;
3. keep a list of arbitrators and be responsible for the application of the Tariffs of Fees and Costs of the Arbitration Court;
4. be in charge of the logistical resources necessary for the operation of the Court.

Article 8. The court reporter shall:

1. draw up and certify the minutes/transcripts of proceedings at Board's meetings and of the arbitration panels respectively;
 2. ensure the implementation of the Court's orders;
 3. draw up the documents regarding payment of fees, remunerations of expert witnesses, etc.;
 4. make lists of persons to be summoned and report on the compliance to the relevant presiding arbitrator;
 5. certify the appearance of persons in hearings of arbitration cases;
 6. be responsible for the keeping of records of the Court and of the arbitration panels.
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Article 9. (1) Any submissions to the Arbitration Court shall in the Bulgarian language, and any submissions in foreign languages must be accompanied by a certified Bulgarian translation.

(2) Based on submissions to the Court and an order issued by the Chairperson, cases, case files and others shall be opened.

(3) Case files shall be opened on the basis of records originally submitted to the court, save for regular statements of claim.

(4) Case files shall be transformed into cases after the parties bring the documents into conformity with the legal requirements, pay the fees due, and appoint regular and substitute arbitrators of their choice.

(5) The regular arbitrators appointed by the parties, sitting in camera on a day and at a time determined by the Chairperson, shall elect a presiding arbitrator for the arbitration panel.

(6) Substitute arbitrators shall intervene in the proceedings in case of recusal of a regular arbitrator or should an insurmountable obstacle prevent any of the regular arbitrators from hearing the case.

Article 10. (1) The following books shall be kept at the Arbitration Court:

1. an incoming and an outgoing registers;
2. an alphabetical index;
3. an inventory book for cases;
4. a book of private deliberations and of public sessions;
5. a book of evidence.

(2) The books shall be strung through, numbered, sealed and signed by the Chairperson.

(3) Incoming submissions shall be accepted by the administrative secretary, who shall assign an incoming reference number and shall indicate the date of receipt on such submissions.

Article 11. (1) Once filed, submissions shall be reported by the administrative secretary to the Chairperson no later than three days after their receipt, and the Chairperson shall assign any such submissions immediately.

(2) Outgoing correspondence shall be signed by the Chairperson of the Court or by the presiding arbitrator of the panel and by the administrative secretary.

Article 12. Proceedings in cases referred to the Court shall follow the procedural provisions of the ICAA

and the CCP.

Article 13. (1) Upon receipt of a statement of claim, the Chairperson of the Court shall verify its validity and, if no defects are found, shall order that duplicate copies of the list of arbitrators, the Tariff of Fees and Costs of the Arbitration Court and these Rules be communicated to the claimant, specifying also the period within which the claimant is required to appoint a regular and a substitute arbitrators and must pay the fees due.

(2) After arbitrators are appointed and the fees due are paid, duplicate copies of the submissions shall be communicated to the respondent party, specifying also the period within which the respondent is required to appoint a regular and a substitute arbitrator and to make a statement on the claim.

(3) In case the claimant fails to cure the defects within the required period and to pay the fees due, the Chairperson of the Court shall terminate the proceeding.

(4) A terminated proceeding may be resumed on the basis of a new statement of claim and in compliance with the legal requirements.

Article 14. (1) After the arbitration panel starts the proceeding, the parties may request recusal, and any such requests shall be decided on in accordance with the CCP.

(2) Where an arbitrator finds any legal impediments to be included in the panel, he or she shall be required to withdraw.

Article 15. (1) Cases shall be heard at the building of the Court.

(2) By way of exception when the circumstances of the case require so, upon a request by a party and based on a unanimous decision of the panel, cases may also be heard elsewhere.

(3) Cases shall be heard and ruled on in the Bulgarian language. A party having no command of the Bulgarian language shall be required to appear with an interpreter.

Article 16. (1) When ruling on cases, the members of the panel shall enjoy equal rights, and awards shall be rendered by a majority.

(2) Where a member of the panel holds a dissenting opinion, he or she shall give reasons for such opinion and shall include it in the award of the panel within three days after the award is rendered.

Article 17. Any submissions on instituted cases shall be filed in the sequence of their receipt and shall

be numbered so as to ensure the unimpeded reading of the text.

Article 18. (1) Any pending cases shall be kept separately and shall be arranged according to the dates of their scheduled hearings.

(2) Any closed cases shall be filed on the basis of an endorsement by the Chairperson and shall be kept separately in the order of their filing numbers.

(3) Where a case is taken out of the premises of the Court, the administrative secretary shall make note in the relevant book specifying the person who received the case and the time of delivery.

Article 19. (1) No markings, signs, underlining, etc. shall be allowed in court records, save for endorsements by the Chairperson of the Court and by the presiding arbitrator of the panel.

(2) Cases shall be made available only to the relevant parties or to their authorised representatives.

(3) Duplicate copies, abstracts, certifications and other such of the case records shall only be made upon a written request with permission from the Chairperson of the Court or from the presiding arbitrator of the panel.

(4) Originals shall be returned solely where the need is substantiated and after the party concerned provides a certified duplicate copy.

Article 20. (1) Pending cases shall not be made available to state bodies, to the parties or to any third parties, and shall not be attached to other cases.

(2) Any lost cases shall be restored according to the procedure established for this purpose by the Ministry of Justice.

(3) After the end of each year, the administrative secretary shall inventory the cases for the past period and shall report the results in writing to the Chairperson of the Court.

Article 21. (1) Cases shall be scheduled for examination in private deliberation by the presiding arbitrator of the panel no later than seven days after he or she is elected.

(2) After the steps prescribed in a private deliberation are completed, the presiding arbitrator of the panel shall schedule a public hearing of the case with the participation of the parties.

(3) Parties, expert witnesses and witnesses shall be summoned in accordance with the CCP.

Article 22. (1) Where a party is duly summoned, the failure of such party or its representative to appear shall not be an impediment to hearing the case.

(2) Where a party or its representative fails to appear for a valid reason, the arbitration panel shall adjourn hearing the case, and the appearing party shall be deemed informed of the adjournment date.

(3) A party may request that the case be heard in absentia, but if the panel determines that the appearance of such party is essential to clarify the factual background in the case, the panel may order such party to appear.

Article 23. (1) When the proceeding before an arbitration panel starts, the presiding arbitrator proposes a settlement to be made.

(2) The parties may agree on a settlement at any time before the court's award is recorded, and the settlement, unless contrary to morals and to the law, shall be approved by the Court and shall be entered into the transcript of the proceedings.

(3) The parties may also agree on the applicable substantive law, where this is not contrary to the international law standards and to the Constitution.

(4) The Bulgarian law shall govern any disputes related to the ownership of immovable property and any resulting rights in rem.

Article 24. (1) Transcripts of court hearings shall be drawn up under dictation of the presiding arbitrator during the hearing, and shall be signed by the presiding arbitrator and by the court reporter.

(2) After evidence is collected and verified, a summary of the parties' defence speeches shall be included in the transcript, unless they are previously submitted in writing.

Article 25. The arbitration panel's award shall be entered into the inventory book of cases and shall be communicated to the parties in the order of summoning.

Article 26. (1) Each party may request the court panel to interpret the decision or to correct a manifest error of fact.

(2) When interpreting an award, the panel shall address any alleged ambiguities in a further award.

(3) In a procedure for correction of a manifest error of fact, the court panel may rule in camera,

provided that the parties make no objections in writing. Otherwise, the request shall be considered in accordance with the CCP.

Article 27. (1) After an award is recorded and communicated to the parties, the case shall be filed based on an endorsement of the Chairperson of the Court and shall be archived for at least ten years.

(2) Prior to archiving cases, the administrative secretary shall verify whether all steps prescribed in the award have been completed, and shall report the results to the Chairperson of the Court.

(3) Court books shall also be retained as provided in the preceding paragraph, provided that the cases recorded therein are closed.

Article 28. The Chairperson and the Deputy Chairperson shall summarise the case law of the Court on an annual basis, and shall communicate such case law to the plenary panel of arbitrators.

ADDITIONAL PROVISIONS

§ 1. The terms used in these Rules, but not defined herein, shall have the meanings assigned to them in the POSA, the MFIA, the IMAMAFIA and their implementation regulations, or in the general commercial legislation or commercial practice.

§ 2. Terms and abbreviations used in these Rules:

1. 'The Exchange' means Bulgarian Stock Exchange - Sofia AD, or the regulated market organised by Bulgarian Stock Exchange - Sofia AD accordingly.
2. 'The Board' means the Board of Directors of Bulgarian Stock Exchange - Sofia AD.
3. 'CCP' means the Code of Civil Procedure.
4. 'POSA' means the Public Offering of Securities Act.
5. 'MFIA' means the Markets in Financial Instruments Act.
6. 'IMAMAFIA' means the Implementation of Measures Against Market Abuse of Financial Instruments Act.
7. 'ICAA' means the International Commercial Arbitration Act.

TRANSITIONAL AND FINAL PROVISIONS

§ 1. These Rules shall take effect as of 24 June 2008.
