



**Articles of Association  
of Arbitration of Slovenian Investment Fund Association**

**1. GENERAL PROVISIONS**

**Contents of Articles**

**Article 1**

These Articles regulate the functioning and financing of the permanent and independent Arbitration of the Slovenian Investment Fund Association.

**Compliance with Sectoral Legislation**

**Article 2**

By virtue of these Articles the functioning of the Arbitration shall be harmonised with the provisions of the Investment Funds and Management Companies Act (Official Gazette of RS, No. 81/2015 – ZISDU-3) and the Out-of-Court Settlement of Consumer Disputes Act (Official Gazette of RS, No. 81/2015).

## **Name and Domicile**

### **Article 3**

- (1) The Arbitration exists under the name: the Arbitration of the Slovenian Investment Fund Association (hereinafter referred to as: the "Arbitration").
- (2) The domicile of the Arbitration is at the professional address of the Slovenian Investment Fund Association (hereinafter referred to as: "ZDU").

## **Purpose**

### **Article 4**

The purpose of the Arbitration is to achieve the out-of-court settlement of domestic and cross-border disputes arising between a management company, of the one part, and investors which have invested in investment funds which are managed by the management company and non-professional parties which have entered into a contractual relationship in connection with the management of financial instruments and ancillary services, of the other.

## **2. ORGANISATION**

### **Bodies of Arbitration and their Responsibilities**

#### **Article 5**

The Arbitration is composed of the following bodies:

- the Council of Arbitration,
- the Arbitrators,
- the Secretary.

## **Council of Arbitration**

### **Article 6**

- (1) The Council of Arbitration (hereinafter referred to as: the "Council") is composed of the following members: the representatives of the Securities Market Agency, the representatives of investors and an external expert.
- (2) The Council shall be appointed for a five year term of office.

## **Responsibilities and Decision-making of Council**

### **Article 7**

- (1) The Council of Arbitration shall have the following responsibilities:
  - making decisions on complaints against the work carried out by an Arbitrator,
  - making decisions on violations of the Rules of Arbitration,
  - making decisions on violations of the Code of Conduct of Arbitration,
  - proposing to the Management Board of ZDU the appointment or dismissal of Arbitrators,
  - taking positions on the fundamental questions in relation to the functioning of the Arbitration,
  - formulating proposals for potential amendments to these Articles of Association, the Rules of Arbitration and the Code of Conduct of Arbitration,
  - adopting the Annual Report on the work carried out by the Arbitration,
  - adopting the Financial Report on the work carried out by the Arbitration,
  - proposing the Annual Financial Plan for covering the costs of the Arbitration,
  - making decisions in other matters when this is justified by the nature and the content of matters and which refer to the functioning of the Arbitration.

- (2) The Council of Arbitration shall make decisions on its sessions. The decision of the Arbitration shall be taken by a majority of its members.

## **Arbitrators**

### **Article 8**

- (1) An individual may be appointed as an arbitrator when he or she has the knowledge of the law and legal skills that have been obtained in valid study programmes for obtaining at least the qualification of the second cycle of higher education and similar education in law obtained in study programmes which, in accordance with the law governing the higher education, correspond to at least the qualification of the second cycle of higher education.
- (2) A person referred to in the preceding paragraph should have professional experience within the field of investment funds and/or financial instruments.
- (3) A person referred to in the preceding paragraph must have passed the lawyer's state examination or other examination which, by law, is equivalent to the lawyer's state examination.

## **Appointment and Dismissal of Arbitrators**

### **Article 9**

- (1) The Arbitrators shall be appointed and dismissed by the Management Board of ZDU following the proposal submitted by the Council of Arbitration.
- (2) The term of office for Arbitrators shall be four years.
- (3) The Council shall only propose the appointment of the Arbitrators who satisfy the criteria referred to in the preceding paragraph and who
  - have granted their consent to act as an Arbitrator of the Arbitration of ZDU,
  - in the past, have not been removed from the List of Arbitrators due to any violations.

- (4) The appointed Arbitrators shall be included on the List of Arbitrators which is published on the web site of the Arbitration.
- (5) An Arbitrator shall be withdrawn for the List of Arbitrators when:
  - this is required by an arbitrator himself or herself,
  - after the expiry of the term of office, an arbitrator has not been reappointed,
  - an Arbitrator has been dismissed from his function.

### **Article 10**

- (1) The Council shall deal with complaints against the work carried out by an Arbitrator, the Secretary and with complaints regarding the violations of the Rules of Arbitration and the Code of Conduct of Arbitration. In a case minor violations have been identified, an official warning may be issued to an Arbitrator and/or the Secretary while a dismissal may be proposed in a case severe violations have been identified.
- (2) The Council shall take into consideration these Articles, the Rules of Arbitration, the Code of Conduct of Arbitration, the Out-of-Court Settlement of Consumer Disputes Act and the general rules of the discipline and of the professional ethics.

### **Secretary of Arbitration**

### **Article 11**

- (1) The Arbitration shall have the Secretary who provides administrative assistance to the Arbitrators and the Council of Arbitration and is responsible for the smooth work flow and for the ongoing work of the Arbitration in accordance with the Rules of Arbitration, the Code of Conduct of Arbitration and these Articles of Association.
- (2) The Secretary shall be appointed to the function by the Management Board of ZDU.

### 3. COSTS OF ARBITRATION PROCEDURE

#### Costs of Arbitration Procedure

##### Article 13

The costs of the arbitration procedure shall include:

- the Arbitrator's fees,
- administrative expenses,
- expenses for the production of evidence.

#### Arbitrator's Fees

##### Article 14

The Arbitrator's fees shall include the investigation of the documentation, the hours spent for the preparation to initiate the procedure and for the conduct of the arbitration procedure, for procurement of decisions and for other procedural tasks for which an Arbitrator is responsible. The Arbitrator's fees shall amount to:

The value of the dispute which amounts to EUR		The gross amount of the Arbitrator's fees in EUR
from	to	
	5,000	500
5,001	50,000	1,000
50,001		2,000

When the arbitration procedure is suspended due to the exclusion of an Arbitrator, the Arbitrator is entitled to receive 30% of the Arbitrator's fees mentioned above, however, only in the event when the reason for the exclusion of the Arbitrator occurs after the ownership of the case has been taken over and when, upon the taking over of the case, the Arbitrator could not have been aware of the reason for his/or her exclusion.

An Arbitrator shall also be entitled to receive the payment for travel expenses incurred, however, only in the value of the tax deductible amount.

## **Administrative Expenses**

### **Article 15**

The administrative expenses shall include the costs of the following:

- the organisation of procedural actions in the arbitration procedure,
- all tasks associated with the obtaining and servicing of applications and other material to the parties in the procedure and to the Arbitrators,
- the premises for the conduct of the arbitration procedure,
- communications between the Arbitration, the Arbitrators and the parties in the procedure,
- the management of the case file and the records,
- the annual award paid to the members of the Council in the gross amount of EUR 250,
- all other tasks and material costs arising from the responsibilities held by the Arbitration which are connected with the arbitration procedure.

## **Expenses for Production of Evidence**

### **Article 16**

The expenses for the production of evidence shall include costs in connection with the translation of the documents and interpreting, costs for witnesses and costs for the procurement of expert opinions and costs incurred by experts and other professionals.

## **Bookkeeping of Costs for Arbitration Procedure**

### **Article 16**

- (1) The bookkeeping of costs for arbitration procedure shall be conducted separately from other activities pursued by ZDU.

- (2) The funds for covering the costs of the arbitration procedure shall be recorded on separate accounts dedicated for this special purpose and marked as special cost unit.

### **Coverage of Costs for Arbitration Procedure**

#### **Article 16**

- (1) Upon the adoption of these Articles of Association, the amount of EUR 1,000 shall be allocated from the funds of ZDU for the coverage of the administrative costs of the Arbitration.
- (2) The Arbitrator's fees and the Arbitrator's travel expenses shall be covered by the claimants for each case individually.
- (3) The costs for the production of evidence shall be covered by the parties in the arbitration procedure in accordance with the provisions of the Rules of Arbitration.
- (4) The Council of Arbitration shall regularly monitor the functioning of the Arbitration, and in the event that the allocated funds, together with funds which have been collected from the charges paid by the claimants, are not sufficient for the coverage of the administrative expenses, the management companies which have acceded to the Arbitration, shall be invited to pay a contribution in the amount proposed by the Council.
- (5) As of the end of the calendar year, the non-disbursed funds allocated for the coverage of the administrative costs shall be transferred to the next calendar year and shall be disbursed solely for the coverage of the administrative costs.



#### **4. ARBITRATION CASE FILE KEEPING AND STORAGE**

##### **Arbitration Case Files**

##### **Article 16**

- (1) Every request for the initiation of the procedure before the Arbitration shall be kept as a separate file and shall be recorded in a special Arbitration's Register.
- (2) The arbitration related documentation shall be kept separately from the other documentation of ZDU.

##### **Archiving of Case Files**

##### **Article 17**

- (1) After the completion of the arbitration procedure, the Secretary shall review the case file and organise it properly.
- (2) The arbitration related documentation shall be kept in accordance with the sectoral legislation.

#### **5. TRANSITIONAL AND FINAL PROVISIONS**

##### **Article 18**

- (1) The Arbitrators which assumed the four-year term of office on 15 May 2016 and who meet the criteria referred to in Article 8 of these Articles, shall be included on the List of Arbitrators until the expiry of their four-year term of office.
- (2) The Management Board of ZDU shall appoint the members of the Council not later than by 30 October 2016.

## **Entry into Force**

### **Article 19**

These Articles of Association shall enter into force when adopted by the General Meeting and shall be applied for requests for arbitration which have been filed after 10 November 2016.

Done in Ljubljana, on 20 July 2016

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President of General Meeting of  
Slovenian Investment Fund Association