

# UIC CODE

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## UIC Internal Regulations

*Règlements intérieurs de l'UIC*  
*Geschäftsordnungen der UIC*



UNION INTERNATIONALE DES CHEMINS DE FER  
INTERNATIONALER EISENBAHNVERBAND  
INTERNATIONAL UNION OF RAILWAYS

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## Leaflet to be classified in Volume:

0 - Statutes and Regulations

## Application:

With effect from 31.03.2009

All members of the International Union of Railways

## Record of updates

- |                                    |   |
|------------------------------------|---|
| <b>1st edition, June 2003</b>      | Publication of a compendium of the A series of Internal Regulations, publication of Internal Regulation A10 and up-dates to Internal Regulations A2, A4, A5, A6, A7, A14, A15, A18 and A19. |
| <b>2nd edition, May 2004</b>       | Up-date to Internal Regulations A2 and A14 as approved by the General Assembly on 19.11.2003.   |
| <b>3rd edition, February 2007</b>  | New lay-out and update of Regulations R1, R2 and R3 as approved by the General Assembly on 07.12.2006.  |
| <b>4th edition, September 2009</b> | Publication of the new Internal Regulations IR1 to IR4 as approved by the General Assembly on 31.03.2009.   |

*The person responsible for this leaflet is named in the UIC Code*

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# 1 - New Internal Regulation 1

Defines the terms of application of Part 1 of the UIC Statutes.

1. Membership
2. Budget
3. Costs and Fees
4. Votes

## 1. Membership (applying Art. 2 of the Statutes)

### 1.1 - Membership Year (applying Art. 2.1)

The membership year is the same as the calendar respectively the business year.

### 1.2 - Application for membership (applying Art. 2.3)

The DGS shall inform the potential Member of the receipt of its application for membership either by fax or email, specifying in more detail the entrepreneurial data required for a decision by the General Assembly.

The Executive Board, the Chair, the responsible Regional Director and the SRG concerned shall be informed of the application.

After receipt of the related documents, the next General Assembly shall decide on the admission. The DGS shall inform the Member of that decision not later than 5 days after the meeting and by registered post.

If the new Member has already expressed a wish to become a Member of (an) other SRG(s), the DGS shall inform the SRG(s) concerned as well via the responsible Regional Director(s).

### 1.3 - Provisional membership (applying Art. 2.3)

If an application is directed to a SRG (via the responsible Regional Director and on basis of his / her recommendation), this SRG may grant provisional membership subject to the decision of the next General Assembly.

The Executive Board, the Chair and the DGS shall be informed of the application not later than 5 days after receipt.

If provisional membership is granted, the new Member shall not be entitled to vote until after the final approval of the General Assembly.

#### **1.4 - Derogation from Member category**

Companies or entities, public or private, which meet all the conditions of Article 2.2 may not become associate or affiliate Members.

However, companies or entities, public or private, that do not fulfil the conditions of Article 2.2 may be accepted as active Members if their membership is of particular interest to UIC.

#### **1.5 - Change of category**

Should a Member no longer fulfil the stipulated conditions for its category, the DGS shall, if relevant, propose a new category of membership to the Member concerned and shall request an answer within 3 months.

The DGS shall inform the General Assembly, the SRG(s) concerned and the UIC Chair of the proposal.

In the absence of a response from the Member concerned within a period of 3 months, the General Assembly shall decide unilaterally on the new membership category.

Should the Member concerned disagree with the DGS' proposal or the General Assembly's decision, an appeal may be made to the General Assembly within 3 months of the date of notification of the Member. The appeal shall suspend application of the decision.

#### **1.6 - Resignation of a Member (applying Art. 2.4)**

A notice of resignation, sent by registered post at least three months before the end of the year, shall automatically terminate both the global and all regional memberships of the Member concerned on 31 December of the year in course. The DGS shall inform the Member of the receipt of the notice of resignation as well as the Steering Committee, the UIC Chair and the SRG(s) concerned.

When receiving this notice, the DGS will check whether there are any outstanding amounts due by the Member and whether there are other claims against the Member.

Within one month of receiving the notice, the DGS will confirm receipt of the notice by registered post and specify any claim or outstanding amount which must be paid by the Member before acceptance of its resignation. The next General Assembly will then be informed.

#### **1.7 - Exclusion (applying Art. 2.4)**

If a Member

1. does not meet its financial obligations towards the Association in accordance with the Statutes (membership fees, project contributions, other sums due), or
2. no longer fulfils the conditions of belonging to any of the categories, or
3. does not comply with the provisions of the Statutes and the related Internal Regulations, or
4. does not support UIC in fulfilling its objectives and, in this context, fails to provide information<sup>1</sup> - in particular statistics - with the exception of confidential data,

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1. Reference to the latest information available on the UIC website

the DGS shall request from the General Assembly notification of the cancellation of the UIC membership of that Member.

Any Member coming under rule of court (bankruptcy proceedings) must immediately inform the DGS accordingly, indicating the provisions of its national law that apply in such cases. Provided the provisions of its national law so allow, the Member concerned shall cease automatically to belong to UIC.

However, regarding the matters referred to under point 1 - page 1, the Member concerned has three months after the final reminder has been issued to take action before losing all its rights. In exceptional circumstances however, the General Assembly may decide not to apply this measure, provided there are suitably justified reasons for such a decision (to be presented by the Member concerned).

Should the Member concerned disagree with the decision, an appeal may be made to the General Assembly within 3 months of the date of notification of the Member. The appeal shall suspend application of the decision.

Failing an appeal, the Member shall be excluded automatically.

## **2. Budget (applying Art. 3.2 of the Statutes)**

### **2.1 - The budget**

#### **2.1.1 - Composition of the budget**

The budget of the Association for the following business year shall be composed in accordance with the French law in force and shall consist of three parts containing

1. the Operational HQ Budget - showing the planned operating costs and expected revenues of UIC HQ only, in accordance with Article 3.2,
2. the Operational Budget of each SRG established - showing the planned operating costs and expected revenues of the SRG office concerned only, in accordance with Article 3.2,
3. the Project Budget of each SRG established - including the planned costs and expected revenues of all regional projects to commence in the business year concerned of that SRG only, in accordance with Article 3.2.

#### **2.1.2 - Presentation of budget**

All budgets mentioned under point 2.1.1 shall follow an identical format and layout.

The project-related part of the budget shall contain in addition:

1. **Projects commencing in the business year concerned:** The completed project sheet with the commitments in writing of all participating Members attached.
2. **Projects to be closed in the business year concerned:** Year of approval, overall budget approved, amount spent, surplus / deficit with proposal on utilisation / coverage to be presented to GA for decision.
3. **Already approved / ongoing (running) projects - for information only:** Year of approval, overall budget approved, per running year: amounts (to be) spent, cost allocation by participant for the business year concerned.

### **2.1.3 - Approval of budget**

A budget shall be approved by the responsible body only if

1. expenditures and revenues are balanced, and
2. all required documents are attached, and
3. it is presented in due time.

The General Assembly shall ratify a regional budget only after and if it has been approved by the SRG Assembly concerned.

However, if a regional budget is not approved or is not in a position to be ratified by the General Assembly, the DGS shall be authorised by the General Assembly to prepare a preliminary budget in order to safeguard the regional base services only (which shall specifically not include project work). The DGS shall further be authorised to initiate and implement further necessary remedial measures in order to immediately present a complete budget.

### **2.1.4 - Budget as a basis for work**

No work shall commence without an approved budget.

In urgent circumstances however, Regional Projects may exceptionally commence prior to budget approval being given, with the reservations that the Members concerned have given a binding commitment in writing on the basis of a completed project sheet, and that the related budget is subject to approval and ratification at the next meeting of the responsible bodies. Each SRG shall specify in its Internal Regulation the reasons for which such a procedure is admissible.

## **2.2 - Accounting principles**

All expenditures shall require strict budget controlling by a responsible financial controller, who shall be designated for the individual budget of each technical / administrative department and for each project with its own budget. This financial controller shall not be either one of the persons authorising payments or the person initiating the actual payment.

The IT procedures shall provide information on the current status of a budget in real time.

The annual closing of the accounts shall be executed within the legally applicable period; project accounts shall be closed within two weeks after the last project-related invoice has been paid.

## **2.3 - Annual statement of accounts**

### **2.3.1 - Composition of the annual statement of accounts**

With regard to the annual statement of accounts, the provisions of point **2.1- page 3** apply, except for the provisions on projects.

### 2.3.2 - Surplus, deficit, closed projects

In addition, the annual statement of accounts

#### 1. **shall specify a surplus and/or shall clearly justify a deficit in an operational budget:**

A surplus shall be considered to be all revenues, and a deficit all expenditures, which have not been included in an approved operational budget for the business year concerned, and consequently have not been taken into consideration for the calculation of the related fees.

##### Surplus:

After due consideration of the law in force (with regard to necessary reserve funds, for example), a remaining surplus shall be reimbursed to the Members in proportion to their number of votes. If the resources are to be earmarked for a specific purpose

- at global level, the General Assembly shall decide on and approve the item on the basis of a written proposal presented by the DGS,
- at regional level, the SRG Assembly concerned shall decide on and approve the item on the basis of a written proposal presented by the Regional Director concerned (to be ratified by the next General Assembly).

##### Deficit:

A deficit for a global-level activity may be covered either by resources from the Reserve Fund of the Association or by a "Special Base Fee" on the condition that neither a specific individual (Member, staff) nor a UIC body can be held liable for the deficit. Both measures require the decision and approval of the General Assembly.

A regional deficit shall be covered as decided on and approved by the SRG Assembly concerned. The necessary resources shall not be provided from contributions by Members of other SRGs or from the Association's general resources.

In the event that an SRG does not cover a deficit within the next two years, the General Assembly shall decide on the dissolution of the SRG and the exclusion from UIC membership of the Members of that SRG. Independently of their exclusion, the Members concerned shall be required to pay all the sums due originating from their membership (including the coverage of the deficit proportional to their number of votes).

#### 2. **shall definitively close the project accounts:**

##### Surplus:

In the event of called but non-utilised financial resources, the surplus shall be reimbursed to the participants in proportion to their payment (Members, third parties).

If, however, a new project is linked to the closed project, the surplus may be allocated to the new project after all sums owed to third parties are paid, subject to the approval of the Members participating in the closed project.

- With regard to multiregional projects, the DGS shall then present a written proposal as a basis, which the SRG Assemblies concerned decide on and approve, and which the General Assembly ratifies.
- With regard to regional projects, the responsible Regional Director shall present a proposal, which the SRG Assembly concerned decides on and approves, and which the General Assembly ratifies.

##### Deficit:

In the event of a deficit, all participants in the closed project concerned shall be required to pay in proportion to the contributions they have paid.



### **3. Costs and fees (applying Art. 3 of the Statutes)**

#### **3.1 - Cost calculation principles**

Articles 3.1 and 3.2 define the costs and the financial contributions of Members, and also specify which costs shall be covered by which financial contribution.

The expenditure expected for a business year shall be the sole basis for the calculation of the respective overall yearly costs. These overall costs shall determine the yearly revenues from fees and contributions which are necessary to achieve a balanced budget in the business year concerned (other revenues may be included only if they depend on reliable data and must be explicitly noted as representing a risk).

#### **3.2 - Fees**

##### **3.2.1 - Principles**

There are two types of UIC fee:

- the Core Fee, which covers the operating costs of UIC,
- the Regional Fees, which fund the operating costs of the regional entities (SRGs).

The Core Fee and the Regional Fees shall be paid by all Members. Each fee is separate.

The Core Fee shall be revised annually by the General Assembly.

The Regional Fees shall be revised annually by the respective Regional Assemblies.

For active Members, the Core and Regional Fees shall develop firstly in line with the decisions of the Regional and General Assemblies, and secondly depending on their activities.

As a transitional measure, the fees of non-European active Members shall be lump sums. Gradually, and as a function of their level of involvement in UIC, the calculation method will be applied to them until the end of 2010.

The fees of associate and affiliate Members are lump sums. Each year the General Assembly shall determine the changes in these lump sums in the same manner as the fees.

##### **3.2.2 - Method of calculating fees**

###### **3.2.2.1 - Active Members**

These methods apply in the same manner to both the fees paid by active Members, where C is the fee considered (Core Fee, Regional Fee).

###### **3.2.2.1.a - Apportionment of the fee C according to type of business**

The fee C to be apportioned among active Members shall be divided as follows:

- 25 % representing the fixed contribution,
- 25 % representing infrastructure,
- 15 % representing the volume of passenger traffic,

- 15 % representing passenger traffic revenue,
- 10 % representing the volume of freight traffic,
- 10 % representing freight traffic revenue.

#### **3.2.2.1.b - Fixed contribution ( $c_f$ )**

The fixed share of the fee  $c_f$  of each Member shall be calculated by dividing the total share allocated to this fixed contribution by the number N of Members, as follows:

$$c_f = 0,25 C/N$$

The fixed contribution  $c_f$  shall be the same for all active Members.

#### **3.2.2.1.c - Element relating to infrastructure ( $c_i$ )**

The share of the fee  $c_i$  of each Member shall be calculated on the basis of the weighted length in kilometres of the lines operated by that Member at the end of year Y - 2 (see point 1.3 -page 1).

$$c_i = (0,25 C) \times k_p / K_p$$

#### **3.2.2.1.d - Element relating to the volume of passenger traffic ( $c_{vv}$ )**

The volume of rail passenger traffic of each Member shall be expressed in millions of passenger-kilometres recorded during the year Y - 2.

This traffic volume ( $vk$ ) shall be weighted according to thresholds (see point 1.3 -page 1).

$VK_p$  is therefore the sum of the millions of weighted passenger-kilometres recorded by all active Members.

The share of the fee  $c_{vv}$  payable by each Member is calculated by sharing 0,15 C pro rata to the weighted passenger-kilometres, as follows:

$$c_{vv} = (0,15 C) \times vk_p / VK_p$$

#### **3.2.2.1.e - Element relating to passenger traffic revenue ( $c_{rv}$ )**

The passenger traffic revenue for the year Y - 2 of each Member shall be expressed in thousand euros. It shall include tariff products as well as the tariff and product compensation resulting from contracts (contracts with governing authorities, management contracts, service contracts, etc).

The exchange rate adopted shall be that of 30 June of the year Y - 2.

This revenue ( $r_v$ ) shall be subject to the same weighting as the volume of traffic.

The weighted revenue ( $r_{vp}$ ) adopted shall be as follows:

$$r_{vp} = r_v \times vk_p / vk$$

$R_{vp}$  therefore is the sum of weighted revenue in thousand euros recorded by all active Members. The share of the fee payable by each Member shall be calculated by sharing 0,15 C pro rata to the weighted passenger revenue, as follows:

$$c_{rv} = (0,15 C) \times r_{vp} / R_{vp}$$

### 3.2.2.1.f - Element relating to the volume of freight traffic

The volume of freight traffic (tk) concerns revenue-earning railway traffic. It is expressed in millions of tonne-kilometres recorded during the year Y - 2. It is weighted in the same way as for passenger traffic, according to thresholds (see point 1.3 - page 1).

$TK_p$  is therefore the sum of weighted kilometre tonnages recorded by all active Members.

The share of the fee  $c_{vm}$  payable by each Member is calculated by sharing 0,10 C pro rata to the weighted kilometre tonnage, as follows:

$$c_{vm} = (0,10 C) \times tk_p / TK_p$$

### 3.2.2.1.g - Element relating to freight traffic revenue ( $c_{rm}$ )

The freight traffic revenue for the year Y - 2 of each Member shall be expressed in thousand euros. It shall include tariff products as well as the tariff compensation and products resulting from contracts (contracts with governing authorities, management contracts, service contracts, etc).

The exchange rate adopted shall be that of 30 June of the year Y - 2.

This revenue ( $r_m$ ) shall be subject to the same weighting as the volume of traffic.

The weighted revenue ( $r_{mp}$ ) adopted shall be as follows:

$$r_{mp} = r_m \times tk_p / tk$$

$R_{mp}$  is therefore the sum of weighted revenue recorded by active Members.

The share of the fee  $c_{rm}$  payable by each Member is calculated by sharing 0,10 C pro rata to the weighted revenue, as follows:

$$c_{rm} = (0,10 C) \times r_{mp} / R_{mp}$$

### 3.2.2.1.h - Calculation of the fee of each active Member

The fee (c) of each active Member shall be obtained by adding together the six contributions  $c_f$ ,  $c_i$ ,  $c_{vv}$ ,  $c_{rv}$ ,  $c_{vm}$  and  $c_{rm}$ , calculated above, as follows:

$$c = (0,25 C/N) + (0,25 C/K_p) \times k_p + (0,15 C/Vk_p) \times vk_p + (0,15 C/R_{vp}) \times r_{vp} + (0,10 C/Tk_p) \times tk_p + (0,10 C/R_{mp}) \times r_{mp}$$

which gives :  $c = c_1 + c_2 \times k_p + c_3 \times vk_p + c_4 \times r_{vp} + c_5 \times tk_p + c_6 \times r_{mp}$

where	the fixed contribution is:	$c_1 = c_f = (0,25 C/N)$
	the infrastructure coefficient is:	$c_2 = (0,25 C/K_p)$
	the passenger traffic coefficient is:	$c_3 = (0,15 C/VK_p)$
	the passenger revenue coefficient is:	$c_4 = (0,15 C/R_{vp})$
	the freight traffic coefficient is:	$c_5 = (0,10 C/TK_p)$
	the freight revenue coefficient is:	$c_6 = (0,10 C/R_{mp})$

When a Member is an association under the terms of Article 2.2 of the Statutes, they may be

- either an active Member in accordance with a derogation accepted by the General Assembly, in which case its fees are calculated on the basis of all its members' activities,
- or an affiliate Member with a fee calculated as a lump sum decided by the General Assembly.

The activity referred to here above in the first bullet point takes into account: the infrastructure element ( $k_p$ ), the traffic elements ( $vk_p$ ,  $tk_p$ ) and the revenue elements ( $r_{vp}$ ,  $r_{mp}$ ) on the basis of the line kilometres, the traffic volume and the amount of revenue of all the companies and entities in the association.

### 3.2.2.1.i - Calculation of the fees of a new active Member

When a new active Member joins the association at the start of or during the year, the fees of that Member are calculated by application of the formula under point [3.2.2.1.h](#).

### 3.2.2.1.j - Transitional provision concerning non-European active Members (until 2010)

The fees of non-European active Members shall temporarily be lump sum fees. Each fee may evolve separately from the other.

Fees shall be set at the time when the Member joins the association, and shall take account of its infrastructure and traffic parameters.

The annual revision of each fee shall be the same for all Members of this category.

However, the fees of a non-European active Member may be re-evaluated individually in the event of a major change in its infrastructure and traffic parameters, or by agreement with the Member concerned.

These new fees will have to be decided by the General Assembly.

### **3.2.2.2 - Associate and affiliate Members**

Associate and affiliate Members shall pay a Core Fee and a Regional Fee.

The fees of associate and affiliate Members shall be set at the time when they join the association.

The annual revision of each fee shall be the same for all Members of this category.

### **3.2.3 - Method of weighting and threshold required to qualify for active Member status**

#### **3.2.3.1.a - Weighting of network length**

The weighting factors shall be as follows:

- electrified lines with two or more tracks (length in kilometres  $k_1$ ) : factor = 1,2
- non-electrified lines with two or more tracks (length in kilometres  $k_2$ ) : factor = 1,0
- single-track electrified lines (length in kilometres  $k_3$ ) : factor = 0,6
- non-electrified single-track lines (length in kilometres  $k_4$ ) : factor = 0,5

Before weighting the total network length  $k$  is broken down as follows:

$$k = k_1 + k_2 + k_3 + k_4$$

After this initial weighting, the weighted network length ( $k'$ ) is as follows:

$$k' = 1,2 k_1 + k_2 + 0,6 k_3 + 0,5 k_4$$

#### **3.2.3.1.b - Weighting of network length according to thresholds**

The weighted length in kilometres ( $k_p$ ) is calculated as follows. Below 10 000 km, a weighting of 50 % is applied. Beyond 32 500 km, the network length is no longer taken into account.

- where  $k' < 10\ 000$   $k_p = k'$
- where  $10\ 000 \leq k' < 32\ 500$   $k_p = 10\ 000 + (k' - 10\ 000)/2 = 5\ 000 + k'/2$
- where  $32\ 500 \leq k'$   $k_p = 5\ 000 + 32\ 500/2 = 21\ 250$

### 3.2.3.2 - Weighting of passenger traffic

Passenger traffic ( $vk$ ) shall be expressed in millions of passenger-kilometres and weighted according to thresholds. Below 10 000, a weighting of 50 % is applied. Beyond 65 000, the traffic is no longer taken into account. The weighted value ( $vk_p$ ) shall be calculated as follows:

- where  $vk < 10\ 000$   $vk_p = vk$
- where  $10\ 000 \leq vk < 65\ 000$   $vk_p = 10\ 000 + (vk - 10\ 000)/2 = 5\ 000 + vk/2$
- where  $65\ 000 \leq vk$   $vk_p = 5\ 000 + 65\ 000/2 = 37\ 500$

### 3.2.3.3 - Weighting of freight traffic

Freight traffic ( $tk$ ) shall be expressed in millions of tonne-kilometres and weighted by threshold. Below 10 000 km, a weighting of 50 % is applied. Beyond 65 000 km, the traffic is no longer taken into account. The weighted value ( $tk_p$ ) shall be calculated as follows:

- where  $tk < 10\ 000$   $tk_p = tk$
- where  $10\ 000 \leq tk < 65\ 000$   $tk_p = 10\ 000 + (tk - 10\ 000)/2 = 5\ 000 + tk/2$
- where  $65\ 000 \leq tk$   $tk_p = 5\ 000 + 65\ 000/2 = 37\ 500$

### 3.2.3.4 - Threshold required to qualify for active Member status

The threshold for the volume of railway business required to be an active Member shall be determined on the basis of a combination of all or part of three elements:

- the network length expressed in weighted network length  $k'$  (cf. point 3.2.3.1.a),
- revenue-earning passenger traffic  $vk$  expressed in millions of passenger-kilometres,
- revenue-earning freight traffic  $tk$  expressed in millions of net tonne-kilometres.

This threshold shall apply to:

- infrastructure managers, in which case only the element relating to network length ( $k'$ ) shall apply,
- rail transport companies in the strict sense of the term, in which case only the element relating to passenger traffic and/or freight traffic ( $vk$  and/or  $tk$ ) shall apply,
- integrated railway companies, in which case the three elements ( $k'$ ,  $vk$  and  $tk$ ) shall apply.

A Member shall automatically hold the status of active Member if:

$$k' + vk + tk > 1\ 000$$

### **3.2.4 - Revision and payment of fees**

#### **3.2.4.1 - Annual revision of the apportionment of fees**

The apportionment of fees and the calculation of votes for the year Y shall be revised annually by the DGS on 1 September of the year Y - 1 on the basis of the data to be supplied by Members by the deadline of 30 June, failing which the data taken into account will be based on the information at hand.

#### **3.2.4.2 - Payment of fees**

The annual amount of fees payable by each Member under the terms of the above provisions shall be notified to it by the DGS before the end of the month of January of the year concerned. Payment of fees must be effected before the end of March of said year.

If payment is not forthcoming within the deadline set, Headquarters shall summon the defaulting Member by registered mail for payment of the amount due, incremented by interest at the official rate in France and calculated from the date of the summons.

If after three months following the summons, payment has still not been made, the Member shall be automatically suspended from exercising all rights it enjoys under the statutes, notably its right to vote in the statutory Assemblies and in all study bodies.

However, the next General Assembly following the delay in payment may decide not to enforce the suspension because of exceptional circumstances, to be substantiated by the Member concerned.

This act of suspension shall be applied without prejudice to either the exclusion penalty for which provision is made in the Statutes or any legal action that might be taken by UIC against the Member that has not paid its fees.

Any Member may withdraw from UIC following payment of its fees and of any contributions due in accordance with the conditions set under point [1.6 - page 2](#).

Any Member subject to a rule of court (bankruptcy proceedings) shall notify the DGS immediately and inform him/her of the provisions of the national law applying in this respect.

#### **3.2.4.3 - Rebate of fees**

Any rebate of fees will be exceptional and decided upon by the General Assembly after substantiation being given by the Member to the DGS, who then reports to the General Assembly.

### **4. Methods of calculation of votes**

#### **4.1 - Votes at the General Assembly**

The number of votes ( $v_g$ ) held by a Member at the General Assembly shall be proportional to the total amount of its Core Fee ( $b$ ) and of that Regional Fee which is related to its initial regional membership only.

The number of votes shall be obtained by dividing  $b + r$  by the rate for one vote (set at 50 000 euros) and rounded off to the nearest tenth.

$$v_g = \text{rounded off}_{0,1}[(b + r)/50\,000]$$

## 4.2 - Votes at the Regional Assemblies

Each Regional Assembly shall decide on the system of votes it shall apply.

## 4.3 - Votes in the Forums

The number of votes of an active Member in a Forum shall be proportional to the Member's total amount of shares relating to the business sector of the Forum, with the fixed contribution divided pro rata for each business sector.

The number of votes shall be calculated by dividing each Member's contribution by the rate for one vote (set at 50 000 euros) and rounded off to the nearest tenth.

Where  $\Sigma$  is the sum of the Core Fee and the Regional Fee of the active Member.

Where  $\Sigma_f$  is the sum of the two fixed contributions.

Where  $\Sigma_i$  is the sum of the two contributions relating to infrastructure.

Where  $\Sigma_{vV}$  is the sum of the two contributions relating to passenger traffic volume.

Where  $\Sigma_{rV}$  is the sum of the two contributions relating to passenger traffic revenue.

Where  $\Sigma_{vM}$  is the sum of the two contributions relating to freight traffic volume.

Where  $\Sigma_{rM}$  is the sum of the two contributions relating to freight traffic revenue.

The fixed contribution divided pro rata to business sectors is therefore:

for infrastructure  $\Phi_i = \Sigma_i \Sigma_f / (\Sigma - \Sigma_f)$

for passenger  $\Phi_v = (\Sigma_{vV} + \Sigma_{rV}) \Sigma_f / (\Sigma - \Sigma_f)$

for freight  $\Phi_m = (\Sigma_{vM} + \Sigma_{rM}) \Sigma_f / (\Sigma - \Sigma_f)$

The votes of each active Member in the three forums are therefore:

Votes in the Infrastructure Forum:

$$v_i = \text{rounded off}_{0,1} [(\Sigma_i + \Phi_i) / 50\,000]$$

Votes in the Passenger Forum:

$$v_v = \text{rounded off}_{0,1} [(\Sigma_v + \Phi_v) / 50\,000]$$



Votes in the Freight Forum:

$$v_m = \text{rounded off}_{0,1}[(\Sigma_m + \Phi_m)/50\,000]$$

#### 4.4 - Votes in the Platforms and working parties

The number of votes held by an active Member in a Platform or working party shall be the number it holds at the General Assembly.

## 2 - New Internal Regulation 2

Defines the terms of application of Part 2 of the UIC Statutes.

1. General Assembly and Regional Assemblies
2. Executive Board
3. Audit and Budget Committee

The terms of the organisational provisions set out below shall not preclude further provisions being added by each Regional Assembly, if necessary, in its own Internal Regulations (see point 1.2 - page 16) at the initiative of its Members. Such Internal Regulations shall be approved by the UIC General Assembly.

### 1. General Assembly and Regional Assemblies

#### 1.1 - Special provisions regarding the UIC General Assembly

##### a) Membership

The General Assembly shall be composed of all the UIC Members: Active Members, Associate Members and Affiliate Members.

The Director-General of Services attends the meetings in an advisory capacity, as do the Regional Directors, the other Directors belonging to the Directorate-General, as well as the Heads of the Working Bodies.

In addition, the Chairman may invite any person to attend whose attendance is of relevance to the agenda dealt with.

##### b) Voting

cf. Statutes Art 5.3.

##### c) Meetings (Art. 5.2)

The Chairman decides upon the agenda, which must include the executive matters proposed by the DGS, convenes the Members and chairs the meetings.

An Assembly may only discuss items entered on the agenda. In order to ensure that urgent matters may be discussed at short notice, the point "Any Other Business" shall always be part of the agenda.

The DGS shall draw up the minutes and send them to the Chair within seven days of the meeting. Unless comments from the Chair are received and incorporated in the minutes within fourteen days of the meeting, the minutes shall be sent to all Members within twenty-eight days of the meeting.

Any observations made by Members shall be submitted in writing to the DGS within twenty days of the sending of the draft minutes. Such observations, including those made by the Chairman within fourteen days of the meeting, shall be inserted into the draft minutes which will have to be formally approved by the Assembly at the next meeting.

Each Assembly shall meet at least twice a year for ordinary meetings. Extraordinary sessions may be convened as often as necessary or requested.

#### Meetings in ordinary session

1. The schedule and the draft agenda for the General Assembly meeting shall be available to Members not later than 6 weeks before the date of the meeting.
2. Those items UIC Members wish to put on the agenda of the next meeting of the General Assembly shall be presented in writing to the Chairman and to the Director-General of Services not later than 4 weeks before the date of the meeting. The submitting Members must represent at least 1/10th of the votes. The request shall be accompanied by explanatory statements. All items proposed must be included on the agenda.
3. The letter convening meetings of General Assemblies in ordinary session shall be sent to the international organisations having entered into agreements with UIC and to all Members in such a way that the document is available to the invited parties not later than 2 weeks before the date set for the meeting, including the final agenda with comments for the meeting and all the documents required for the information of Members concerning the items on the agenda.

#### Meetings in extraordinary session

The General Assembly in extraordinary session shall be held at the initiative of the Chair, of the Executive Board or at the written request of Members together representing at least 1/5 of the total votes of the Association. This request must be sent to the DGS and shall substantiate the necessity for such an extraordinary session. In addition, a draft agenda shall comprise all the subjects that the party requesting the extraordinary meeting has expressed a wish to see handled, and may include explanatory documents.

The letter convening meetings of General Assemblies in extraordinary session shall be sent to the international organisations having entered into agreements with UIC and to Members in such a way that the document is available to the invited parties not later than two weeks before the date set for the meeting, including the final agenda with comments for the meeting and all the documents required for the information of Members concerning the items on the agenda.

#### **d) Preparation - Preparatory Group**

The meetings shall be prepared by preparatory groups.

- Each active Member shall appoint a representative responsible for preparing the General Assembly meetings and shall notify his/her name to the DGS. These representatives constitute the preparatory group.
- The DGS shall convene the preparatory group as often as necessary, in particular to ensure that information is circulated effectively and to reconcile points of view if there are differences of opinions.

#### **1.2 - Special provisions regarding Regional Assemblies**

Each Regional Assembly must define in its internal regulations the stipulations relating to the convening of its Assembly. Each region may put in place a Management Committee and define its membership and operation.

## **2. Executive Board**

### **2.1 - Membership**

Members may only be represented on the Executive Board by persons exercising duties at the highest level (Chairman, Chief Executive, Director-General or similar position). This person may be represented by a high-level executive from within their company who is entitled to make commitments on behalf of the company.

In the event that a member of the Executive Board is no longer able to participate because he/she no longer holds the office of Chairman or Chief Executive or similar position, his/her successor for the duties he/she held previously in the company shall replace him/her on the Executive Board and serve the remainder of his/her mandate, following approval by the General Assembly.

## **3. Audit and Budget Committee**

### **3.1 - Remit**

The Audit and Budget Committee shall examine the UIC accounts before they are submitted to the General Assembly and state its opinion on these documents, in particular in terms of the clarity of the information they contain.

### **3.2 - Membership**

The Audit and Budget Committee shall comprise a Chairman and three other members appointed by the General Assembly from among the UIC active Members. They shall be elected for a four-year term and can be re-elected once.

In the event of a position falling vacant, the next General Assembly shall elect a new member to complete the term of office begun.

The following persons shall participate in the work of the Committee in an advisory capacity: the DGS, as well as the persons in charge of financial controlling and accounting and, if necessary, the Chairs of the UIC bodies falling within the scope of the Committee's auditing activities.

## 3 - New Internal Regulation 3

Defines the terms of application of Part 3 of the UIC Statutes

1. Working Bodies (Forums, Platforms, Working Groups)
2. Projects
3. Common provisions and recommendations
4. Special Groups
5. Intellectual property rights

### 1. Working Bodies: Forums, Platforms & Working Groups

#### 1.1- Organisation

As provided for by Article 9.1.1 of the Statutes, the DGS shall decide on the need to establish working bodies to achieve the targets set by the General Assembly. Likewise, the DGS shall close a working body after the work has been completed or if the subject justifying its establishment has ceased to exist.

The General Assembly shall approve the list of the permanent Groups proposed by the DGS.

Each Working Body shall adopt an "organisation document" in accordance with the UIC Statutes and Internal Regulations, specifying its purpose, membership (list to be updated by 1 June of each year), organisation and working arrangements, including financial aspects and remedial measures if a member does not comply with its monetary or non-monetary obligations.

Sectors may be created within working bodies to address specific related subjects.

The work of the working bodies shall be monitored by a Department Director or by a person appointed by the DGS. The final report shall be presented to the GA at its winter meeting (and to the Executive Board for information and comment). An intermediate report shall be prepared for the summer meeting.

Unless otherwise decided by their members, Forums and Platforms shall have a Steering Committee, chaired by the Chair of the Forum or Platform. It shall serve as a link between the members on the one hand and the UIC HQ organisation and the high-level bodies on the other hand.

The (Vice-)Chair shall be appointed in accordance with Article 5.5.15 of the Statutes. In the event of his/her absence, the respective Department Director shall chair the meetings.

#### 1.2 - Membership

All active Members may be represented in one or more Working Bodies.

- In terms of the work of the Working Body, the participating Member shall be represented by its expert(s) for the issues addressed, i.e. persons with sufficient professional experience.

- In the plenary meetings, the representative of a Member shall be duly mandated to undertake all commitments necessary (including financial commitments when and where necessary).

Associate and affiliate Members and entities which are not Members of UIC may request to take part in Working Bodies insofar as their business is related to the purpose of the Working Bodies concerned.

If a Member wishes to withdraw from a working body, it shall notify the Chair in writing accordingly. This withdrawal shall not release the Member from honouring the obligations undertaken in the work of the Working Body.

Working Bodies shall include representatives from CER, EIM and other related bodies / organisations as and when needed.

### **1.3 - Programme of work**

Every three years, all Working Bodies shall present a programme of work to the General Assembly summarising their main targets as a guideline for the project work of that Working Body.

On the basis of this triennial programme of work, and with reference either to former projects or as an extension of ongoing activities, the Working Bodies may propose:

- Regional Projects to the SRG concerned (Article 11.1.a),
- Projects as defined under Articles 11.1.b) - 11.1.d) both to the SRGs concerned and to the General Assembly.

In particular, projects may culminate in:

- proposals for standards or specifications intended for bodies legally empowered to draw up or validate such standards or specifications;
- technical studies, reports or other documents produced for trade associations (infrastructure or other railway or transport associations);
- "common provisions" and "recommendations" for Members.

### **1.4 - Meetings**

The plenary meetings of Working Bodies shall be held at least once a year. They shall be prepared by the Steering Committee if such a committee has been set up under the provisions of the organisation document.

These meetings, as well as the structures set up (sectors), shall use the logistics services and facilities needed to hold these meetings, within reasonable financial limits (in particular for interpretation and translation needs). Simultaneous interpretation shall be reserved for plenary meetings. If they consider it necessary, working bodies may have recourse to a larger number of facilities, in which case they shall bear the cost of these directly.

Members shall bear the costs connected with their participation in all meetings of a Working Body, the only exemption being that a Member may apply for support from the Solidarity Fund on the basis of defined conditions.

Plenary meetings can be held elsewhere at the invitation of a participant in the Working Body, in which case the host Member and possibly other Members shall cover the additional cost incurred, in particular travel costs and subsistence allowance for any interpretation staff needed.

Costs for meetings held as part of projects shall be financed from the budget for these projects.

Certain meetings may be held by teleconference or video conference in order to reduce travel costs.

### **1.5 - Voting**

Members shall take part in voting with the number of votes held at the Regional or General Assembly depending on the case, for those of their activities concerned:

- Motions shall be carried on the basis of a majority of votes cast;
- When votes are split evenly, the Chair shall hold the casting vote;
- The Working Body may validly deliberate only if a quorum of at least half of its members representing at least half of the number of votes is present or represented;
- It may also hold a vote on a proposal by correspondence.

### **1.6 - Financing**

The running costs of Forums and Platforms are covered by the Core Fee, as are the costs of plenary meetings and meetings of the Steering Committees (if established) of Permanent Groups.

All other costs shall be covered by the project budgets concerned.

The respective Technical Director shall be responsible for the utilisation of resources. In the event that an additional fee payment is necessary to cover a budget shortfall, such extra contributions shall be proposed by the DGS to the GA and shall require its approval.

## **2. Projects**

*The following provisions shall apply to all projects as defined under Article 11.1 of the Statutes.*

### **2.1 - Setting up of projects**

#### **a) Initiative**

The initiative for a project may originate from any UIC body as well as from Members, either directly or through other representative entities.

#### **b) Preparatory work**

##### **1. Feasibility Study**

A "Feasibility Study Group", composed of persons chosen primarily from among the representatives of the UIC Members which have shown interest in the project and placed under the responsibility of the relevant UIC Technical Director, shall prepare a feasibility study.

The feasibility study shall be mandatory if a project budget exceeds the amount of EUR 100 000. Consequently, the splitting of projects, with the aim of lowering the budget, shall not be permitted.

Irrespective of the budget of a project, a feasibility study may be executed if the interested members deem it necessary.

The study shall take account of all existing work already done on the subject within UIC or outside UIC providing some basic information for the draft project sheet so as to avoid double work.

## 2. Project sheet

The project sheet of a project shall contain at least the following information:

- Project objectives, characteristics and deliverables including a cost-benefit analysis;
- Participation of any entities not part of UIC, and the conditions governing their participation;
- Expected duration and annual programme of work. If the project spans a long period of time or is costly, the project may be split up into several stages. Nonetheless, an overall view of the project must be provided at the outset;
- Number and qualification of the staff needed full time or part time;
- Project Management Group including, in particular:
  - the relevant Technical Director or another person appointed by the DGS at the proposal of the Regional Director. This person shall be the Project Director,
  - Project Manager responsible for the operational, administrative and financial management of the project,
  - in addition, for multiregional projects: project leadership (responsible SRG and most suitable Working Body).
- Funding:
  - amount of expenditure and financial resources to be budgeted, with an estimate per year and/or per phase,
  - conditions of remuneration for the contribution of certain Members with specific expertise,
  - the apportionment key for the division of funding among Members,
  - any subsidies envisaged.

### **c) Decision-making procedure in the Working Body**

Participation in projects is voluntary. A Working Body may, however, determine in its "organisation document" that on the basis of defined conditions, participation is compulsory (if applicable, this condition must be referred to in the final project sheet).

The decision of the Working Body shall be based on the draft project sheet. Each Member agreeing to participate shall give its consent in writing (list of signatures to be attached to the project budget). This commitment shall be binding, inter alia, for the complete running period, the work load and the financial obligations as stated by the project sheet, subject to the condition that the SRG Assembly concerned approves the project.

If a vote is held in the relevant Working Body, the decision shall be taken on the basis of a majority of votes cast by the Members which will take part in the project.



#### **d) Approval procedure for regional projects**

The complete project sheet finalised following the decision of the respective Working Body shall serve as the basis for a decision by the SRG Assembly concerned and the project's probable recommendation to the GA as a Regional Project.

The Management Committee, if there is one, may be involved as provided for by the regional Internal Regulations.

The approval of a project concerns, inter alia, its complete running period, the overall budget and the full work load as defined in the project sheet. Once a project is approved, it shall not be submitted for approval again.

#### **e) Approval procedure for multiregional projects**

In the light of the project sheet and bearing in mind the opinion of its Management Committee (if any), the Regional Assembly shall decide whether after approval a project should be also recommended as a project as defined under Articles 11.1.b) - 11.1.d) to the other SRGs and the General Assembly for decision.

The Executive Board shall be informed by the responsible Regional Director and may comment on the project.

The General Assembly shall decide to launch the project on the basis of a simple majority if all the Regions concerned support and are committed to the project.

The final approval of a project concerns, inter alia, its complete running period, the overall budget and the full work load as defined in the project sheet. Once a project is approved it shall not be submitted for approval again.

#### **f) Exemption from participation in projects**

Unless passed by a unanimous decision, participation in a project is always voluntary. Consequently, no exemptions shall be granted.

#### **g) Opting out**

Opting out of a project during its running period as defined by the project sheet shall be possible only if:

1. The opting out takes place at the end of a functional phase, which must be defined in the project sheet and which is self-sufficient in itself; albeit with the help of the previous phase(s);
2. And the participant concerned has met all its financial obligations;
3. And with regard to non-monetary obligations, the participant has undertaken remedial measures of the same level.

#### **h) Opting in**

Any Member wishing to join a project which is already running shall be considered as an initial participant with all the associated rights and obligations, on condition that less than half the proposed project duration has elapsed (at a later point in time, the approval of 75 percent of the participants is required). The project contributions shall be reviewed in the light of the increased number of participants.

## **i) Access to results**

Non-participating Members and interested third parties may gain access to the results at reasonable conditions as defined in the relevant project documentation.

However, on the basis of unanimous agreement between the members participating in the development of a leaflet, and with approval of the General Assembly, a leaflet may be established as a set of common provisions or recommendations (status of being "generally recommended"). In such a case, all members shall have free access to the results.

This provision applies also to older leaflets requiring an update of more than 3/4 of their pages.

## **2.2 - Project management**

### **a) Project monitoring**

Progress shall be monitored as follows:

- Project Directors shall prepare an annual progress report on projects under their responsibility for the SRG Assembly and the participating regional Members for regional projects, or for the General Assembly and the participating Members for all other project categories (also informing the Executive Board of the latter). This information shall be summarised in an activity report produced on 31 December of the year in course and sent to UIC Headquarters by 30 January of the following year.  
Depending on the nature of the project and under the UIC internal management reporting system, more frequent reporting may be requested.

Audits on the financial evolution of the project and its management may be instigated by the Project Manager, the Project Director, the Regional Director, the DGS or the Executive Board.

### **b) Project funding**

In January, UIC Headquarters shall call in the funds to cover funding needs for the year Y. The funds called in shall take account of anticipated balances remaining at the end of the year Y - 1.

Payments shall be made to UIC Headquarters by the 15th day of the month following the call for funds. UIC Members belonging to the Central Clearing House (BCC) may be debited by the latter.

### **c) Project execution**

#### **1. Contracts and agreements for the provision of services**

Contracts and agreements required for the execution of a project shall be signed by the DGS when their total amount is in excess of EUR 300 000.

The relevant Project Director shall be empowered by delegation of authority from the DGS to sign contracts and agreements for amounts less than or equal to EUR 300 000 (monthly information of the DGS).

However, for contracts of less than EUR 5 000, the relevant Project Director may sub-delegate his authority to the Project Manager.

Contracts and agreements must be signed before the corresponding work begins. In addition to public policy rules concerning competition law and public procurements, the Project Director shall pay

particular attention to ensuring that calls for tenders are issued as widely as possible among both UIC Members able to provide the services needed and among reputed external bodies.

## 2. Timescale

All project budgets for the year Y+1 shall be approved by the responsible bodies not later than July of the year Y.

## 3. Personnel needed

During the execution of the project, staff may be called upon to work under the responsibility of the Project Manager. This staff may be:

- Personnel of UIC Members

A secondment or release agreement sets out the financial conditions for secondment or release of staff. This agreement shall be signed by the DGS.

- UIC personnel

The time that UIC Headquarters staff spends on a project shall be charged to the project, together with their travel expenses and subsistence allowances.

Unless otherwise stated in the project sheet, the responsibility assumed by the Project Director and the time he/she spends on the project shall not be charged to the project. Only travel expenses and business expenses shall be charged to the project.

All services provided by UIC (work of Senior Advisers, IT services, typing, printing, accountancy, room hire, language services, etc.) shall be charged to the project.

- External staff

Should external staff be brought in for the execution of the project, the contract of employment shall be signed for UIC by the DGS. However, if it is for a purely Regional project funded entirely by Regional Members, the contract shall be signed by the Regional Director and ratified by the DGS.

## 4. Financial management and accounting

The Project Manager shall be in charge of the financial management of project work, under the responsibility of the Project Director and in accordance with the applicable rules (still to be defined), and in agreement with the UIC auditors.

A financial result at 31 December of the year Y shall be appended to the Project Director's annual report.

Interim statements shall be produced for projects monitored more frequently than the minimum annual frequency.

Financial monitoring of spending shall be performed regularly as part of the process of financial reporting on project progress.

#### **d) Accounting and budgetary controlling**

The internal financial reporting section under the responsibility of the DGS shall be in charge of the budgetary controlling of projects. A report shall be submitted annually to the Audit and Budget Committee on this remit.

The objective of financial reporting is to ensure cohesion between the work done and the funding earmarked for a project, ascertain that procedures are observed and in particular, monitor spending.

It serves to advise Project Directors and Project Managers and is used to monitor the quality of budgetary reporting and the sound use of the information by project managers.

The financial results of projects, certified by the UIC statutory auditors, shall be submitted annually to the Audit and Budget Committee at the same time as those of UIC Headquarters.

#### **2.3 - Reserve fund**

At the decision of the SRG Assembly, a regional reserve fund may be established under the responsibility of the Regional Director, in order to finance feasibility studies and urgent Regional Projects.

At the decision of the GA, a global reserve fund may be established under the responsibility of the DGS, in order to finance further action, though only if the regional preparations of a project require extension or if there are very urgent matters.

The DGS / the responsible Regional Director shall be accountable to the General Assembly / SRG Assemblies respectively for the management of any reserve funds made available.

At the end of each year, any study initiated during the financial year Y - 1 involving the setting up of a project during the year Y for which the budget may cover the cost of the initial study, will be reported in a recap of expenditure funded out of the reserve fund for the year Y - 1. The amount involved may be debited from the project budget for the year Y if need be, and returned to the reserve fund for the year Y.

The amount available in the reserve fund for a given year will therefore consist of:

- the balance remaining from funds called in from Members in the previous year,
- the funds called in from Members for the financial year.

#### **2.4 - Solidarity Fund**

Members may not be able to afford their active participation in a project in addition to their membership fees.

These Members may apply for financial support from the Solidarity Fund by substantiating their request, to be submitted in writing to the DGS and the responsible Regional Director.

The fund is managed by the DGS. Decisions on supporting measures shall, however, be taken only after discussion with the Regional Director responsible for the applicant Member.

Support shall be granted only for the travel expenses (cheapest class) and hotel accommodation (\*\*\*) hotel, day(s) of meeting plus one day) of experts when participating in the meetings of the working

bodies (plenary meetings, meetings of the steering body if an appointed member) and /or the meetings of the project concerned.

Their costs shall be refunded by UIC on the basis of the original documents only, which shall be presented to UIC within 6 months of the meeting. The money shall be transferred to the Member company within 3 months of receipt of full documentation. All payment in cash or refunds to an individual person shall be prohibited. If, however, UIC and the respective Member have agreed on special arrangements for the payment of fees, these arrangements may also be used for the at-cost refunding of travel expenses.

With the reservation of the applying national law each Member shall support the Solidarity Fund.

For each business year, the General Assembly shall decide on and approve the amount of money to be made available to the Solidarity Fund. The amount shall be geared to meeting needs but shall never exceed 2 % of the overall amount of the Core Fee.

### **3. Common provisions and recommendations**

Work carried out for projects may foster technical improvements or technical cooperation.

The Department Director, in coordination with the Regional Director or the person appointed by the DGS to take charge of a project, may propose :

- "common provisions" for all UIC Members able to apply them including any associate and affiliate Members, unless it is specified to which UIC Members these provisions apply and for which Members they are not relevant for technical reasons or due to special circumstances,
- "recommendations" for UIC Members able to apply them including any associate and affiliate Members.

#### **3.1 - Common provisions**

a) To adopt a common provision, the DGS shall initiate the procedure among all UIC Members for which the provision is relevant, indicating also the number of votes each Member holds.

These Members shall be advised of the enquiry at the highest level in their organisation (Chairman, Managing Director, Chief Executive, etc.).

When making the proposal, the DGS shall ask Members to advise him/her of their agreement with or opposition to the proposal and of any observations regarding the substance of the proposal or its qualification as a common provision.

He/she shall also ask them to advise him/her as to whether they are in a position whereby they themselves do not have the authority to apply the common provision proposed because in their country the matter falls within the regulatory field or within the prerogatives of a national or international public authority.

Members shall have two months to reply; if there is no reply within this period, the DGS shall introduce the common provision.

b) The conditions required to approve a common provision shall be fulfilled when, with over 4/5ths of the votes cast during the enquiry by the Members consulted, the prerequisites for the common provision are met, which shall be considered as an approval.

If, with a minimum of 1/5th of the votes, the prior conditions are not met, the proposal may not be qualified as a common provision for UIC Members, but may be qualified as a recommendation.

The DGS may subsequently propose a different common provision, in particular on the basis of the observations made during the enquiry, which shall then give rise to another enquiry.

c) If less than 1/5th of the votes are opposed to the common provision, the DGS shall have the Department Director or the person responsible appointed by UIC Headquarters prepare the document (UIC leaflet) formalising this common provision.

UIC Members shall agree that if 4/5ths of the Members replying to the enquiry meet the conditions for implementing the common provision proposed, all Members concerned by this provision shall apply the document, subject to any authorisation by the relevant authorities.

d) If one of the Members concerned does not have the authority to apply this common provision itself without obtaining authorisation from the relevant authorities, it must undertake to obtain this authorisation with due diligence.

As soon as these authorities have taken their decision, the relevant Member shall advise the DGS accordingly and the latter shall duly inform all UIC Members applying the same common provision.

e) UIC leaflets shall be updated under the responsibility of the Department Director or the person appointed by UIC Headquarters. If one or more Members wish(es) to modify a common provision, they shall refer the request to UIC Headquarters.

### **3.2 - Recommendations**

a) The DGS shall have the Department Director or the appointed person record the recommendations in the appropriate document (UIC leaflet) and circulate this document among all UIC Members likely to apply it.

Members applying the document shall advise the DGS six months in advance of the date on which their decision will take effect.

If a Member later decides to cease application of the recommendation, it shall inform the DGS six months in advance of the date on which its decision shall take effect.

In both cases, the DGS shall inform the other UIC Members concerned accordingly.

b) If one or more Members wish(es) to modify a recommendation, they shall refer the matter to UIC Headquarters.

If the amendment envisaged consists of transforming the recommendation into a common provision, the procedures set out in the common provisions shall apply.

## 4. Special Groups

### 4.1 - Creation and disbandment

a) UIC Members who wish to study jointly and at their own cost certain subjects not addressed by UIC working bodies may set up a Special Group.

The relevant Members shall refer the matter to the DGS. In the light of the draft internal regulations for the Special Group and insofar as it complies with the Statutes and the general objectives of UIC, the DGS shall decide to set up the Special Group.

At the same time as the Special Group is set up, the DGS shall appoint the UIC Director who will monitor the Special Group and represent UIC in the group.

b) Companies or entities which are not Members of UIC may take part in the work and in the meetings of Special Groups. The conditions governing such participation shall be specified in the internal regulations of the relevant Special Group.

c) When the reasons for which a Special Group has been set up cease to exist or when the remit of the group has been completed, the DGS shall disband the group.

### 4.2 - Working methods

a) Internal Regulations

Special Groups themselves shall draw up, approve and revise the internal regulations in which they define their organisational arrangements and working methods.

Any change which might substantially modify the purpose of a group must be notified to the DGS, who shall judge the attitude to adopt.

b) Financial measures

If the Special Group must commit expenditure, it may request financial autonomy, which requires a decision by the General Assembly. Expenditure shall then be financed by the contributions of a group's members and shall not be a part of the UIC budget. Each Special Group may also have its own budget which it itself shall establish and approve. It shall be responsible for monitoring the use of this budget. However, since a Special Group remains part of UIC, its budget must be consolidated with the annual corporate budget.

In addition, this autonomy shall not prevent the involvement of the UIC management controlling function at any stage in the group's work in order to ensure that the proper procedures are observed, in particular financial procedures.

By 30 April each year, each Special Group shall send UIC Headquarters the financial result for the previous year so that it may be audited and certified by the UIC auditors.

Regarding those projects which it wishes to have recognised as being of common interest, the Special Group shall send them to UIC Headquarters, which shall provide liaison.

c) Delegation of authority

The General Assembly shall delegate authority to the Chair of this group. When necessary, this authority may be confined to the signature of certain specific legal acts, or may be of a more general nature for the purpose of entering into all contracts instituting any legal proceedings related to the tasks of the group.

Members participating in Special Groups shall bear the financial consequences which might result from legal acts signed under such delegated authority. The Internal Regulations of the group must contain provisions to this effect.

### **4.3 - Work of Special Groups**

Special Groups may ask Headquarters to perform certain tasks on their behalf; similarly, the DGS may ask a Special Group to carry out certain studies. These requests shall be the subject of special agreements (specifying the financial arrangements in particular) between UIC Headquarters and the relevant Special Group.

The Special Groups shall keep the DGS informed of their work for the information of the relevant UIC bodies and of Members, in particular by sending him/her the agendas and minutes of meetings. They shall invite his/her representative to their meetings.

### **5. Intellectual property rights**

#### **a) Contributions in expertise or knowledge**

The conditions governing remuneration for and the legal ownership of such contributions (licence, for example) shall be defined on a case-by-case basis, and specified in the financial provisions of the leaflet for the project.

#### **b) Intellectual creations resulting from work specific to UIC**

Intellectual creations arising from work specific to UIC, i.e. work produced by the Association, shall by law be the property of UIC, acting on behalf of its Members as provided for by the Statutes.

The UIC shall be responsible for all the requisite legal protection as well as for any circulation and sale of these intellectual creations.

#### **c) Intellectual creations resulting from projects**

Intellectual creations produced in the context of projects shall be considered to be the property of the UIC Members and non-Members taking part in the relevant projects. UIC shall exercise the resulting rights on behalf of and in the interest of these Members and other participants.

The legal protection to be put in place and its financial impact shall be set out in the relevant project sheet, and any further details may be added in the course of the project. UIC Headquarters shall set the necessary procedures in motion to ensure this legal protection.

Unless otherwise specified in the project sheet, the participants in a project shall have the right to use the relevant creations for their own needs free of charge, or for a fee proportional to their participation.

Rights of use shall be granted by UIC Headquarters to Members which have not taken part in funding and to interested third parties (licence contract) in return for payment of a reasonable fee and / or at other reasonable conditions.

The amounts received on this basis shall be deducted from the expenditure incurred for the relevant project.



## 4 - New Internal Regulation 4

### 1. Purpose

The contents of this internal regulation define the processes involved in applying the arbitration and conciliation procedures.

The compliance with these processes is voluntary and bases on a mutual agreement of the parties concerned.

### 2. Definitions - Scope of application

#### 2.1 - Arbitration

The arbitration procedure shall be applied to disputes arising over the application/ interpretation of an agreement between two or more parties, of a joint arrangement or of a UIC recommendation which stipulate recourse to this procedure unless agreed otherwise by the parties concerned.

This procedure may also apply to all other disputes where the parties concerned have agreed to use it after the dispute has arisen.

Disputes for which an international agreement, an act of the European Union or national legislation stipulate a mandatory settlement procedure, shall be excluded from the scope of application of this procedure.

This UIC Leaflet shall be applied to all arbitration proceedings which are instituted after its entry into force, whatever the version of the Regulation referred to in the arbitration clause or arbitration agreement, unless expressly agreed otherwise by the parties.

#### 2.2 - Conciliation

The conciliation procedure is an optional procedure whereby the parties concerned are offered a conciliation opportunity which they are free to accept or reject.

When a dispute involves at least one UIC Member, the parties concerned can jointly agree to apply the conciliation procedure, whilst reserving for themselves the possibility to use the arbitration procedure at a later date.

### 3. Joint arrangements

#### 3.1 - Notifications, time limits

All written documents and communications shall be sent to the recipient's last known address. If an arbitration remit has been issued ([see point 4.6.3 - page 35](#)) the addresses appearing in this remit shall apply. Formal notification may be served with acknowledgement of receipt or using any form of telecommunications, providing a transmission report is delivered.

The time limits stipulated in this leaflet, or set by the Arbitration Tribunal or the Conciliators shall commence on the first working day following receipt, by the addressee, of the written documents or communications which signal the start of the prescribed time limit. If, in the place of notification, this day is an official public holiday or a non-working day, the period shall run from the first following workday. Moreover, official public holidays and non-working days shall be included in the calculation

of the said time limits. If the last day of the time limit is a non-working day, the period shall terminate at the end of the first following workday. In the context of this leaflet, non-working days shall be days considered as such in the countries of receipt of the documents, together with Saturdays and Sundays.

The Arbitration Tribunal (or in cases covered by points 4.3.2 or 4.3.3 - page 33 the UIC Legal Group Chairman) or the Conciliators may agree about an extension, or impose a reduction, of the time limits where this is appropriate to the case. All documents or communications which arrive outside the time limit shall be rejected, unless the Arbitration Tribunal (or, if need be, the UIC Legal Group Chairman) or the Conciliators decide otherwise.

### **3.2 - Arbitration language**

The parties involved shall agree on the language(s) to be used for the proceedings. Failing such agreement, the Arbitration Tribunal or Conciliators shall determine the choice of language(s). This agreement, unless otherwise specified, shall apply to any written statement by a party, any hearing and any award, decision or other communication by the Arbitration Tribunal or the Conciliators.

The Arbitration Tribunal or Conciliators may order that any documentary evidence be accompanied by a translation in the language(s) to be used in the proceedings.

### **3.3 - Place of arbitration**

Unless otherwise agreed by the parties, the place of arbitration shall be UIC Headquarters. If this place is decided by the Arbitration Tribunal or the Conciliators, account should be taken of the circumstances of the case and the convenience of the place for the parties.

Unless the parties concerned have agreed otherwise or have jointly requested a different venue, the place of arbitration shall be UIC Headquarters except if the Arbitration Tribunal or Conciliators should decide otherwise if no agreement has been reached between the parties concerned.

### **3.4 - Confidentiality**

All those involved in the procedure shall handle the data and details concerning the parties, and revealed during the proceedings, with proper confidentiality.

The Arbitration Tribunal or Conciliators shall take all relevant steps to protect trade secrets and confidential information.

### **3.5 - List of arbitrators/conciliators**

Each year, the General Assembly during its very first meeting shall take note of the list of persons liable to be called upon to act as arbitrators or conciliators. This list shall be drawn up by the DGS in conjunction with the UIC Legal Group.

This list may include persons specifically suggested by UIC Members or appointed by the DGS in conjunction with the UIC Legal Group.

The arbitrators/conciliators may be persons with legal training at university level, who currently hold or have held managerial positions in any sector of railway activity.

Any UIC Member or any other individual/legal entity having subscribed to a clause or agreement which provides for the possibility of arbitration (see point 2.1 - page 30, first paragraph), may arrange for two persons maximum to be entered on this list and request to be sent the updated list at any time.

The name, profession, nationality and address of the arbitrators/conciliators shall be given in the list, together with particulars of the person who entered them on this list.

## **4 - Arbitration**

### **4.1 - Institution of arbitration procedure**

**4.1.1** - The arbitration procedure for any dispute shall commence on the day when the plaintiff's notice of arbitration is received by the respondent.

**4.1.2** - The notice of arbitration must include the following particulars:

1. A demand for the dispute to be referred to an Arbitration Tribunal;
2. The names, competences and addresses of the parties concerned;
3. A reference to the agreement, joint provision or UIC recommendation in relation to which the dispute has arisen;
4. A reference to the clause in the joint provision, recommendation or any other agreement between the parties on the strength of which an arbitration procedure is requested;
5. The general nature of the dispute and the amount claimed by the plaintiff;
6. The name, profession and address of the arbitrator selected by the plaintiff, or - if appropriate - the plaintiff's proposals for the appointment of a single arbitrator by both parties;
7. An invitation to the respondent requesting submission, within thirty days, of the address of the arbitrator of his/her choice, or - if appropriate - a response to the plaintiff's proposals for the appointment of a single arbitrator by both parties.

To speed up the procedure, the plaintiff may attach the statement of claim as per [point 4.6.2.1 - page 35](#) to the submission.

The plaintiff shall send copy of the notice of arbitration to the DGS for information. The DGS shall copy the submission to the Chairman of the Legal Group.

Unless the substantive law applicable to the arbitration procedure stipulates otherwise, the institution of arbitration proceedings shall have the same suspensive effect as the filing of a complaint with a court of justice.

### **4.2 - Choice of arbitrators**

An Arbitration Tribunal shall be comprised of three arbitrators, unless the parties agree on the appointment of a single arbitrator. In the latter case the single arbitrator shall constitute the Arbitration Tribunal and all provisions applicable to the Arbitration Tribunal shall apply, insofar as they are compatible with the appointment of a single arbitrator.

The parties concerned may select arbitrators from the list as per [point 3.5 - page 31](#), or other individuals to act as arbitrators

The arbitrators selected must under no circumstances have a direct or indirect interest in the dispute.

### **4.3 - Appointment of arbitrators**

**4.3.1** - If the arbitration procedure is conducted by three arbitrators, each party shall appoint one arbitrator, and the resulting two arbitrators shall appoint the third arbitrator, who must have received legal training at university level and who shall act as the presiding arbitrator.

**4.3.2** - If the parties are not of the same nationality, the third arbitrator must be of a different nationality to the parties, unless the parties agree otherwise.

**4.3.3** - If a party fails to appoint an arbitrator within thirty days of receiving a request to this end from the other party, or if the two arbitrators fail to agree within thirty days of their appointment on a third arbitrator, the latter shall, at the request of one of the parties, be appointed within a further thirty days by the UIC Legal Group Chairman from the list of arbitrators/conciliators.

**4.3.4** - In procedures with a single arbitrator, if the parties are unable to agree about his/her appointment, at the request of one of the parties concerned, this appointment shall be made within thirty days by the Legal Group Chairman from the list of arbitrators.

**4.3.5** - If several plaintiffs lodge a joint complaint, and if the dispute is referred to three arbitrators, the plaintiffs together and the respondents together shall each name a single arbitrator.

**4.3.6** - If no joint appointment is made and if the parties fail to agree on a procedure for instituting the Arbitration Tribunal, the Legal Group Chairman shall appoint the first two arbitrators from the list of arbitrators/conciliators; these first two arbitrators in turn shall appoint the third arbitrator as per point **4.3.1**.

### **4.4 - Repeal, failure or incapacity, and replacement of arbitrators**

#### **4.4.1 - Grounds for repeal**

Any person approached to become arbitrator shall be duty-bound to declare all circumstances that could give rise to legitimate doubts regarding his/her impartiality or neutrality. From the time of his/her appointment, and throughout the proceedings, an arbitrator shall be duty-bound to inform the parties immediately of any such circumstances.

An arbitrator may only be repealed if circumstances exist which give rise to justifiable doubts as to his/her impartiality or neutrality.

A party may only repeal an arbitrator it has appointed solely or collectively on grounds discovered subsequently to the appointment.

#### **4.4.2 - Repeal procedure**

A party which repeals an arbitrator shall so inform the other party, giving detailed written reasons for this repeal. This information shall be issued within fifteen days from the date when the repealing party became aware of the appointment of this arbitrator or of the grounds described in point **4.4.1**.

If the other party accepts this repeal or the arbitrator withdraws from office, the latter's remit shall be terminated without this implying recognition of the grounds for his/her repeal.

If the other party does not accept this repeal, or the arbitrator does not withdraw from office, the Legal Group Chairman shall decide on the repeal within two weeks of the case being referred to him/her by one of the parties.

#### **4.4.3 - Failure or impossibility to act**

1. The mandate of an arbitrator may be terminated on the following grounds:
  - He/she becomes de-facto or de-jure unable to fulfil his/her remit;
  - He/she has not fulfilled his/her remit within a reasonable timeframe;
  - The parties concerned agree to terminate this remit.
2. In the event of disagreement over any of these grounds, either party may request the Legal Group Chairman to decide on the termination of the remit. The Legal Group Chairman must reach a decision within fifteen days of receipt of notification.

#### **4.4.4 - Appointment of a substitute arbitrator**

When the remit of an arbitrator terminates for whatever reason, particularly in application of point 4.4.2 - page 33 or 4.4.3, or because of his/her withdrawal from office for any other reason, a substitute arbitrator shall be appointed according to the rules that were applicable to the appointment of the arbitrator being replaced.

#### **4.4.5 - Repetition of hearings**

If prior to the replacement of the sole or presiding arbitrator of a tribunal, hearings have already taken place, these shall be repeated. If any other arbitrator is replaced, such prior hearings may be repeated at the discretion of the arbitration tribunal.

#### **4.5 - Responsibilities of the UIC Legal Group Chairman**

The Legal Group Chairman, when appointing an arbitrator or when making decisions as per point 4.3 - page 33, must take proper account of all the qualifications demanded of the arbitrator under the terms of this leaflet, of the nature of the dispute, and of all considerations appropriate to securing the appointment of an independent and neutral arbitrator. His/her decisions shall be binding and the reasons for these decisions shall not be announced, unless the applicable procedural law contains other mandatory provisions.

If the UIC member to which the Legal Group Chairman belongs is implicated in the dispute, the authority to appoint the arbitrator shall transfer to the representative of a UIC neutral member belonging to the Legal Group. This Member shall be selected by following the alphabetical order of the list of Legal Group members (in the language of their name) as it stands on the day the submission is received, starting with the member following the member to whom the person being replaced belongs.

#### **4.6 - Arbitration procedure**

##### **4.6.1 - Principles**

The Arbitration Tribunal shall stipulate the procedure to be observed with due regard for the rights of the parties concerned. In so doing, it shall be ensured that the partners are treated with equality; each party must be given sufficient opportunity to present its case in detail and to respond to the arguments of the other party.

The Arbitration Tribunal may take any measures it sees fit that are likely to clarify the situation and, in particular, to hold hearings, take statements from witnesses and seek any necessary expert appraisals.

If a party so requests, a hearing shall be arranged. Without the agreement of the Arbitration Tribunal, no third party shall be allowed to be present during these proceedings.

The Arbitration Tribunal Chairman may decide on his/her own over matters of procedure provided either the parties or - in the event that one of the parties fails to express an opinion - the other arbitrators authorise him/her to do so.

The Arbitration Tribunal shall continue to operate for as long as all the requests submitted to it have not been withdrawn, no conciliation has been reached or no arbitration ruling has been given.

#### **4.6.2 - Statements of claim and defence, counterclaim**

**4.6.2.1** - Once the arbitration Tribunal has been established, the plaintiff shall be given thirty days to justify his/her claim, explain the objects of his/her submission and state the facts supporting his/her claim.

The respondent shall have thirty days, after being apprised of these particulars, in which to make his/her own submissions. He/she shall also have thirty days to lodge a counterclaim with the Arbitration Tribunal or challenge the competence of the Arbitration Tribunal.

For the counterclaim and the statement of response from the plaintiff, the same provisions shall apply as for the original claim.

The parties may submit with their statements all written material seen by them to be relevant to the case or refer to other material or evidence they wish to submit at a later stage.

**4.6.2.2** - If the plaintiff fails to submit his/her main claim within the set timeframe, the Arbitration Tribunal shall decide to close the proceedings.

Even if the plaintiff or claimant fails to submit their responses to a request from the other party within the set timeframe, the procedure shall continue all the same.

**4.6.2.3** - Either party may amend or supplement his/her claim or defence during the course of the arbitration proceedings, unless the Arbitration Tribunal considers it inappropriate to allow such amendments on account of their late submission.

#### **4.6.3 - Arbitration remit**

The arbitration tribunal may, to speed up the proceedings, produce a written arbitration remit with the assistance of the parties. This shall contain the following:

1. Full names and, if appropriate, company names of the parties, full names of their representatives and legal advisors;
2. Addresses of the parties to which all written material and communications are to be sent during arbitration;
3. Full names, professions and addresses of the arbitrators;
4. Place of arbitration;
5. Remit of the arbitration tribunal;

6. Submissions of the parties and, as far as possible, a summary of the outcomes sought, details of the amount at issue in the claim and any counterclaim;
7. Details of the procedure to be followed and the arbitration tribunal's provisional schedule for the procedure;
8. If appropriate the empowerment granted to the arbitration tribunal by the parties to render a decision at its discretion (as "amiable compositeur", ex aequo ex bono).

The arbitration remit shall be signed by all the arbitrators and also signed by the parties. Once the parties have signed the arbitration remit, they may only lodge new claims or counterclaims, provided they fall into the context of the arbitration remit or are allowed by the arbitration tribunal. In its decision, the arbitration tribunal shall have regard for the nature of the new claims and counterclaims, the nature of the arbitration procedure and all other relevant circumstances.

#### **4.6.4 - Interim measures**

At the request of one of the parties, the Arbitration Tribunal may oblige any party to take all interim or protective measures it considers necessary in relation to the nature of the dispute. It can also require any party to provide appropriate security.

If a request is made by a party for interim or protective measures, which the Arbitration Tribunal is unable to carry out, this shall not prejudice the competence of the Arbitration Tribunal for dealing with the case submitted to it.

#### **4.6.5 - Applicable law**

The Arbitration Tribunal shall decide on the law applicable, unless this was already specified in the clause or contract for which arbitration is sought (see point 2.1 - page 30, 1st paragraph).

Pursuant to the provisions of arbitration law, the parties may exempt the arbitrators from giving a ruling based on the usual legal principles, and authorise them to give this ruling even-handedly, in other words without the arbitration decision being underpinned by the legal principle that a court of justice would have applied if the case had been submitted to it.

In all events, the arbitration tribunal should have regard for general legal principles, agreements between all or some of the parties and habits and practices in railway circles.

#### **4.7 - Conciliation**

The Arbitration Tribunal may, after sufficient clarification of the facts of the case, endeavour to reconcile the parties.

Should an agreement be reached amicably in full or in part, including as regards the apportionment of costs (see point 4.9 - page 37), the Arbitration Tribunal shall prepare a statement recording the details of the agreement reached. This statement must be signed by the parties concerned and the arbitrators.

Each party shall receive a copy of this statement, which shall also be sent to the DGS.

In the event of failure to reach an amicable agreement, nothing said, done or written as part of the attempt to reconcile the parties may be allowed to compromise their rights.

## **4.8 - Ruling**

### **4.8.1 - Time limit**

The ruling must be given within six months of the period allowed for responding to the claim (see point [4.6.2.1 - page 35](#)). The Arbitration Tribunal may extend this deadline by up to six months. Any further extension shall require the prior agreement of the parties concerned.

### **4.8.2 - Voting**

When the Arbitration Tribunal consists of three arbitrators, they shall proceed by majority decision.

### **4.8.3 - Substantiation and signature of the ruling**

The ruling shall be written out, substantiated and signed by all the arbitrators. It shall be deemed to have been passed at the place of the arbitration procedure, irrespective of the actual meeting place of the Arbitration Tribunal. The ruling shall apply from the moment it is signed by the presiding arbitrator, who shall sign last.

Each party shall receive a copy of the ruling. The ruling itself may only be published with the assent of the parties concerned.

### **4.8.4 - Correction - Interpretation**

When the ruling is vitiated by a blatant material flaw (mistake in calculation or translation, for example) prejudicial to either of the parties concerned, an appeal for correction can be lodged with the Arbitration Tribunal.

If the ruling is deemed by one of the parties to be insufficiently clear, this party may lodge an appeal for interpretation with the Arbitration Tribunal.

In order to be taken into consideration, all such appeals must be lodged within thirty days following notification of the ruling. The Arbitration Tribunal shall decide within two months after receipt of the appeals.

### **4.8.5 - Scope**

The very fact of submitting their disputes to arbitration commits the parties concerned to immediate implementation of the agreement obtained amicably or of the ruling given. The parties concerned shall likewise be deemed to forego all rights of appeal to which they would effectively be entitled by law, unless the arbitration clause or agreement underpinning the arbitration request (see point [2.1 - page 30](#), first paragraph) stipulates otherwise.

Rulings pronounced and records of agreements reached amicably can give rise to a judge's order making them legally enforceable, thus enabling their mandatory application ("exequatur") to be expedited.

## **4.9 - Costs of procedure**

The costs of the procedure shall consist of the fees and expenses of the Arbitrators and the fees and expenses of any experts, interpreters and translators, etc., commissioned by the Arbitration Tribunal, plus any reasonable costs incurred by the parties during the procedure and duly substantiated. The Arbitration Tribunal may rule on further costs brought to light during the procedure (for example: expenditure incurred by any witnesses).



The amount and apportionment of the costs of the procedure shall be decided by the Arbitration Tribunal, based in particular on its conclusions on the fundamentals of the case, in the ruling itself or in the conciliation report.

The remuneration of the arbitrators shall be set within the following framework, taking into consideration the type and complexity of the dispute to be settled. The total remuneration must not exceed 3 % of the amount in dispute (aggregate of the amounts claimed by the parties in their respective submissions). However it must not amount to less than EUR 13 000 nor exceed EUR 36 000. Should the Arbitration Tribunal consist of a sole arbitrator, his/her remuneration shall not be higher than half the remuneration of an Arbitration Tribunal comprised of three arbitrators.

If the dispute does not involve a fixed amount, the Arbitration Tribunal shall set the fees within the above-mentioned limits.

Routine travel and accommodation costs, plus expenses to offset possible loss of earnings on the part of the arbitrators, shall be added to the fees charged. These costs and the corresponding supporting documents shall be checked and confirmed by the presiding arbitrator.

When sharing the costs between the parties, account shall be taken of the outcome of the proceedings.

At any time during the procedure, the Arbitration Tribunal may require each party to make an advance payment towards coverage of the fees and costs. The advance payments deposited by the parties shall be in equal amounts, unless the arbitration tribunal decides otherwise.

If this advance payment relates specifically to a request from the parties concerned, this request shall be deemed withdrawn if the advance payment is not made within the time limit set by the Arbitration Tribunal. In case of extension of the time limit for payment, the Arbitration Tribunal may suspend its activities during the corresponding period.

#### **4.10 - Final provisions**

Should a provision of this leaflet (from which the parties may deviate) or a requirement of the arbitration procedure agreed by the parties not have been complied with, the party which has not appealed against this defect as soon as the defect became known to it, may not assert this defect at a later date.

### **5. Conciliation**

#### **5.1 - Choice of Conciliators**

The Conciliation procedure shall be conducted by a panel of three Conciliators, unless the parties have previously agreed to appoint a single arbitrator.

The conciliators must be chosen from the list as per point **3.5 - page 31**, within a period of two weeks following the joint decision by the parties concerned to try and reach an agreement amicably.

The Conciliators appointed must under no circumstances have a direct or indirect interest in the dispute.

The Conciliators shall be entitled to reject the conciliation remit proposed to them.

## **5.2 - Conciliation procedure**

### **5.2.1 - Request for application of the conciliation procedure**

When the parties have agreed on the choice of Conciliators, they shall send a joint submission to the latter, setting out the facts and providing all supporting documents they deem necessary.

They shall at the same time inform the DGS that a conciliation procedure has been started.

If the parties fail to agree on a choice of conciliators, they shall send either a joint request or separate requests to the DGS, setting out the facts.

Within two weeks of the requests, or the last of them being submitted, the DGS, in agreement with the Legal Group Chairman, shall appoint the Conciliators necessary, and shall send them the documents submitted by the parties concerned.

### **5.2.2 - Examination of the request**

If they consider it to be necessary, the Conciliators may ask the parties to provide further particulars and documents, and shall organise oral discussions.

### **5.2.3 - Conciliation proposal**

Within one month of receiving the necessary documents, the Conciliators shall compile a report and frame a duly-substantiated conciliation proposal.

The Conciliators shall adopt their decision by majority voting. No reference shall be made to the distribution of votes cast.

The report and the conciliation proposal shall be notified to the parties concerned by registered mail and by fax. At the same time, the parties shall be asked to state, within two weeks, whether or not they accept the proposal. This deadline may be extended by common consent between the parties concerned.

The proposal shall be deemed rejected if no reply has been received by the end of the set deadline.

Notwithstanding this rejection, the Conciliators shall still have the possibility of submitting fresh proposals in a bid to reach a settlement.

## **5.3 - Outcome of conciliation procedure**

If an agreement has been secured the Conciliators shall draw up and sign a document recording the terms of the agreement. This document shall be countersigned by the representatives of the parties concerned.

When an agreement cannot be reached, the failure of the conciliation procedure shall be recorded in a document signed by the Conciliators, briefly stating the reasons why the conciliation attempt failed.

Copy of this document shall be sent to each of the parties concerned. The DGS shall be apprised of the outcome of the procedure.

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#### **5.4 - Costs of procedure**

When the procedure is handled by a panel of Conciliators, each Conciliator shall be entitled to a fee amounting to EUR 1 000, plus an allowance of EUR 500 corresponding to costs incurred during the procedure.

If only one Conciliator is used, he/she shall be entitled to a fee of EUR 2 000 plus an allowance of EUR 500 corresponding to costs incurred during the procedure.

These amounts may be increased with the consent of the parties, except in the event of the procedure being halted before completion.

Unless a different apportionment key has been agreed upon between the parties, the costs shall be shared between them on an equal basis.

During their examination of the dispute, the Conciliators may request the parties concerned to make advance payments towards the costs involved.

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