



University of Zagreb
Faculty of Economics & Business



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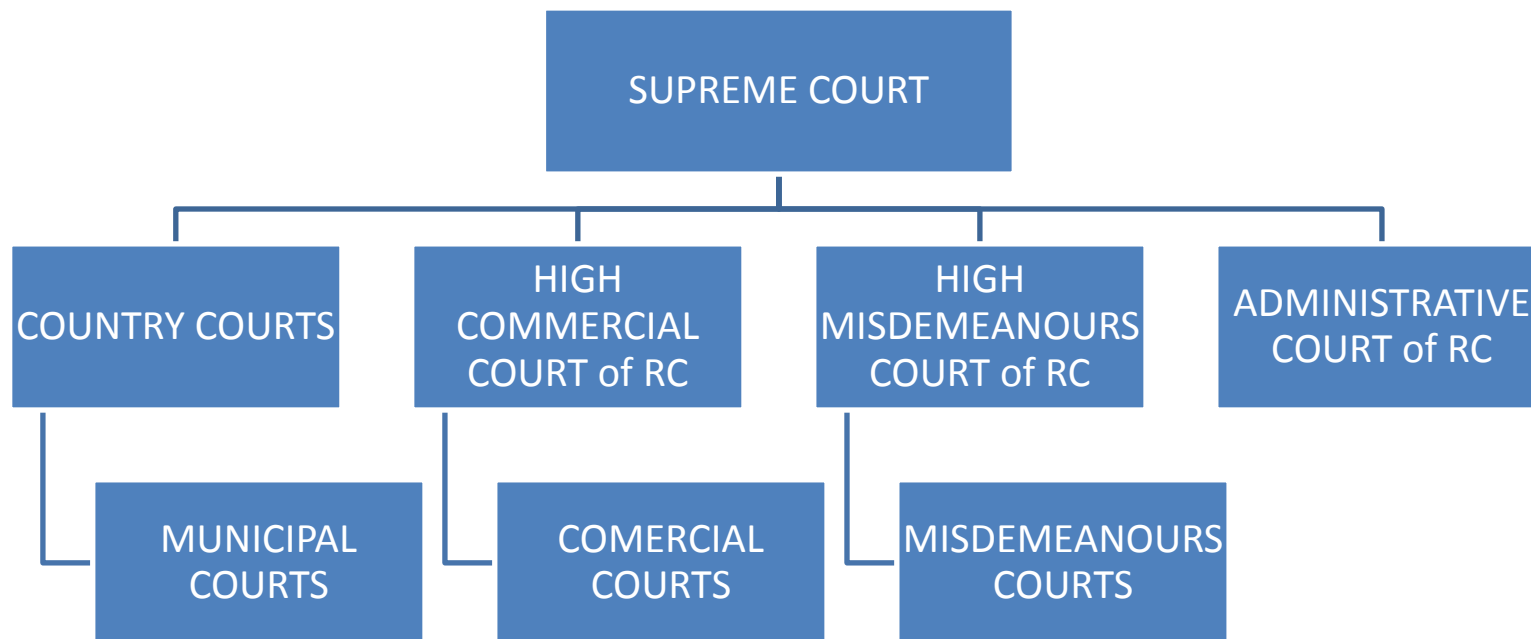
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THE ROLE OF COMMERCIAL COURTS IN CROATIAN ECONOMY

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1. ABOUT THE COURTS IN CROATIA IN GENERAL

- The Croatian Constitution guarantees the autonomy and independence of judicial power which is exercised by courts established by law.
- In Croatia, judicial power is vested in regular and specialized courts.



- challenge of Croatian judiciary is the resolution of the extensive backlog of cases as well as lengthy of proceedings

2. APPOINTMENT OF JUDGES IN CROATIA

- State Judiciary Council appoint and relieve of duty judges
- Judges are appointed on the first occasion for a five-year period, after which they are assessed and undergo the procedure of permanent appointment.
- In Croatia, there are provisions for the protection of the right to a trial within a reasonable time

3. COMMERCIAL COURTS IN CROATIA - IN GENERAL

- The first commercial courts in Croatia were established in 1876, their present organization generally exists last 57 years.
- Commercial courts are hierarchical and are organized in two instances:
 - there are 7 commercial courts
 - one High Commercial Court of the Republic of Croatia established for the whole territory of the Republic of Croatia
- The effectiveness of the commercial courts is directly related with the competitiveness and the development of the Croatian economy.
- Commercial courts also practice mediation

4. FIRST INSTANCE COMMERCIAL COURTS

- Generally, the commercial courts are competent in:
 - disputes between legal persons,
 - bankruptcy proceedings
 - intellectual property disputes,
 - register of companies,
 - maritime and air law disputes,
 - status of companies, unfair market competition, monopolistic agreements
- e-Tvrtka (e-Company) allows for the establishment through the Internet within 24 hours of a limited liability company

5. THE HIGH COMMERCIAL COURT OF THE REPUBLIC OF CROATIA

- The High Commercial Court of the Republic of Croatia is appeal court that decides:
 - upon the appeals to the first instance commercial courts decisions,
 - the conflict of jurisdiction between courts of first instance
 - performs other procedures specified by law.
- The High Commercial Court makes decisions in a panel of three judges.
- Against particular decisions of the High Commercial Court parties may bring a revision as a specific exceptional remedy upon which decides the Supreme Court

6. LAWS APPLIED BY COMMERCIAL COURTS

- Croatian legislation is aligned with *acquis communautaire*
- As to the law that commercial courts apply in the proceedings, there should be pointed out
 - the Obligatory Relations Law (based on German model)
 - the Companies Law (based on German model)
 - the Bankruptcy Law (origins - Swiss Obligatory Law)

7. CURRENT PROBLEMS WITHIN THE COMMERCIAL COURTS

- fast and efficient resolution of unresolved cases
- large number of companies - bank accounts blocked
- non-payment of obligations is the most frequent cause of commercial disputes
- fast resolution of unresolved cases that have accumulated over many years within the existing legal and economic framework – is it possible?

- The Croatian business community and the overloaded judiciary recognized the need for change.
- Reform the systemic laws concerning the judiciary in a way that would allow speeding up and shortening the legal procedures.
- Reinforcing the discipline in economic system
- To encourage the implementation of the EU Directive that deals with delays in paying obligations within business transactions.

Jean Monnet...

... people only accept change once they face the need for it, and they only recognize the need for change once a crisis arrives.

THANK YOU !

HVALA !