



Fifth Edition

We are delighted to present the Fifth edition of our newsletter, dedicated to providing you with comprehensive updates on significant legal developments in Ethiopia.

This newsletter serves as a valuable resource for our valued clients and partners, offering insights and analysis to help you navigate the evolving legal landscape.

LEGAL NEWSLETTER

November-December Vol.5

Warmest Wishes for the Holiday Season from all of us at Dadimos & Partners!

As the year draws to a close, we at Dadimos & Partners extend our sincerest gratitude for the continued trust and confidence you have placed in us. It has been an honour to serve you and your legal needs throughout the past year.

We value the relationships we have built with each of our clients, and we are deeply grateful for the opportunity to assist you in navigating complex legal challenges and achieving your goals.

As we look ahead to the New Year, we are excited about the opportunities to continue providing exceptional legal services to our clients. We are committed to staying at the forefront of legal trends and technologies to ensure that you receive the highest quality legal advice.

May the holiday season bring you joy, peace, and cherished moments with loved ones. We wish you a prosperous New Year filled with happiness and success.

We value your feedback, so please don't hesitate to reach out to us with any suggestions or topics you would like us to cover in future edition.

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LEGAL UPDATES

Welcome to the Fifth Issue of Our Newsletter!

There have been fewer new legislative developments in November and December compared to earlier months. Notable updates include the new Court Fee Regulation enacted by the Federal Supreme Court, as well as the Banking Business Amendment Proclamation and the Real Estate Proclamation.

We previously covered the draft versions of the Banking Business Proclamation and the Real Estate Proclamation in the 2nd and 4th editions of our Newsletter. You can access these editions via the links below. As of now, the enacted versions have not yet been officially published, but we will provide an update once the official publications are available.

- Banking Business Proclamation
- Real Estate Proclamation

In this edition, we provide a concise overview of the new Court Fee Regulation.

A. Supreme Court enacts new Court Fee Regulation

Background

The Federal Supreme Court enacted Court Fee Structure Regulation No. 01/2017 ("the Regulation"), which was ratified by the House of Peoples' Representatives and came into effect on 29 November 2024. An amendment became necessary since the Federal Courts continue to rely on the out-dated Regulation No. 177/1945 on Judicial Fees, which has been in force for the last 72 years without an amendment. The old Regulation was not aligned with the current costs and standards of judicial service delivery. Therefore, an amendment is essential to establish a fair and equitable framework for legal fees that corresponds to contemporary judicial requirements. The enacted version of the Regulation is not publicly available as of this writing. This legal update provides a summary of the significant changes and enhancements introduced in the new Regulation based on the final draft that we have been able to review.

Key Changes introduced

1. Expanded Scope of Payable Claims

A significant change introduced by the Regulation is the expansion of payable claims to include a broader range of cases. Previously, fees were primarily limited to monetary claims, with minimal provisions for non-monetary claims or specific court services. The new regulation addresses this by imposing fees on non-monetary matters, such as rights-based disputes, and introducing charges for various claims and services. These include spousal property agreements, enforcement of attachment orders or temporary injunctions by a court or arbitrator, appointment of arbitrators, intervention of third parties, joinder of third-party, opposition, review of judgments, amendment of claims, enforcement of arbitral awards, and applications for leave to appeal out of time.

2. Introduction of New Payment Methods

For the first time, the regulation introduces the payment of court fees through modern methods, including credit cards, debit cards, and online payment systems.

3. Enhanced Definitions

The regulation is systematically structured, offering clear and well-defined terms such as "monetary claims," "non-monetary claims," and "registrar." This ensures uniform interpretation and consistent application across all Federal Courts. Its relative clarity and organisation helps reduce ambiguity, making it easy to understand and implement effectively. Specifically the Regulation offers more precision in payment-related aspects, including the timing, method, and manner of payment, ensuring a more transparent and efficient process for courts.

4. Method of Calculating Court Fee

The Regulation introduces a revised method for calculating court fees, which have increased to more than double the previous rates. For monetary claims, fees are calculated as a percentage of the claim's monetary value, with the percentage decreasing as the claim value increases, as outlined in the fee schedule. For non-monetary claims, fixed fees are assigned based on the type of claim or service requested.

A significant change is that, unlike the previous regulation, the lower maximum threshold no longer applies universally to all claims exceeding it. Instead, each portion of the claim is calculated separately based on the corresponding percentage. This adjustment may result in higher fees for lower-value claims compared to those of slightly higher value. For example, a 9 percent rate is applicable to claim amounts between ETB 20,001 and ETB 40,000. If the claim exceeds ETB 40,000, for instance the fee is calculated at the rate of 8 per cent, which corresponds to

the next range. Consequently, a claim of 40,000 ETB ($40,000 \times 9/100 = 3,600$) costs 3,600 ETB, while a claim of 42,000 ETB ($42,000 \times 8/100 = 3,360$) costs 3,360 ETB.

Additionally, petitions for non-monetary judgments and awards incur a flat fee of ETB 500, and petitions regarding attached or seized property are subject to a fee of ETB 1,000.

Regarding actions for the enforcement of foreign or domestic judgments and arbitral awards, the Regulation prescribes fees ranging from ETB 300 to ETB 3,000, based on the value of the judgment or the nature of the claim. A fixed rate of ETB 3,000 (approximately 24 USD) applies to claims with a monetary value exceeding ETB 10,000,001 (approximately 81,000 USD). In connection with the enforcement of foreign judgments, Article 17 of the Regulation is apparently meant to refer to the provisions of Article 15 setting out the enforcement fees outlined above rather than to Article 14, which deals with fees applicable to petitions for the amendment of claims.

While the Regulation does not include specific stipulations regarding foreign arbitral awards, the above fee structure would presumably apply per Article 16 of the Regulation, which refers to the enforcement of arbitral awards, without distinction between foreign and domestic awards.

5. Fee Exemptions and Waivers for Litigants

The regulation introduces structured provisions for fee exemptions and waivers to ensure equitable access to justice. Exemptions apply to vulnerable groups, including women, children, the elderly, and indigent litigants, as well as cases that advance public interest or protect basic human rights.

6. Provisions for Refundable Fees

The regulation sets forth rules allowing for refunds of court fees to litigants who withdraw their cases at specific stages or resolve disputes through alternative dispute resolution (ADR) mechanisms, with the refund amount determined by a specified percentage deduction.

ABOUT US

Dadimos & Partners LLP is a premier, full-service law firm in Ethiopia. From commercial and corporate law, including cross-border M&A, to banking and finance, international arbitration, tax, competition, intellectual property, employment, and non-profit law, we deliver legal solutions tailored to meet our clients' diverse needs. Our team is composed of lawyers with wide-ranging expertise, rich local and international experience, and in-depth knowledge of the law.

We blend Ethiopian legal expertise with global perspectives.

Our vision of modern legal practice forms the foundation of our innovative, reliable, and results-oriented legal advice and support.

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