EUROPEAN COURT OF HUMAN RIGHTS
COUR EUROPÉENNE DES DROITS DE L'HOMME

FIFTH SECTION

DECISION

Application no. 20348/18
Manvel TER-ARAKELYAN
against Armenia

The European Court of Human Rights (Fifth Section), sitting on 19 June 2025 as a Committee composed of:

Andreas Zünd*, President*,
Mykola Gnatovskyy,
Vahe Grigoryan*, judges*,

and Martina Keller, *Deputy Section Registrar,*

Having regard to:

the application (no. 20348/18) against the Republic of Armenia lodged with the Court under Article 34 of the Convention for the Protection of Human Rights and Fundamental Freedoms ("the Convention") on 16 April 2018 by an Armenian national, Mr Manvel Ter-Arakelyan ("the applicant"), who was born in 1965, lives in Yerevan and was represented by Mr Hayk Alumyan, a lawyer practising in Yerevan;

the decision to give notice of the complaint concerning the alleged breach of the applicants' right of access to a court to the Armenian Government ("the Government"), represented by their Agent, Mr Y. Kirakosyan, Representative of the Republic of Armenia on International Legal Matters, and to declare the remainder of the application inadmissible;

the parties' observations;

Having deliberated, decides as follows:

SUBJECT MATTER OF THE CASE

1. The application concerns the alleged violation of the applicant's right of access to the Civil Court of Appeal on account of court fees that the applicant claimed were excessive.

2. On 9 August 2007 a commercial bank ("the bank") concluded a credit line agreement with a private company ("the company"), under which it provided a loan of 900,000,000 Armenian drams (AMD). On the same date,

the applicant, acting as a third-party pledgor, mortgaged his property as collateral to secure the company's obligations under the credit line agreement.

3. On 13 March 2008 the bank and the company concluded a second credit line agreement, under which the bank provided an additional loan of AMD 300,000,000.

4. On 27 November 2014 the bank lodged a civil claim with the Kentron and Nork-Marash District Court of Yerevan ("the District Court"), seeking AMD 1,962,176,766.70 from the company as defaulted credit obligations, along with accrued interest and penalties. The bank also sought foreclosure of the pledged property (see paragraph 2 above) to recover the company's secured loan obligations. It appears that the bank did not pay the required court fee for lodging its claim (two percent of the claim's value under Article 9 § 1 (a) of the State Fees Act), nor did it request a concession from payment; nevertheless, the District Court admitted the claim for examination.

5. On an unspecified date, the bank amended the value of its claim, increasing the amount sought to AMD 3,836,766,857.20 (approximately 7,400,000 euros (EUR)), along with additional interest and penalties.

6. On 17 February 2017 the District Court granted the bank's claim for the sum of AMD 3,836,766,857.20, along with the additional interest and penalties. It further ordered foreclosure of the pledged property to satisfy the amount awarded.

7. On 29 June 2017 the applicant lodged an appeal against the judgment with the Civil Court of Appeal and requested a deferral of the court fees. He stated that, as a result of various judicial proceedings and of being unemployed, he was in a financially difficult situation and therefore unable to pay the court fee of three percent of AMD 3,836,766,857.20 required for lodging an appeal, as the amount was substantial. He further noted that the District Court had admitted the bank's claim for examination without requiring it to pay the applicable court fee.

8. On 18 October 2017 the Civil Court of Appeal refused the applicant's request for a deferral of the court fees and refused to admit his appeal for examination on procedural grounds, namely the applicant's failure to pay the required court fees. It noted that the applicant had submitted neither evidence of his financial situation nor any justification for his inability to do so. The court also pointed out that the applicant had two weeks from the date of receipt of its decision to rectify these deficiencies and re-submit his appeal.

9. The applicant lodged an appeal on points of law, which the Court of Cassation declared inadmissible for lack of merit on 20 December 2017.

THE COURT'S ASSESSMENT

10. The applicant complained under Article 6 § 1 of the Convention that his right of access to the Civil Court of Appeal was breached due to excessive

court fees. He further alleged that the proceedings had been unfair, as the District Court had admitted the bank's civil claim for examination without the payment of the applicable court fee, thereby placing the bank in a more favourable position.

11. The general principles concerning access to a court, including the superior courts, have been summarised in *Zubac v. Croatia* ([GC], no. 40160/12, §§ 76-86, 5 April 2018).

12. In the present case, the applicant's access to the Civil Court of Appeal was restricted due to non-payment of the applicable court fees. The Court has previously accepted that the domestic system of court fees pursued the legitimate aim of funding the judicial system and of acting as a deterrent to frivolous claims (see *Chorbadzhiyski and Krasteva v. Bulgaria*, no. 54991/10, § 59, 2 April 2020). It therefore considers that the restriction in question pursued a legitimate aim. What remains to be determined is whether that restriction was proportionate to the aim pursued.

13. The Court observes that Article 9 § 8 (a) of the State Fees Act required payment of three percent of the disputed amount as a court fee for lodging an appeal in cases involving pecuniary claims. Given that the applicant's appeal challenged the District Court's award of AMD 3,836,766,857.20, he was required to pay three percent of that amount, namely AMD 115,103,005.72 (approximately EUR 210,000 at the relevant time). This fee, directly linked to the significant amount in dispute, was undoubtedly substantial for an ordinary litigant.

14. The Court notes, however, that the relevant domestic law provided safeguards against excessive court fees, allowing for concessions in the form of exemptions, reductions, rate adjustments, and deferrals, based on the parties' financial situation (Article 21 and Article 31 (c) of the State Fees Act). Pursuant to Article 5 of the same Act, an applicant seeking such concessions was required to substantiate his request with supporting documentation.

15. The applicant requested a deferral of payment of the court fee, referring to his allegedly difficult financial situation and the substantial amount at issue. Nevertheless, he did not submit any evidence whatsoever regarding his financial situation, nor did his request provide any explanation as to why he was unable to do so. Moreover, he did not rectify this omission within the two-week period provided to correct the deficiencies and re-submit his appeal (see paragraph 8 above).

16. The Court reiterates that it falls within the State's margin of appreciation to establish its court fee system in such a way as to link court fees for pecuniary claims to the amount in dispute, provided that the system is sufficiently flexible to allow a party to benefit from full or partial exemption from the payment of court fees or a reduction in the court fees (see *Urbanek v. Austria*, no. 35123/05, §§ 61-62, 9 December 2010; *Chorbadzhiyski and Krasteva*, cited above, § 64; and *Nalbant and Others*

v. Turkey, no. 59914/16, § 40, 3 May 2022). Furthermore, a party seeking exemption from court fees should act with requisite diligence when presenting to the courts evidence concerning his financial standing and is under an obligation to cooperate faithfully with the courts in this matter (see *Elcomp sp. z o.o. v. Poland*, no. 37492/05, § 41, 19 April 2011, and *Centrum Handlowe Agora Sp. z o.o.* v. *Poland* (dec.), no. 8928/13, § 31, 20 February 2024).

17. In the present case, the system in place was sufficiently flexible, allowing the applicant to benefit from various types of concessions in respect of court fees. However, seeking a deferral, the applicant failed to act with the requisite diligence in submitting the required documentation, thus depriving the Civil Court of Appeal of the opportunity to adequately assess his request. Even if the applicant's financial circumstances were merely ordinary – as alleged in his observations before the Court – he was required to present evidence concerning his financial standing to the Civil Court of Appeal, in order to enable it to assess whether the fee would pose an excessive burden.

18. It is also worth noting that, according to information provided by the Government and not disputed by the applicant, at the time he claimed to be unemployed (see paragraph 7 above), he was, in fact, a sole proprietor engaged in a business activity involving a restaurant complex and had employees. This was confirmed by a bailiff's record of a visit to that restaurant complex and a subsequent decision issued by the Department for the Execution of Judicial Acts. Such an apparent discrepancy and absence on the applicant's side of any evidence to the contrary raise doubts as to the credibility of the applicant's assertions regarding his financial situation.

19. As regards the District Court's decision to admit the bank's claim without the prior payment of the required court fee (see paragraph 4 above), the Court notes that the basis for that decision remains unclear. However, this issue concerns the proceedings before the first-instance court, whereas the core issue before this Court relates specifically to the applicant's inability to access the Civil Court of Appeal due to his own non-payment of court fees. There is no indication that the applicant was hindered from presenting his case or evidence before the District Court, nor have any other procedural irregularities been demonstrated to have taken place at that stage. In these circumstances, the Court cannot conclude that the admission of the bank's claim without the payment of the required court fee rendered the proceedings as a whole unfair. Moreover, the Court of Appeal was not bound by any procedural decisions of the lower court, including those related to the admission of claims, and retained full competence to determine whether the conditions for lodging an appeal – including payment of court fees – were satisfied (see, *mutatis mutandis*, *Zubac*, cited above, §§ 86 and 119).

20. In the light of the foregoing, the Court considers that the Civil Court of Appeal's decision to refuse the applicant's request and to refuse to admit his appeal for examination on procedural grounds cannot be regarded as a

disproportionate restriction impairing the very essence of his right of access to a court, or as exceeding the national margin of appreciation. It follows that the applicant's complaint under Article 6 § 1 is manifestly ill-founded.

21. The application must therefore be rejected in accordance with Article 35 §§ 3(a) and 4 of the Convention.

For these reasons, the Court, unanimously,

Declares the application inadmissible.

Done in English and notified in writing on 10 July 2025.

Martina Keller Deputy Registrar	Andreas Zünd President