



Grand Chamber to examine inter-State case brought by Slovenia against Croatia concerning repayment of debts

The Chamber of the European Court of Human Rights which was allocated the case of **Slovenia v. Croatia** (application no. 54155/16) has **relinquished jurisdiction in favour of the Grand Chamber of the Court**¹.

The case concerns allegations of unfairness, a lack of impartiality and discrimination by the Croatian courts in proceedings brought by a Slovenian bank, Ljubljanska banka d.d., to collect debts owed by Croatian companies.

Principal facts

The application concerns the conduct of the judicial and executive authorities of Croatia in relation to the assets and the receivables of Ljubljanska banka d.d., a joint stock company incorporated under Slovenian law, and its branch Ljubljanska banka Main Branch Zagreb, in Zagreb (Croatia), in the context of the disintegration of the former Socialist Federal Republic of Yugoslavia (SFRY; see [Ališić and Others v. Bosnia and Herzegovina, Croatia, Serbia, Slovenia and the former Yugoslav Republic of Macedonia \[GC\]](#), no. 60642/08, ECHR 2014).

According to the Slovenian Government, between 1991 and 1996 Ljubljanska banka and its Zagreb branch brought proceedings in the Croatian courts against a number of Croatian companies, seeking the repayment of debts contracted in the former SFRY, mainly in the 1980s.

As of 1994, over 80 such legal cases were pending before the Croatian courts; the present application before the European Court of Human Rights covers 26 cases. Some of them are still pending, some others have ended in judgments denying Ljubljanska banka an effective *locus standi* before the Croatian courts; lastly, in some other cases, judgments favourable to the bank could never be enforced.

In 2007 Ljubljanska banka brought similar complaints before the European Court in [Ljubljanska banka d.d. v. Croatia](#) (no. 29003/07). The bank essentially complained about the non-enforcement of two writs of execution in its favour in proceedings it had brought against a Croatian sugar factory for recovery of debt. However, in 2015 the Court declared the case inadmissible because the bank was government-controlled and had no standing to lodge an application.

Complaints and procedure

On 15 September 2016 the Government of the Republic of Slovenia lodged an application with the Court, under Article 33 of the European Convention on Human Rights, against the Republic of Croatia (no. 54155/16).

The Slovenian Government allege multiple violations of Article 6 § 1 (right to a fair trial) of the Convention. They argue that Ljubljanska banka was and still is a victim of an arbitrary interpretation of Slovenian law by the Croatian courts, contrary to the requirements of Croatia's own conflict rules, thus leading to the constant and arbitrary denial of the bank's *locus standi* in the respective proceedings. They also allege a violation of Ljubljanska banka's right to legal certainty, equality

¹ Under Article 30 of the European Convention of Human Rights "Where a case pending before a Chamber raises a serious question affecting the interpretation of the Convention or the Protocols thereto, or where the resolution of a question before the Chamber might have a result inconsistent with a judgment previously delivered by the Court, the Chamber may, at any time before it has rendered its judgment, relinquish jurisdiction in favour of the Grand Chamber, unless one of the parties to the case objects."

before the law, and adversarial proceedings. They further complain of the unreasonable length of proceedings, and of a violation of the right to an impartial and independent tribunal through the interference of the Croatian executive authorities with the court proceedings.

Lastly, they complain that it was impossible to obtain the enforcement of final judgments in many cases. According to the Slovenian Government, there have also been several violations of Ljubljanska banka's rights under Article 1 of Protocol No. 1 (peaceful enjoyment of possessions) to the Convention, Article 14 (prohibition of discrimination) and Article 13 (right to an effective remedy) of the Convention.

On 28 October 2016 the Croatian Government was given notice² of the application, with questions from the Court.

On 18 December 2018, the Chamber to which the case had been allocated relinquished jurisdiction in favour of the Grand Chamber.

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The European Court of Human Rights was set up in Strasbourg by the Council of Europe Member States in 1959 to deal with alleged violations of the 1950 European Convention on Human Rights.

² In accordance with Rule 54 of the Rules of Court, a Chamber of seven judges may decide to bring to the attention of a Convention State's Government that an application against that State is pending before the Court (the so-called "communications procedure"). Further information about the procedure after a case is communicated to a Government can be found in the Rules of Court.