

Overview of the New Federal Court Fee Regulation: Regulation No. 1/2024

Description

By DMLF Team

The Federal Court Fee Regulation has undergone its first amendment in 72 years, replacing the previous regulation from the era of the Emperor. The new regulation, numbered 1/2024, updates the court fee structure established in 1945 under Regulation no. 177. It is effective immediately upon publication in the Federal Negarit Gazette.

This amendment was deemed necessary because the federal court fees had remained unchanged for over seven decades. The significant increase in fees has surprised many, especially considering the ongoing cost of living challenges. The old regulation failed to address various issues, and the enhancements in federal court services warranted a more equitable fee structure. Drawing on experiences from other countries, the new law aims to modernize the court payment system, making it more efficient and effective. It also seeks to align with current social and economic realities. However, critics argue that it would be more beneficial if the fees collected could be used directly to improve court services, rather than being funneled through the Ministry of Finance. This change could significantly enhance the court system's responsiveness.

Under the new law, fees have increased dramatically for court users. For instance, court fees for a case valued at two million birr have jumped from 23,000 birr to 82,000 birr. Many critics warn that such steep fees could create substantial barriers for individuals seeking justice. The Federal Supreme Court introduced this new regulation to update more than half a century old fees for court services. It encompasses various aspects, including payment methods, while emphasizing the fundamental right to seek justice. Observers note that the existing service fees do not adequately cover administrative costs, highlighting the need to reassess pricing to ensure the financial stability of the judiciary.

The new regulation imposes higher court fees on petitioners in civil cases, with fees ranging from 1% to 10%, depending on the claim amount. The maximum fee of 10% applies to civil cases involving claims up to 20,000 birr, while the fee decreases for larger claims, dropping to 4.2% for cases between 900,001 and one million birr. For claims exceeding one billion birr, the fee is set at 1%. This could result in courts receiving substantial sums for larger civil suits. These changes represent a significant shift from the previous practices established in 1945. The new regulation imposes to double or more the fees in many cases when we compare it with the previous one.

Certain categories of civil suits, such as family matters, human rights cases involving children, and issues concerning the elderly and women's rights, are exempt from these fees. Other cases will still incur filing and verdict fees.

Overall, these changes reflect a necessary modernization, but they also raise important questions about access to justice in a challenging economic landscape.

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