



PCA PRESS RELEASE

ARBITRATION BETWEEN THE REPUBLIC OF CROATIA AND THE REPUBLIC OF SLOVENIA

THE HAGUE, 28 July 2015

Following reports in the Croatian media of telephonic conversations between Dr Jernej Sekolec, the arbitrator appointed by Slovenia and Ms Simona Drenik, agent of Slovenia, which related to the deliberations of the Tribunal, Dr Sekolec informed the PCA on 22 July 2015 that he intended to resign from the Tribunal. Mr Sekolec sent his written resignation to the Tribunal on 23 July 2015.

By letter dated 24 July 2015, Croatia informed the Tribunal that Croatian media had recently reported the conversations between Dr Sekolec and Ms Drenik, and Croatia attached to its letter extracts of such media reports. It then noted that, following those publications, Dr Sekolec and Ms Drenik resigned.

Croatia added that: "On the basis of what has been made publicly available, Croatia considers that the entire arbitral process has been tainted by the actions of Arbitrator Sekolec and Ms Drenik." It then asked "that the Tribunal suspend the proceedings with immediate effect." Croatia further invited "the remaining members of the Tribunal to review the totality of the materials presented, and reflect on the grave damage that has been done to the integrity of the entire proceedings ..."

The letter from Croatia was communicated by the Tribunal to Slovenia which, by letter dated 26 July 2015, expressed deep regret for the events reported in the Croatian press. In a further letter to the Tribunal, dated 27 July 2015, Slovenia did not agree that "the Tribunal should suspend the arbitration proceedings" or "that the entire Arbitral process has been tainted." It considered that "the Tribunal should continue to fulfill its mandate."

As a follow-up to Dr Sekolec's resignation, the Tribunal, acting under Article 2 of the Arbitration Agreement, by letter dated 23 July 2015 invited Slovenia to appoint an arbitrator to replace him. In its letter dated 26 July 2015, Slovenia informed the Tribunal that it would proceed to that appointment within 15 days.

By letter dated 28 July 2015, Slovenia appointed Judge Ronny Abraham as arbitrator.

It remains for the Tribunal to take a decision on the Croatian request of 24 July 2015. The Tribunal intends to hear the Parties on that question as quickly as possible. A date to that effect will be fixed in the coming days.

In the meantime, the Tribunal recalls that, pursuant to Article 10 of the Arbitration Agreement, it is incumbent on both Parties to "refrain from any action or statement which might intensify the dispute or jeopardize the work of the Arbitral Tribunal."

Further information about the proceedings is available on the PCA Case Repository (<http://www.pccases.com>).

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