

**PRESS RELEASE****BANGLADESH ACCORD ARBITRATIONS****ARBITRATIONS UNDER THE ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH
BETWEEN INDUSTRIALL GLOBAL UNION AND UNI GLOBAL UNION (AS CLAIMANTS)
AND TWO GLOBAL FASHION BRANDS (AS RESPONDENTS)**

THE HAGUE, 16 OCTOBER 2017

The Tribunal Issues Decision on Admissibility of Claims and Confidentiality

The Permanent Court of Arbitration (“PCA”) is administering two arbitration proceedings under the Accord on Fire and Building Safety in Bangladesh (“[Accord](#)”). On 4 September 2017, the Tribunal constituted in the two arbitrations issued a second Procedural Order, finding the claims to be admissible and issuing directions on confidentiality and transparency.

Background

The Accord is an agreement between global brands and retailers and trade unions created in the aftermath of the Rana Plaza building collapse, to establish a fire and building safety programme for workers in the textile industry in Bangladesh. Article 5 of the Accord provides for arbitration of disputes.

The Claimants in the arbitrations are IndustriALL Global Union and UNI Global Union, two non-governmental labor union federations based in Switzerland that signed the Accord on 15 May 2013. They are represented in these arbitrations by Covington & Burling LLP. The two Respondents are global fashion brands that have signed the Accord. The Claimants commenced arbitration against the first Respondent on 8 July 2016, and the second Respondent on 11 October 2016.

The Parties agreed that the 2010 UNCITRAL Arbitration Rules shall apply to the two arbitrations, that the legal seat of the arbitrations shall be The Hague, that the Secretary-General of the PCA shall serve as appointing authority, and that the PCA shall serve as Registry.

The Tribunal, composed of Professor Hans Petter Graver, Mr Graham Dunning QC, and Mr Donald Francis Donovan (presiding), was formally constituted on 3 February 2017.

The Tribunal and Registry held a preliminary procedural meeting with the Parties in London in March 2017, during which they signed Terms of Appointment and discussed preliminary procedural issues. The Tribunal issued its first Procedural Order on 19 April 2017. Redacted versions of the Terms of Appointment and Procedural Order No. 1 are available on the PCA’s website at <https://pca-cpa.org/en/cases/152/>.

Decision on Preliminary Issues

On 4 September 2017, having considered submissions of the Parties, the Tribunal decided that the pre-conditions to arbitration under Article 5 of the Accord had been met. Accordingly, the claims were held to be admissible and within the Tribunal's jurisdiction. The arbitrations will now proceed to a merits phase, with hearings scheduled for the first half of 2018.

The Tribunal also issued directions on confidentiality and transparency. As the Parties have agreed to apply the 2010 UNCITRAL Arbitration Rules to the present proceedings, hearings are to be held in private and any award of the Tribunal can only be made public with the consent of the Parties. The Tribunal has taken note of the interest in the Accord of the public and numerous signatories and other stakeholders (including companies, supplier factories, unions representing millions of workers, governments, the International Labor Organization, and non-governmental organizations). At the same time, the Tribunal has taken into account that the Accord itself acknowledges the need to protect the business information and reputational interests of the brand companies, as confirmed by provisions of the Accord and the practice under it of publicizing information about supplier factories while keeping confidential any information that links to particular brands. Accordingly, to strike a balance between the competing interests, the Tribunal has ordered that certain basic information about the case may be made public and that the identity of the Respondents be kept confidential. Pursuant to a Protocol developed in consultation with the parties and issued as Procedural Order No. 4, certain documents may be published, including awards, decisions, and orders of the Tribunal, following a redaction process.

A redacted version of the Tribunal's decision on preliminary issues is available at the PCA's website at www.pcacases.com/web/sendAttach/2234.

Further Information

Under the instructions of the Tribunal, the PCA will issue press releases from time to time containing information on the procedural steps taken by the Tribunal. Basic information about the proceedings is available on the PCA Case Repository <https://pca-cpa.org/en/cases/152/>. Information about the Accord, including as to factory remediation rates, is available at www.bangladeshaccord.org.

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Background on the Permanent Court of Arbitration

The Permanent Court of Arbitration is an intergovernmental organization established by the 1899 Hague Convention on the Pacific Settlement of International Disputes. The PCA has 121 Contracting Parties. Headquartered at the Peace Palace in The Hague, the Netherlands, the PCA facilitates arbitration, conciliation, fact-finding, and other dispute resolution proceedings among various combinations of States, State entities, intergovernmental organizations, and private parties. The PCA's International Bureau is currently administering 5 interstate disputes, 75 investor-State arbitrations, and 46 cases arising under contracts involving a State or other public entity. More information about the PCA can be found at www.pca-cpa.org.

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