

**PRESS RELEASE****DUZGIT INTEGRITY ARBITRATION
(THE REPUBLIC OF MALTA V. THE DEMOCRATIC REPUBLIC OF SÃO TOMÉ AND PRÍNCIPE)**

THE HAGUE, 20 DECEMBER 2019

Arbitral Tribunal Renders Final Award on Reparation

The Tribunal constituted under Annex VII to the United Nations Convention on the Law of the Sea (the “Convention”) in the matter of the *Duzgit Integrity Arbitration* has issued its final Award on Reparation in respect of the dispute between the Republic of Malta (“Malta”) and the Democratic Republic of São Tomé and Príncipe (“São Tomé”).

These proceedings concerned the arrest by São Tomé of a Maltese flagged vessel – the *Duzgit Integrity* – on 15 March 2013 when it attempted to undertake a ship-to-ship (“STS”) cargo transfer in São Tomé’s archipelagic waters, and the subsequent measures taken by São Tomé in relation to the vessel, its master, cargo, owner and charterer. In a previous Award, issued on 5 September 2016, the Tribunal had found that it had jurisdiction over the dispute and that, while the initial detention of the vessel fell within the lawful exercise by São Tomé of its law enforcement jurisdiction, the other penalties imposed by São Tomé could not be regarded as proportional to the original offence or the interest of ensuring respect for São Tomé’s sovereignty. Accordingly, in its 5 September 2016 Award, the Tribunal held that the cumulative effect of the sanctions imposed by São Tomé was incompatible with Article 49 of the Convention and that Malta was entitled to claim reparation in a further phase of the proceedings. Following the issuance of the Tribunal’s 5 September 2016 Award, the proceedings were temporarily suspended while the Parties pursued settlement negotiations, which were ultimately unsuccessful.

In its present Award on Reparation, the Tribunal scrutinizes Malta’s claim for reparation and orders São Tomé to pay compensation in respect of certain of Malta’s heads of claim. Judge Kateka disagreed with the majority’s decision and appended a dissenting opinion.

The Tribunal’s Award on Reparation will be made public on the website of the Permanent Court of Arbitration during the first week of January 2020.

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The arbitral proceedings were instituted by Malta on 22 October 2013 against São Tomé under the Convention.

The Tribunal was constituted on 13 March 2014. On the basis of the Parties’ agreement and Article 3 of Annex VII of the Convention, the Tribunal is composed of three arbitrators: Professor Alfred H.A. Soons (President), Professor Tullio Treves, and Judge James L. Kateka. The Permanent Court of Arbitration acts as Registry in the arbitration.

After a full exchange of written pleadings, on 23 and 24 February 2016 a hearing was held at the Peace Palace, in The Hague. The hearing pertained to all issues of jurisdiction, admissibility, liability, and entitlement to reparation.

On 5 September 2016, the Tribunal issued its Award on jurisdiction, admissibility, liability, and entitlement to reparation, reserving the quantification of reparation for a further phase of the proceedings.

Further information about the case may be found at <https://pca-cpa.org/en/cases/53/>.

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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 122 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 4 interstate disputes, 104 investor-State arbitrations, and 53 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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