

PCA Case No. 2023-65

**IN THE MATTER OF AN ARBITRATION PURSUANT TO ARTICLE 27 OF THE ENERGY
CHARTER TREATY**

- and -

**THE ARBITRATION RULES OF THE UNITED NATIONS COMMISSION ON
INTERNATIONAL TRADE LAW 1976**

- between -

THE REPUBLIC OF AZERBAIJAN

- and -

THE REPUBLIC OF ARMENIA

**PROCEDURAL ORDER NO. 2
HEARING ON PRELIMINARY OBJECTIONS**

Arbitral Tribunal

Ms. Jean Kalicki (Tribunal President)
Professor Donald M. McRae
Professor Brigitte Stern

Registry

Permanent Court of Arbitration

28 February 2026

WHEREAS on 14 February 2026, the Tribunal solicited the Parties' views on organizational aspects of the hearing on preliminary objections (the "**Hearing**") and invited the Parties to consult directly to reach agreement to the greatest extent possible on those matters, and to deliver their comments, either jointly or separately to the Tribunal;

WHEREAS on 18 February 2026, the Parties provided their comments in respect of certain matters raised in the Tribunal's letter of 14 February 2026 and requested an extension of time to provide their joint or separate comments in respect of the remaining matters;

WHEREAS on 20 February 2026, the Tribunal granted the Parties the extension of time requested on 18 February 2026 and invited the Parties' comments in respect of a draft of this Order;

WHEREAS on 24 February 2026, the Parties provided their comments in respect of certain matters raised in the Tribunal's letter of 14 February 2026 and certain matters raised in the draft of this Order, and requested an extension of time to provide their comments in respect of the remaining matters;

WHEREAS on 25 February 2026, the Tribunal granted the Parties the extension of time requested on 24 February 2025;

WHEREAS on 26 February 2026, the Parties provided their comments in respect of all remaining matters raised in the Tribunal's letter of 14 February 2026 and in the draft of this Order;

NOW THEREFORE, the Tribunal has decided to incorporate the Parties' points of agreement in this Order as follows:

1. Hearing Dates and Schedule

- 1.1 The Hearing shall take place from 7 to 9 April 2026.
- 1.2 Pursuant to Article 21(2) of the Rules of Procedure, the Hearing shall take place in-person at the Peace Palace, The Hague.
- 1.3 Day 1 of the Hearing will start at 09:15 and conclude by 17:45, with three breaks: a lunch break of 90 minutes, and two shorter breaks of 15 minutes each, in the morning and afternoon respectively.
- 1.4 Day 2 of the Hearing will start at 11:00 and conclude by 17:45, with three breaks: a lunch break of 90 minutes, and two shorter breaks of 15 minutes each.
- 1.5 Day 3 of the Hearing is reserved as Tribunal time, such as for deliberations or to pose questions to the Parties. The Tribunal will determine at the end of the sitting on Day 2 whether to hold a sitting on Day 3.
- 1.6 The Tribunal reserves discretion to adjust the Hearing schedule, including the sitting times on any day, as needed to accomplish the prescribed agenda and to accommodate any technical disruptions.
- 1.7 Pursuant to the Parties' agreement, the Hearing Schedule shall be as set out in **Annex 1**. The Parties shall make a good-faith effort to adhere to the schedule.

2. Allocation of Time

- 2.1 The Hearing will proceed on the principle that the Parties should have equal time to present their case.
- 2.2 After excluding time reserved for breaks, Tribunal time and a certain amount of inevitable slippage, the Parties are each allocated 5 hours (together, 10 hours) to use over the course of the Hearing.
- 2.3 The Parties agree on the use of the chess clock method of time keeping.
- 2.4 Each Party shall be free to spend its allocated time in the manner it sees fit, so long as the total amount of time allotted to that Party and the order of presentations set out in Annex 1 are maintained, and subject to the following:
 - (a) *Opening Statements*. Each Party shall be allowed a maximum of 3 hours for its opening statement.
 - (b) *Closing Statements*. Each Party shall be allowed a maximum of 2 hours for its closing statement.
- 2.5 In calculating time used during the Hearing, the Tribunal incorporates the following presumptions:
 - (a) Time attributable to minor Tribunal questions to counsel, to clarify points being made, shall not interrupt the clock for the Party otherwise conducting that argument, but any extended Tribunal question will be allocated to reserved Tribunal time.
 - (b) Time spent on incidental procedural discussions will not be allocated to Party time, but in the event of significant applications or objections requiring extended discussion, time spent resolving the matter may be charged against the Party which unsuccessfully made the application or objection or wrongfully resisted it, or may be charged in equal amounts to both Parties, as the Tribunal considers appropriate in the circumstances.
 - (c) Lost time attributed to the late arrival of counsel, including late returns from breaks, other than for reasons outside of reasonable Party control, will be charged against the Party responsible.
- 2.6 The PCA shall keep a record of time and circulate it to the Parties at the end of each Hearing day.

3. Court reporters and Corrections to the Hearing Transcript

- 3.1 Pursuant to Article 21(8) of the Rules of Procedure, “[t]he Registry shall make arrangements for a verbatim record of each hearing to be produced.”
- 3.2 The Parties have agreed to engage the transcription services of Ms. Anne-Marie Stallard for court reporting.
- 3.3 The PCA will provide the court reporter with copies of pleadings, witness statements, expert reports, and procedural documents, so that she may familiarize herself with the case.
- 3.4 At the end of the Hearing, the Tribunal will determine, considering the views expressed by the Parties at that time, the timing and procedure for correction of the Hearing transcripts.

- 3.5 The costs of court reporting shall be advanced by the Parties in equal shares, through the deposit established with the PCA, subject to the final allocation of the costs of the arbitration by the Tribunal.

4. PowerPoint Slides and Demonstrative Exhibits

- 4.1 No new evidence may be presented at the Hearing except with the leave of the Tribunal, based on prior specific application to which the other Party shall have an opportunity to respond. Should the Tribunal grant leave to a Party to present new evidence in the course of the Hearing, it should grant the other Party the opportunity to introduce new evidence to rebut it.
- 4.2 Each Party shall have the right to submit onto the record additional legal authorities that it intends to rely on at the Hearing by simultaneous exchange, at 17:00 Eastern Time, on 23 March 2026. Each Party shall also have the right to submit further additional legal authorities that it intends to rely on at the Hearing by simultaneous exchange, at 17:00 Eastern Time, on 30 March 2026, provided that such legal authorities are responsive to those submitted by the other Party on 23 March 2026.
- 4.3 Demonstrative exhibits may be shown using documents submitted earlier in accordance with the provisions on evidence above. The Party submitting demonstrative exhibits shall provide copies to opposing counsel, the members of the Tribunal, the Administrative Assistant, the PCA, the court reporter and, if applicable, the interpreters, prior to its use at a Hearing.
- 4.4 The Parties shall identify each demonstrative exhibit submitted to the Tribunal with a distinct number. Each demonstrative exhibit submitted by the Claimant shall begin with the letters “CDE” followed by the applicable number (i.e. CDE-1, CDE-2, etc.); each demonstrative exhibit submitted by the Respondent shall begin with the letters “RDE” followed by the applicable number (i.e. RDE-1, RDE-2, etc.). The Parties shall use sequential numbering in the order of submission of the demonstrative exhibit throughout the proceedings.
- 4.5 All PowerPoint presentations intended to accompany Opening and Closing Statements (including any demonstrative exhibits contained in such PowerPoint presentations) shall be provided to opposing counsel, the members of the Tribunal, the Administrative Assistant, the PCA, and the court reporter at least 1 hour before their intended use.

5. Joint Hearing Bundles

- 5.1 The Parties shall use their best efforts to agree and prepare a joint hearing bundle by **31 March 2026**, including all pleadings, witness statements, expert reports, exhibits, legal authorities, decisions and orders in the arbitration file, with a unified hyper-linked index. The Parties shall upload the joint hearing bundle to the file-sharing platform established by the PCA for this arbitration.

6. Audio recording

- 6.1 The Hearing shall be audio and video recorded. The PCA shall share the recordings with the Parties after the Hearing.

7. Transparency and confidentiality

- 7.1 Pursuant to Article 23(3) of the Rules of Procedure:

The presentation of the Parties' opening statements at any hearing shall be open to the public. The Arbitral Tribunal, after ascertaining the views of the Parties, shall consider at the appropriate time the extent to which any other parts of hearings shall be open to the public.

- 7.2 In accordance with the Parties' agreement, the Registry shall permit in-person attendance of the Hearing at the Peace Palace for members of the public who register in advance with the PCA.
- 7.3 Video recordings of the Hearing shall be public and made publicly available on the PCA website. The timing of publication of the video recordings shall be determined by agreement of the Parties within 30 days of the conclusion of the Hearing. Any proposal for redactions to the video recordings shall be subject to the procedure foreseen in Article 23(8) of the Rules of Procedure.

8. Further submissions

- 8.1 The schedule for any further submissions will be decided by the Tribunal after the Hearing, in consultation with the Parties.

On behalf of the Arbitral Tribunal



Ms. Jean Kalicki
Tribunal President

Dated: 28 February 2026

Annex 1: Hearing Schedule

Tuesday, 7 April 2026		
MATTER	ALLOCATED TIME	TIME
Housekeeping	15 minutes	9:15am–09:30am
Armenia’s Opening Statement	1 hour, 30 minutes	9:30am–11:00am
Break	15 minutes	11:00am–11:15am
Armenia’s Opening Statement [continued]	1 hour, 30 minutes	11:15am–12:45pm
Lunch Break	1 hour, 30 minutes	12:45pm–2:15pm
Azerbaijan’s Opening Statement	1 hour, 30 minutes	2:15pm–3:45pm
Break	15 minutes	3:45pm–4:00pm
Azerbaijan’s Opening Statement [continued]	1 hour, 30 minutes	4:00pm–5:30pm
Housekeeping	15 minutes	5:30pm–5:45pm
Wednesday, 8 April 2026		
Housekeeping	15 minutes	11:00am–11:15am
Armenia’s Closing Statement	1 hour	11:15am–12:15pm
Break	15 minutes	12:15pm–12:30pm
Armenia’s Closing Statement [continued]	1 hour	12:30pm–1:30pm
Lunch Break	1 hour, 30 minutes	1:30pm–3:00pm
Azerbaijan’s Closing Statement	1 hour	3:00pm–4:00pm
Break	15 minutes	4:00pm–4:15pm
Azerbaijan’s Closing Statement [continued]	1 hour	4:15pm–5:15pm
Tribunal Time / Housekeeping	30 minutes	5:15pm–5:45pm
Thursday, 9 April 2026		
Reserved as Tribunal Time		