

FDI MOOT CASE 2023



FOREIGN DIRECT INVESTMENT INTERNATIONAL ARBITRATION MOOT

Global Orals: 2-5 November 2023

The 2023 case was elaborated by the Case Committee consisting of Vera Bykova, Facundo Marcone, Alisa Protasova, Ewa Tokarewicz, and Mishael M. Wambua, under the supervision of the FDI Moot's Review and Advisory Boards.

TABLE OF CONTENTS

REQUEST FOR ARBITRATION	1
CLAIMANT'S EXHIBIT C1 - Blueprint of the MK-1 Beetle - Modular UGV	9
CLAIMANT'S EXHIBIT C2 - Blueprint Variants of the MK-1 Beetle - Modular UGV	10
CLAIMANT'S EXHIBIT C3 - Claimant's Tax Compliance Certificate	11
CLAIMANT'S EXHIBIT C4 - Purchase Agreement of 8 June 2021.....	12
CLAIMANT'S EXHIBIT C5 - Law Decree 134_2022 on Restrictive Measures against the Federation of Albion	14
CLAIMANT'S EXHIBIT C6 - MK Robotics Press Release of 16 January 2021	18
CLAIMANT'S EXHIBIT C7 - Model of the end-user compliance statement included in MK Robotics purchase agreements as of 20 January 2022	20
CLAIMANT'S EXHIBIT C8 - Twitter Statement of Head of Committee on International Trade of 15 December 2022	21
CLAIMANT'S EXHIBIT C9 – Martineek Herald Article of 19 December 2022.....	22
CLAIMANT'S EXHIBIT C10 - Asset Purchase Agreement of 24 December 2022.....	23
CLAIMANT'S EXHIBIT C11 - Investor News article of 24 November 2022	28
RESPONSE TO THE REQUEST FOR ARBITRATION	29
RESPONDENT'S EXHIBIT R1 - Law Decree 53/2007 on the Control of Foreign Trade in Defence and Dual-Use Material.....	35
RESPONDENT'S EXHIBIT R2 - Results of joint investigation on MK Robotics former owner	44
RESPONDENT'S EXHIBIT R3 - Young & Coopers Report of 20 December 2021.....	46
RESPONDENT'S EXHIBIT R4 - Global Armament Review- Inspecting Awbari drones: FTPG Technology findings of 28 November 2022.....	49
RESPONDENT'S EXHIBIT R5 - VaryalëNews - Successful first flight of the Qertel-ASP UAV of 27 November 2022.....	54
RESPONDENT'S EXHIBIT R6 - VaryalëNews - UGVs shape modern warfare in the Wadaihi-Karamanlean conflict: the “Beetle War” of 14 January 2022	56
RESPONDENT'S EXHIBIT R7 - Minutes of the Parliament meeting of 23 December 2022 ..	59
RESPONDENT'S EXHIBIT R8 - Press Release of Parliament of Martineek of 27 December 2022.....	60
RESPONDENT'S EXHIBIT R9 - Statement of the Secretary of the Treasury Paul Bäumer of 30 December 2022	61
PROCEDURAL ORDER NO. 1	62
Letter of Resignation of Dumbledore, Black & Partners	68
Exhibit DBP_1 - Amnesty International Journal, <i>Women's Rights Worldwide: Newsflash</i> , by Fariba Adelkhah of 18 October 2023.....	70
Exhibit DBP_2 - Narnian Arbitration Review, Dumbledore Black & Partners: the last global law firm representing Martineek, by Cosmo Oberson of 25 October 2023	71

Exhibit DBP_3 - Decision of the Council of the Narnian Bar Association No. 1228 of 12 October 2023	72
Claimant's Objections to Respondent's Counsel Resignation.....	74
Respondent's Letter Concerning the Counsel Resignation.....	76
PROCEDURAL ORDER NO. 2.....	78
Statement of Uncontested Facts	81
AGREEMENT ON ENCOURAGEMENT AND RECIPROCAL PROTECTION OF INVESTMENTS BETWEEN THE REPUBLIC OF MARTINEEK AND THE FEDERATION OF ALBION.....	87

THE INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

REQUEST FOR ARBITRATION

In a dispute between

DELOREAN TECHNOLOGIES LLC
(Claimant)

and

THE REPUBLIC OF MARTINEEK
(Respondent)

20 April 2023

Claimant

DeLorean Technologies LLC
112 Charles Street, Medtown,
ME 2231
Federation of Albion

Counsel for Claimant

Adila LLP
Anasa Plaza, 311 Bond Avenue
KJ 8972
Federation of Albion

I. SUBMISSION OF THE DISPUTE TO ARBITRATION

1. In accordance with Article 36 of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the “**ICSID Convention**”) and Article 12 of the
5 Agreement on Encouragement and Reciprocal Protection of Investments between the Republic of Martineek and the Federation of Albion (the “**BIT**”), DeLorean Technologies LLC (“**Claimant**”) hereby respectfully submits this Request for Arbitration (the “**Request**”) to the International Centre for the Settlement of Investment Disputes (“**ICSID**”), to initiate the following arbitration against the Republic of Martineek (“**Martineek**” or “**Respondent**”).

10

II. THE PARTIES

2. Claimant, DeLorean Technologies LLC, is a multinational automotive manufacturer incorporated under the laws of the Federation of Albion (“**Albion**”). Claimant is the leading
15 automotive company in Albion – and one of the largest in the world. DeLorean Technologies LLC is primarily engaged in the manufacture and distribution of automotives but has a wide business portfolio and interests that go beyond automotive manufacturing and distribution.
3. Claimant notifies the Secretary-General that as contemplated by Rule 2 of the ICSID Arbitration Rules, the following advocates shall represent Claimant:

20 Adila LLP
Anasa Plaza, 311 Bond Avenue
KJ 8972
Federation of Albion

- 25 4. Claimant respectfully requests that all communications in this arbitration be channelled through its advocates.
5. Claimant has provided the Minister of Justice and Minister of Foreign Affairs of Respondent with advance courtesy copies of this Request.

30 III. SUMMARY OF THE DISPUTE

a) **Claimant’s investment**

6. A raft of major reforms in Martineek in 1993 not only improved Respondent’s legal framework for economic and social development, but also allowed Martineek to emerge as a global leader in

- 35 the robotic industry.
7. Over the last decade, to raise its global competitiveness and drive its digital manufacturing, Respondent made significant efforts to attract foreign investments in the robotics industry. The endorsement of FDI priority spheres, as well as the revision of the investment agreements with third states resulted in one of the most investor-friendly regimes for investments in technical
 40 innovations.
8. Keen to ride this investment wave, Claimant acquired 100% percent of the issued and outstanding shares of MK Robotics, a Martineekian company focused on the development of autonomous vehicles on July 9, 2020. MK Robotics was a leading start-up company in robotic innovation in Martineek specialized in unmanned ground vehicles for civilian and commercial
 45 use.
9. MK Robotics needed capital to expand its industries and grow. Thus, the acquisition by Claimant had a positive impact on the development of its business. Another benefit derived from this strategic acquisition was the development of business relationships between Respondent and other companies in Albion.
- 50 10. The prime product of MK Robotics was the remotely operated MK-1 “Beetle” modular unmanned ground vehicle (“MK-1 UGV”).¹ The modular characteristic allowed the vehicle to adapt to user-needs, thus providing flexible solutions for the commercial and public service sector ranging from civil engineering to fire and rescue applications.² This proficiency was enabled by the sophisticated technological specifications that allow for modification of the
 55 MK-1 UGV through attachment of tools or equipment in order to complete task-specific commands. Given the wide-range of task-specific commands that the MK-1 UGV can complete, attachments were sold on-demand, based on customer tastes and preferences, with it. The principal attachments sold were for surveillance, civil engineering, mining, transport, fire and rescue, and hazardous materials handling.
- 60 11. Claimant invested significant resources in research and development to expand further uses of its technology in areas such as space exploration. Access to the Albionese market increased the annual sales of MK Robotics by 25%. In the following quarterly earnings call presentations of 2020, MK Robotics reported a considerable growth in earnings due to the more than 200 unmanned ground vehicles sold.
- 65 12. Respondent not only considered Claimant to have made a valid investment but also considered Claimant to be a trusted business partner. Claimant’s business activities were audited by

¹ **Exhibit C_1** - Blueprint MK-1 Beetle - Modular UGV.

² **Exhibit C_2** - Blueprint Variants of the MK-1 Beetle - Modular UGV.

Respondent's tax authorities, which certified that Claimant complied with its fiscal obligation.³ Moreover, as part of its business activities, Claimant entered into several commercial sale agreements with Respondent or its agencies, such as the sale agreement of commercial drones⁴

70 Yet, Respondent then turned around when the relationship was no longer beneficial to it.

b) Respondent's measures towards Claimant's investment

- 13.Despite an already broad catalogue of internal laws and regulations relating to operations such as those conducted by Claimant, starting in 2022, Respondent started to introduce new regulatory measures, which began to impact Claimant's operations negatively.
- 75
- 14.In February 2022, Respondent issued Screening Law 24/2022 ("Screening Law") identifying critical technology, biomedicine, and dual-use military items as sectors of strategic importance and imposing screening procedures for FDIs in these sectors. Claimant complied with the Screening Law's notification requirement and provided all necessary information about its
- 80 investment in MK Robotics.
- 15.Also in February 2022, Martineek enacted Ordinance 66/2022, modernising Law 53/2007 ("Dual-Use Regulation"), which included under the dual-use classification certain unmanned vehicles and certain equipment and components related to unmanned vehicles.
- 16.Most of Claimant's products were subject to the dual-use regime; some were not and did not require an authorization. Thus, Claimant initiated the filings to obtain authorizations and consultations to comply with the regime, for example, for the MK-1 UGV.
- 85
- 17.However, Respondent's regulatory spree did not end in February 2022. In December 2022, despite the positive impact of Claimant's investment on Respondent's robotics industry, citing concerns related to Albion's obtainment of critical technology as well as the emergence of
- 90 information about the use of technologies manufactured in members of the Future Technology Partners Group ("FTP G") in military conflicts, Respondent introduced a new sanctions regime with Law Decree 134/2022⁵ freezing Claimant's assets and prohibiting principal business operations of MK Robotics as a manufacturer of dual-use goods. This was done in disregard of Claimant's policy of only producing vehicles and electronic components for commercial and
- 95 civilian purposes.
- 18.Among the reasons on which Respondent relied in imposing sanctions were the alleged involvement of Claimant in the "Albion first" strategy, disfavoured by Respondent.

³ **Exhibit C_3** - Claimant's Tax Compliance Certificate.

⁴ **Exhibit C_4** - Asset Purchase Agreement of 8 June 2021.

⁵ **Exhibit C_5** - Law Decree 134/2022 on Restrictive Measures against the Federation of Albion.

100 Additionally, Respondent also cited the past use of the Beetle vehicle in the Wadaihi-Karamanlean conflict and the use of Claimant's electronic components in some drones manufactured in Karamanli. Respondent's reasoning is misleading and incorrect.

19. Firstly, Albion's development of the "Albion First" program and its strategy to improve its future technologies sector does not have any relation to Claimant's activities. Investors' rights under the BIT cannot be affected by the political or diplomatic relations between the two States.

105 20. Secondly, and in any case, Respondent's concerns as to technology linkage backed-up by "Albion First", as indicated in the Sanctions Law, lack evidentiary bases. Moreover, following the adoption of the Screening Law and Claimant's provision of all relevant information about its investment, the authorities of Martineek did not show any concern related to Claimant's investment.

110 21. Thirdly, regarding the use of the MK-1 UGV and the electronic components found in Karamanlean drones, Claimant complied with Respondent's Dual-Use Regulation. Claimant obtained the licenses for the export of several components as required by the regulation. The components that Respondent referred to sanction Claimant were neither considered critical, nor required an export license as determined by the Export Control Office.

115 22. Once it was publicly known that MK Robotics' drones were used in military activities, Claimant instructed MK Robotics to reject the misuse of its drones.⁶ Claimant made its best efforts to avoid the misuse of its vehicles. MK Robotics implements a strict policy by contractual commitments to prevent its products from being diverted to unauthorized military use.⁷ It is regrettable that those components were used for military purposes, but Claimant cannot be held liable if buyers of its components illicitly resell the goods or misuse them.

120 23. Finally, the real motives of Respondent's measures towards Claimant and the rupture of trade relations with Albion as its biggest trading partner remain unclear. After years of Martineek's reliance on open markets and on foreign investment to keep expanding its high-tech industry, Albionese high-tech companies have become powerful direct competitors for Respondent's national enterprises: "national interests" may merely serve to aid Martineek industries that are falling behind.

c) Consequences of Respondent's measures

24. Starting in December 2022, the reports of possible sanctions became frequent and vastly

⁶ **Exhibit C_6** - MK Robotics Press Release of 16 January 2022.

⁷ **Exhibit C_7** - Model of the end-user compliance statement included in MK Robotics purchase agreements as of 20 January 2022.

impacted the market. While many companies, including Claimant, were closely monitoring the
 130 situation, on 15 December 2022 these concerns were voiced by Respondent's official -
 Mr. Organa, a very influential politician of Nation's Voice party and Head of the Committee on
 International Trade.⁸ His statement, urging Martineek's government to impose sanctions, caused
 big waves in the industry. Moreover, respectable newspapers such as Martineek Herald reported,
 that the plans for the decisions on sanctions were also confirmed independently by another
 135 influential politician of Nation's Voice, who intends to remain anonymous.⁹ Claimant, aware of
 Respondent's plans to freeze the assets of the sanctioned companies, as voiced by Mr. Organa,
 attempted to sell most of its assets before they would be blocked or severely decrease in value.
 Other impactful companies in Martineek also sold their assets as soon as Mr. Ortega's statement
 went public.¹⁰

140 25.On 20 December 2022, Claimant invited bids for the assets to be sold. However, as the whole
 market already knew about the planned sanctions, the offers received from private companies
 were vastly lower than the actual market price of the assets.

145 26.Being forced to save as much of its investment as possible before it was completely destroyed
 by Respondent, Claimant reluctantly decided to sell the drone branch of its Company amounting
 to 70% of the assets, for a purchase price of \$25.480.000,00,¹¹ amounting to a 60% discount
 in relation to its market value as of 20 November 2022.¹²

150 27.In January 2023, Claimant filed an official request to the Martineek government asking for
 concrete reasons for its inclusion on the sanctions list and demanding that Respondent unblock
 Claimant's assets. After receiving a response that this information could not be disclosed for
 national security reasons and after four months of fruitless discussions, Claimant submits this
 request for arbitration.

155 28.Claimant seeks damages in the amount of the difference between the amount Claimant received
 for the sale of its sold assets and their market value estimated as of 20 November 2022, together
 with pre-award and post-award interest at a rate to be determined, as well as any taxes payable
 on the awarded amount, fulfilling line with the full reparation principle.

IV. JURISDICTION OF THE ARBITRAL TRIBUNAL

⁸ **Exhibit C_8** - Twitter Statement of Head of Committee on International Trade of 15 December 2022.

⁹ **Exhibit C_9** - Martineek Herald's Article of 19 December 2022.

¹⁰ **Exhibit C_9**.

¹¹ **Exhibit C_10** - Asset Purchase Agreement of 24 December 2022.

¹² **Exhibit C_11** - Investor News article of 24 November 2022.

29. Article 25(1) of the ICSID Convention provides that:

160 “The jurisdiction of the Centre shall extend to any legal dispute arising directly out of an investment, between a Contracting State (or any constituent subdivision or agency of a Contracting State designated to the Centre by that State) and a national of another Contracting State, which the parties to the dispute consent in writing to submit to the Centre. When the parties have given their consent, no party may withdraw its consent unilaterally.”

165 30. Both Martineek and Albion are Contracting States to the ICSID Convention having acceded to the Convention in February and June 1993 respectively, and Claimant is a national of Albion.

31. In early 2013, Martineek and Albion ratified the BIT on 28 June 2013.

32. By submitting this Request for Arbitration, Claimant accepts Respondent’s standing offer to arbitrate made in Article 12(c) of the BIT:

170 Article 12

2. In the event that such dispute cannot be settled as provided for in paragraph 1 of this Article within three (3) months from the date of a written application for settlement, the investor in question may submit at its choice the dispute for settlement to one of the following fora:

[...]

175 c. the International Centre for Settlement of Investment Disputes (ICSID), for the implementation of an arbitration procedure, under the Washington Convention of 18 March, 1965, on the Settlement of Investment Disputes between State and National of other State, if this had entered into force for both of the Contracting Parties to the dispute, or, alternatively, in accordance with the ICSID Additional Facility Rules, if the Washington Convention has entered into force only for one the Contracting Parties.

V. REQUEST FOR RELIEF

33. In light of the foregoing, as a preliminary indication of the relief sought, Claimant asks that the
185 Arbitral Tribunal:

i. **DECLARE** that the Sanctions Law is in violation of Article 5 of the Agreement on Encouragement and Reciprocal Protection of Investments between the Republic of Martineek and the Federation of Albion;

190 ii. **ORDER** Respondent to pay Claimant damages in the amount of the market value of its frozen assets estimated as of 20 November 2022 and the difference between the payment received for the sale of its sold assets and their market value estimated as of 20 November 2022, together with pre-award and post-award interest at a rate to be determined, as well as any taxes payable on the awarded amount;

iii. **ORDER** Respondent to bear the costs of these arbitration proceedings;

195 iv. **ORDER** any other appropriate relief that may be deemed proper in serving the ends of justice.

34. Claimant hereby respectfully reserves its right to subsequently amend or supplement the reliefs

sought in this trial up to and including the oral stage.

200 VI. CONSTITUTION OF THE TRIBUNAL

35. Pursuant to Article 11 of the BIT, and Article 37 of the ICSID Convention, Claimant requests ICSID to appoint a tribunal of three (3) arbitrators. Accordingly, Claimant herewith appoints, as one of the arbitrators:

205 Tamara Guterman
Anasa Plaza, 311 Bond Avenue
KJ 8973
Tokata, Atlandia

210 36.In light of the above, DeLorean Technologies LLC respectfully requests the Secretary-General to
register this Request for Arbitration against the Republic of Martineek pursuant to Article 36(3)
of the ICSID Convention.

215 On behalf of Claimant
attn. Martha Black

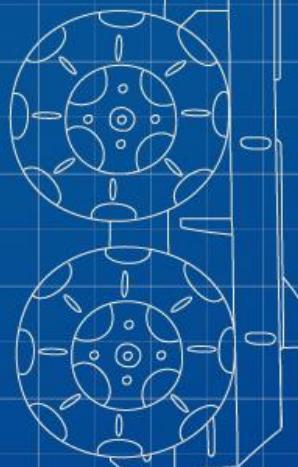
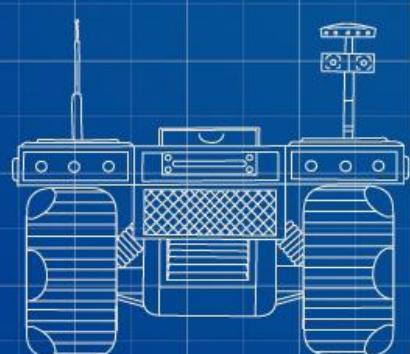
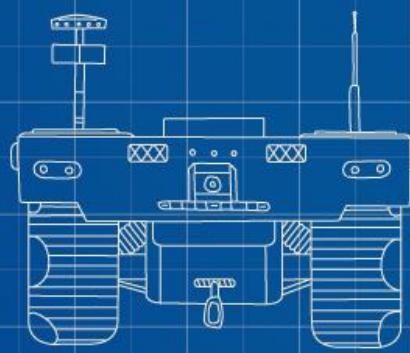
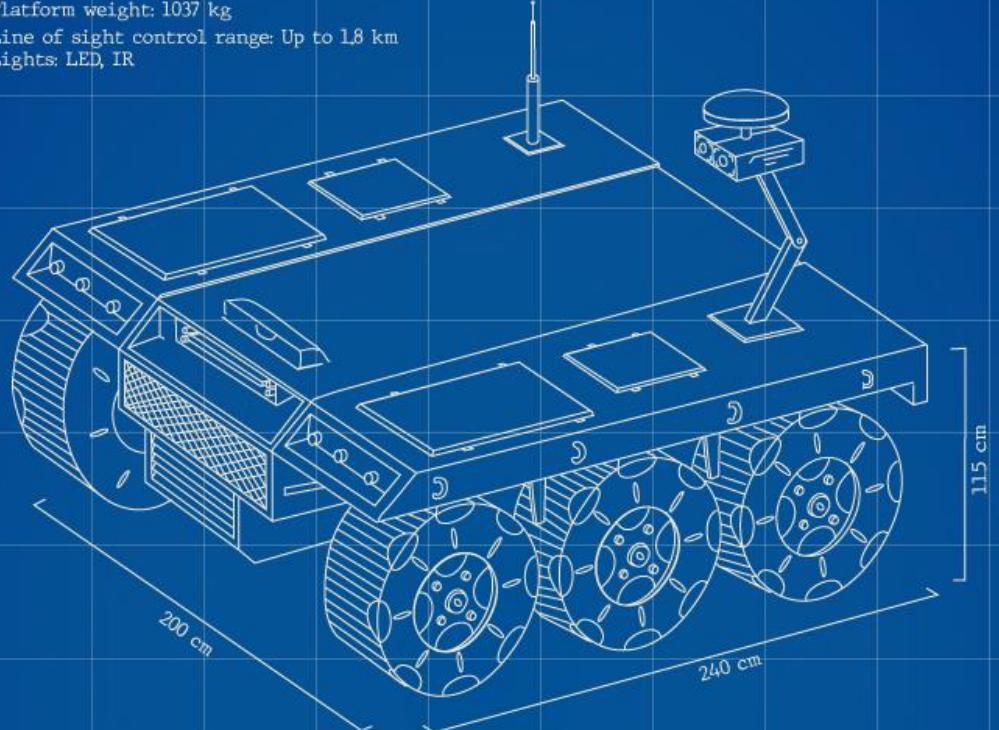
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CLAIMANT'S EXHIBIT C1 - Blueprint of the MK-1 Beetle - Modular UGV

MK-1 Beetle - Modular UGV

Speed: 40 km/h
Payload: 750 kg
Platform weight: 1037 kg
Line of sight control range: Up to 1.8 km
Lights LED, IR



Power options - 1:
Battery Pack, Lead acid
or Li-ion

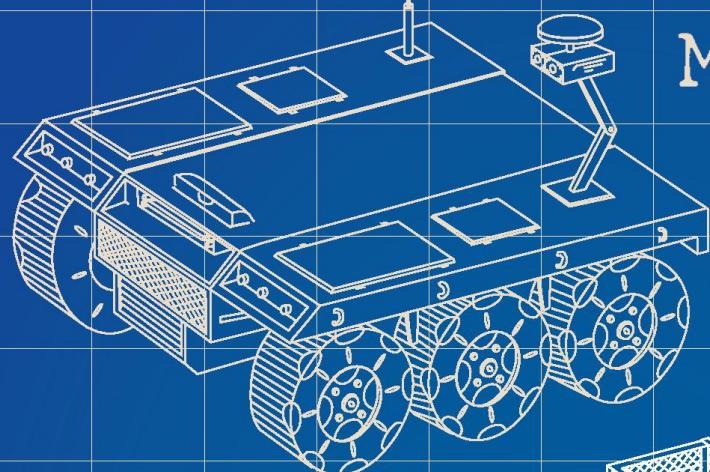
Power options - 2:
Diesel engine
& electric generator

Run time electric:
Up to 2.1 h

Run time hybrid:
Up to 19 h

CLAIMANT'S EXHIBIT C2 - Blueprint Variants of the MK-1 Beetle - Modular UGV

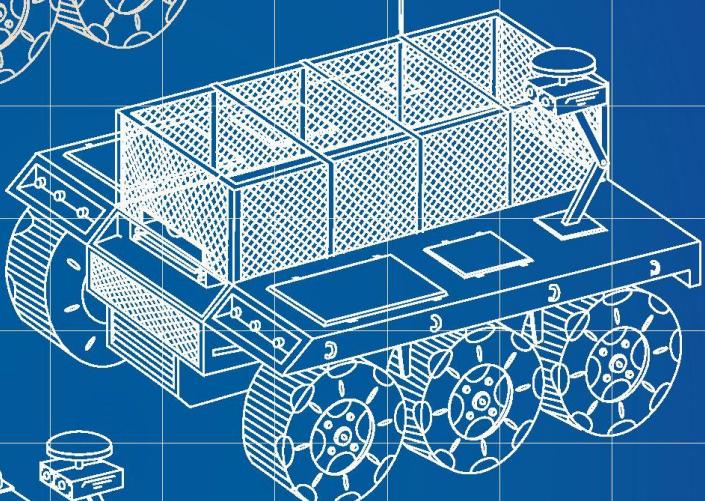
MK-1 Beetle Modular UGV



- BEETLE base mode

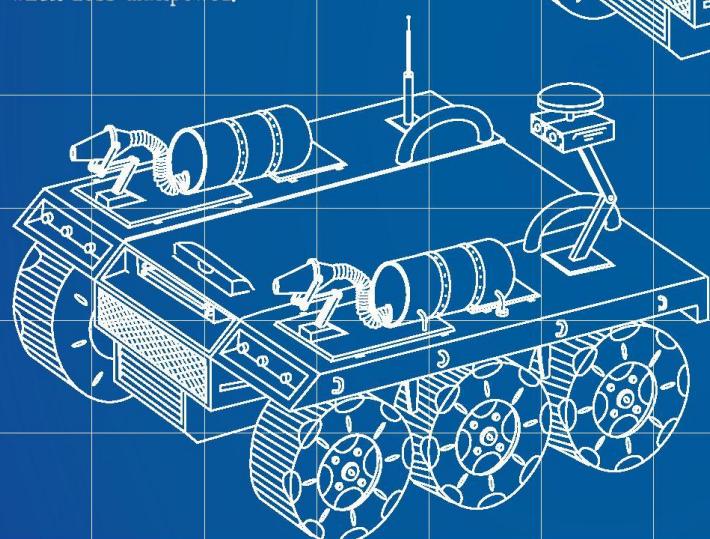
- BEETLE Cargo Caje (CC)

The BEETLE CC is intended to transport critical supplies, equipment. It can be utilized to pack up gear faster and with less manpower.



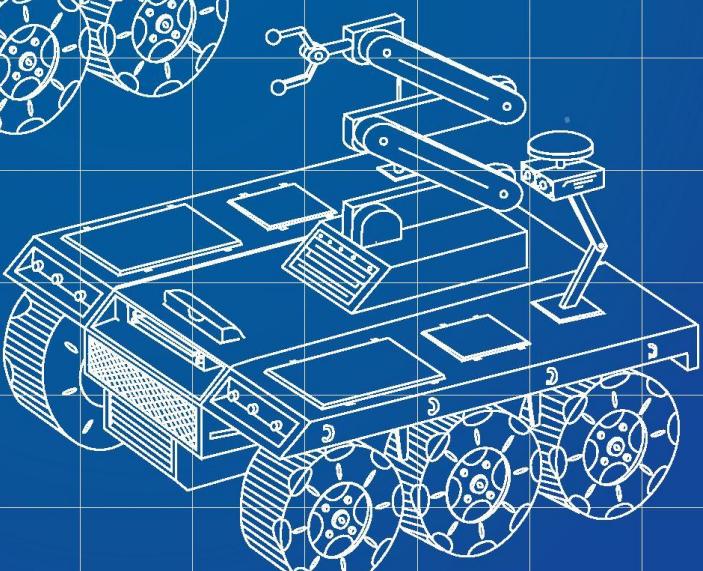
- BEETLE Spayer

This BEETLE mode is equipped with a modular foam and/or water sprayer specifically designed to be used in fire extinguishing.



- BEETLE Mech-Claw

Specialized for rescue, it has a mechanical arm capable of lifting different heavy objects of up to 2,253 kg, while the claw has a force of 35,000 newtons.



@m.buchard

CLAIMANT'S EXHIBIT C3 - Claimant's Tax Compliance Certificate

**MR&
CA**

MARTINEEK
REVENUE AND
CUSTOMS
AUTHORITY
www.mrac.go.me

Tax Compliance Certificate

For General Tax Questions
Contact MRAC Call Centre
Tel: +2x1 (020) 4999 854
Cell: +2x1(0711)099 253
Email: info@mrac.go.me

Taxpayer PIN : P011737492W

Certificate Date: 31/12/2022

Name and Address :

DeLorean Technologies LLC
112 Charles Street, Medtown,
ME 2231
Federation of Albion

Certificate Number:
MRACWON1314743512



225

This is to confirm that DeLorean Technologies LLC, Personal Identification Number P011737492W has filed relevant tax returns and paid taxes due as provided by Law.

This Certificate will be valid for twelve (12) months up to 31/12/2023.

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This certificate is issued on the basis of information available with the authority as at the

Caveat: This certificate is issued on the basis of information available with the authority as at the certificate date mentioned above. The Authority reserves the right to withdraw the certificate if new evidence materially alters the tax compliance status of the recipient.

240

Disclaimer : This certificate is system Generated and therefore does not require signature. You may confirm validity of this certificate on the iTax Portal by using the TCC Checker. This certificate confirms your compliance status for a period of five years preceding the date of issue. The certificate may however be withdrawn on grounds of outstanding debt affecting periods prior to this.

Agreement for Sale

PARTIES:

Seller

Name: DELOREAN TECHNOLOGIES LLC
 Legal form: LIMITED LIABILITY COMPANY
 Country of incorporation and register number: ALBION A.778921
 Address: 112 Charles Street, Medtown, ME 2231 Federation of Albion.
 Represented by: Abdalla Mashaka, Director.

Buyer

Name: REUBLIC OF MARTINEEK
 Legal form: GOVERNMENT
 Country of incorporation and register number: N/A
 Address: Ministry of Interior and National Administration of the Government of Martineek,
 Oloitoktok Road, Government Lane, 5 3841, Siaya, Martineek
 Represented by: Mzilikazi Msinzi, Director.
 Hereinafter: "the Parties"

1. Goods

1. Subject to the terms agreed in this contract, the Seller shall deliver **20 MK-1 MODULAR VEHICLES ("BEETLES")** (hereinafter: "the Goods") to the Buyer.
2. Description of the Goods:

Colour	Red
Technology specifications	[intentionally omitted]
Special Feature (attachments)	[intentionally omitted]
Brand	[intentionally omitted]
Connectivity Technology	[intentionally omitted]
Model Name	M428fdw

3. Quantity of the Goods: **TWENTY (20)**

4. Inspection of the Goods:

Organisation Responsible	[intentionally omitted]
Inspection Quality and Quantity	[intentionally omitted]
Place	[intentionally omitted]

Date	Upon delivery
------	---------------

- 2. Delivery**
[intentionally omitted]
- 3. Price**
[intentionally omitted]
- 4. Payment conditions**
[intentionally omitted]
- 5. Documents**
[intentionally omitted]
- 6. Non-performance of the Buyer's obligation to pay the price at the agreed time**
[intentionally omitted]
- 7. Non-performance of the Seller's obligation to deliver the Goods at the agreed time**
[intentionally omitted]
- 8. Lack of conformity**
[intentionally omitted]
- 9. Transfer of property**
[intentionally omitted]
- 10. Avoidance of contract**
[intentionally omitted]
- 11. Force majeure**
[intentionally omitted]
- 12. Entire agreement**
[intentionally omitted]
- 13. Notice**
[intentionally omitted]
- 14. Dispute resolution procedure**
[intentionally omitted]
- 15. Applicable law and guiding principles**
[intentionally omitted]

DATE AND SIGNATURE OF THE PARTIES

Buyer: REPUBLIC OF MARTINECK

Date: 08/06/2021

Rep: RIZILIKAZI TIRUNZI
Name: RIZILIKAZI TIRUNZI

Signature:

Seller: DeLorean Technologies LLC

Date: 08 - June - 2021

Direct: Abdalla Mashaka
Name: Abdalla Mashaka

Signature:

CLAIMANT'S EXHIBIT C5 - Law Decree 134_2022 on Restrictive Measures against the Federation of Albion

250

02.01.2023

Official Journal of the Republic of Martineek

L 675

LAW DECREE 134/2022

of 30 December 2022

ON RESTRICTIVE MEASURES AGAINST THE FEDERATION OF ALBION

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THE PRESIDENT OF THE REPUBLIC OF MARTINEEK,

Having regard to the joint understanding of the Heads of Future-Technology Partners Group ("FTPG") reached during the extraordinary meeting, which was held on 2 December 2022,

Having regard to the agreement reached at the Parliament's session on 26 December 2022,

260

Finding the Albion is increasingly exploiting Martineek's capital and resources to be further used in military conflicts, including through the "Albion first" national strategy of obtaining Martineek's technologies,

Considering this to be a threat to peace and security in the region, as well as to national interests, foreign policy, and economy of the Martineek,

265

Recalling that FTPG States have been called upon to apply enhanced due diligence and effective countermeasures to protect their jurisdictions from the Albion illicit activity,

Encouraging FTPG States to adopt restrictive measures similar to those provided for herein, in order to maximize their impact,

270

Respecting the right to an effective remedy and fair trial, the right to property, and the right to the protection of personal data,

HAS ADOPTED THIS LAW DECREE:

Article 1

1. It shall be prohibited to directly or indirectly sell, supply, transfer or export to Albion arms and related material of all types.

- 275 2. It shall be prohibited to engage in any transactions related to direct or indirect sale, supply, transfer, or export of dual-use items for military use or to military end-users originating in FTPG States, as well as technologies and data on components used in such items, with a legal person, entity or body owned or controlled directly or indirectly by Albion nationals or entity established in Albion.
- 280 3. It shall be prohibited to provide technical or financial assistance related to goods and technology set out in paragraph 2.

Article 2

- 285 1. The purchase or sale of provision of investment services for or assistance in the issuance of, or other dealings with, “transferable securities” or money-market instruments with respect to legal persons or entities listed in Annex I or persons or entities acting on their behalf or at their direction shall be prohibited.
- 290 2. Transactions made by Martineek citizens or in Martineek are prohibited if they involve transferring, paying, exporting, withdrawing, or otherwise dealing in the property or interests in property of an entity or individual listed in Annex I.

Article 3

- 295 1. The funds and economic resources owned or controlled by any natural or legal person listed in Annex I shall be frozen.
- 300 2. The frozen assets shall include but not be limited to: (1) financial assets, including payment instruments, deposits with financial institutions, balances on accounts, publicly and privately traded securities and debt instruments, including stocks and shares, interest, dividends or other income on or value accruing from or generated by assets, credit, claims on money, performance bonds, documents showing evidence of an interest in funds or financial resources; (2) assets of every kind, whether tangible or intangible, movable or immovable, which are not funds but may be used to obtain funds, goods or services (*i.e.* economic resources).
- 305 3. Property and interests in property of individuals or entities directly or indirectly owned by one or more targeted persons are considered blocked.
4. By way of derogation from paragraph 2 and 3 the competent authorities, may authorize the release of certain frozen funds or economic resources, if such funds or economic resources are:
- 310 a. necessary to satisfy the basic needs

- b. intended exclusively for payment of reasonable professional fees or reimbursement of incurred expenses associated with the provision of legal services
- 310 c. intended exclusively for payment for routine holding or maintenance of frozen funds or economic resources
- d. from an account of a diplomatic or consular mission or an international organization

Article 4

- 315 1. The measures imposed by Article 1(2) and Article 1(3) should not affect the exports of dual-use goods and technology for non-military use and/or for non-military end-users.
2. Notwithstanding the prohibitions on the transactions listed in Article 1(2)(3), Martineek's Sanctions Review Board may authorize certain transactions provided that:
- 320 a. contracts for delivery of such items, technologies or assistance include appropriate end-user guarantees; and
- b. Albion has committed not to use or transfer such items, technologies or assistance for military advancement.

Article 5

- 325 1. For the purposes of this regulation, (a) "Ownership" implies possession of more than 50% of the proprietary rights in a legal person or entity or having majority interest in it; (b) "Control" implies having the right or exercising the power to appoint or remove a majority of the members of the administrative, management or supervisory body of legal person or entity; having the right to exercise a dominant influence over a legal person or entity; controlling alone a majority of shareholders' or members' voting rights in that legal person or entity.
- 330

[intentionally omitted]

Article 8

- 335 1. The measures referred to in this Law Decree shall be reviewed at regular intervals and at least every 12 months.

Article 9

1. This Law Decree shall enter into force on the date of its publication in the Official Journal of the Republic of Martineek.

340

The President of the Republic of Martineek,

Erich Paul Remark



ANNEX I

[excerpt]

	NAME	IDENTIFYING INFORMATION	REASONS	DATE OF LISTING
[...]				
13.	DeLorean Technologies LLC	112 Charles Street, Medtown, ME 2231 Federation of Albion	Involvement in the “Albion First” program; Involvement of the Beetle vehicle in the Wadaihi-Karamanlean conflict; export of electronic components that were used to craft military drones	30.12.2022
[...]	[...]	[...]	[...]	[...]

345

CLAIMANT'S EXHIBIT C6 - MK Robotics Press Release of 16 January 2021



350

MK Robotics repudiates the involvement of the MK-1 Modular Vehicle in military conflicts

355 MK Robotics recognizes the importance of sincere and fair information disclosure, and fulfils its responsibilities to investors, analysts and stakeholders. The company also understands the necessity of establishing long-term relationships of trust, and of earning the trust and esteem of its customers, partners and governments. To achieve these goals, the MK Robotics continuously provides all information it deems essential.

360 We are grateful for the success of our project and to be recognized as a global leader in the development of unmanned ground vehicles. This achievement was only possible due to the faith of our developers, partners, stakeholders and to our customers that purchased our vehicles and are confident with our brand.

365 Our mission is to provide innovative solutions for challenging environments. Our drones are made to fulfil a higher purpose – to improve lives. Despite our goal to develop products for commercial and civil purposes, it is a regret that our vehicles are being used in international armed conflicts. Particularly, the MK-1 modular vehicle, also commonly known as the “Beetle”.

370 The Beetle vehicle is particularly popular overseas, and we are concerned about the flow of vehicles from Martineek to overseas immediately after their release due to the possibility of them being exported to certain regions where security regulations are in place. We believe there is a risk of violating foreign law, and depending on the export destination, it may lead to major problems that threaten global security.

375 Although it is impossible for the company to control indirect or illegal channels through which our vehicles could be misappropriated, stolen or re-sold by independent third parties, MK Robotics will make its best efforts to avoid the misuse of its vehicles. We are committed to complying fully with the laws and regulations of each country or region where we operate, and require our dealers and distributors to do the same.

380 Procedures and contractual commitments will be added to prevent our products from being diverted for unauthorised military use. MK Robotics decides to implement a strict policy to not sell its unmanned vehicles to potential purchasers who may use or modify them for military activities. Further, MK Robotics will implement a new policy that buyers of the MK-1 modular vehicle have to sign a contract promising not to resell the vehicle within a year. Dealers will be required to pay damages if their customers resell Beetles.

385 MK Robotics will support inquiries into international supply chains and the flow of capital and goods to controversial conflicts.

Hereby, MK Robotics states that its operations follow the principles of continuous improvement and respect for humanity. These principles boost productivity and foster innovation. We want to lead the future, enriching lives around the world. We are committed to quality, ceaseless innovation, and to the protection of global welfare. We will meet challenging goals by engaging the talent and passion of people who believe there is always a better way.

We settled the following key elements of our corporate vision that reflect the future strategic direction of the business:

- I. Respect for the value of human life as top priority
 - II. Global leadership in the civil and commercial use of unmanned drones
 - III. Exceptional quality, innovation, and respect for the planet
 - IV. Engagement with talented and passionate partners that share our principles

Contacts:

Media Relations	Investor Relations
Corporate.press@mkrobotics.com.au	investor.relations@mkrobotics.com.au

For more information, please visit delorean-group.com

405

CLAIMANT'S EXHIBIT C7 - Model of the end-user compliance statement included in MK Robotics purchase agreements as of 20 January 2022

[...]

4. The items described in Section B [(drone or electronic component) with model number (serial number)] supplied or serviced, by MK Robotics to (name of client):

a. shall only be used for the purposes described in section B [End-Use (business type) – (specific activity)] and that the items are intended for final use in the country named in Section A4 [name of the country];

b. shall only be used for civil, public or commercial end-use;

c. shall not be used in any military activity or for military end-use;

[...]

e. shall not be used for any purpose connected with any illicit purposes, such as, but not limited to, human rights violations;

[...]

5. Purchaser hereby agrees that it will not sell, offer to sell, or otherwise transfer any ownership interest in the items prior to the first anniversary of the date hereof. Purchaser further agrees that MK Robotics may seek injunctive relief to prevent the transfer of the items or demand payment from Purchase of all value received as consideration for the sale or transfer;

6. This End-User Statement shall be construed and enforced in accordance with the laws of the State of Albion. The parties expressly agree that the UN Convention on the International Sale of Goods shall not apply to this Agreement.

[...]

CLAIMANT'S EXHIBIT C8 - Twitter Statement of Head of Committee on International Trade of 15 December 2022



Bail Organa

@BOrganaOfficial

...

I'm so done with the diplomatic B.S. 😞 Nobody wants to say it out loud but we should stop biting our tongues. Cause the writing is on the wall. Martineek should impose sanctions ASAP as soon as possible and all assets should be banned... 🚫🚫 There I said it!! 😈
Now get to work

3:04 AM · Dec 15, 2022

32.4K Retweets **1.3K** Quote Tweets **98.8K** Likes



VOL. XXIX NO. 83

MONDAY, DECEMBER 19, 2022

MARTINEEK HERALD

RELIABLE EVERYDAY NEWS SINCE 1965

PANIC

...is what happens currently on the market after a statement made by Bill Ortega confirmed rumors circulating for the last weeks - the sanctions are close and investors know it. But what can they do?

It was a bold move by the Head of the Committee on International Trade. In a Tweet posted yesterday, Bail Ortega, a prominent and influential politician of Nation's Voice, confirmed long-standing rumors of upcoming sanctions on dual-use technologies branch, causing a panic among investors on the stock market. The tweet sent shockwaves throughout the financial world as traders and investors scrambled to react to the news.

The details of the sanctions have yet to be released, but the mere confirmation of their existence has already had a significant impact on the market. Since the statement of Organa went public, multiple companies are frantically selling their assets, leading to sharp drops in value across various industries. The sudden influx of sell orders has caused a volatile situation in the stock market, as prices fluctuate rapidly in response to the news.

Among the companies that panic sell their assets are such technological giants as Telcomo INC, Aviano Tech and even Bailey Motors – the biggest



tech company in Martineek. More companies consider selling their assets in fear of sanctions, including such players as MK Robotics.

The statement of Ortega was issued after weeks of investors, market experts, and lawyers anticipating the possibility of sanctions. Though no draft legislation was published yet, it seems that sanctions are inevitable now as Martineek Herald received a confirmation of the plans for the decisions on sanctions from a different influential politician of Nation's Voice, who intends to remain anonymous.

Ortega's words sparked intense speculation and concern among market analysts, who are now closely monitoring the situation and trying to gauge the full impact that the sanctions will have on the economy.

CLAIMANT'S EXHIBIT C10 - Asset Purchase Agreement of 24 December 2022

ASSET PURCHASE AGREEMENT

420

AMONG

**MK ROBOTICS SRL
(SELLER)**

425

AND

**MIMIC TECH LLC
(BUYER)**

430

DECEMBER 24, 2022

435 This Asset Purchase Agreement ("Agreement") is made and effective as of the 24 December 2022 ("Effective Date") by and between Mimic Tech LLC, with a principal address of 28 Sykes Street, Waleston, WS 1032 Federation of Albion ("Buyer"), and MK ROBOTICS SRL, with a principal address of 09675 Fratti Street, 73 Republic of Martineek ("Seller").

440 WHEREAS, Buyer wishes to buy and Seller wishes to sell to Buyer the Assets (as hereinafter defined); and

WHEREAS, the parties wish to memorialize the terms and conditions of the purchase and sale of the Assets in a written agreement.

445 NOW, THEREFORE, for and in consideration of the terms and conditions provided below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the parties hereto hereby agree as follows:

450

1. **Sale and Purchase of Assets.** At the "Closing" as hereinafter defined and subject to the terms and conditions of this Agreement, Seller agrees to sell and Buyer agrees to purchase all of the following assets **related to the "MK-1 Beetle" manufacturing branch owned by Seller** as more specifically defined below (collectively, the "**Assets**"):

460

- (a) real property listed in Schedule 1 [not reproduced for confidentiality reasons] including buildings, structures, improvements and fixtures located thereon;
 - (b) machinery, equipment, tools and other items as listed in Schedule 2 [not reproduced for confidentiality reasons];
- 465
- (c) inventories and supplies of raw materials, works-in-process, finished goods;
 - (d) rights and incidents as of the "Closing" in
 - (i) contracts for the purchase or sale, supply or provision, of merchandise, steam, materials, energy supplies or services, including operating, land management and resource management; (ii) contracts for the purchase or lease of equipment or computer hardware; (iii) contracts relating to franchise, distributorship or sale agency arrangements; (iv) personal property leases; (v) computer software licenses; (vii) all open purchase and sales orders;
- 470
- (e) trade accounts and notes receivable arising out of the sale or other disposition of goods or services;
 - (f) deferred and prepaid charges;
 - (g) cash equivalents, letters of credit or other forms of security used to secure workers' compensation obligations.
- 475

480

485

490

2. Excluded assets. For greater certainty and transparency, Seller and Buyer jointly confirm that all assets, business lines, properties, rights, contracts and claims of Seller or any Subsidiary, including but not limited to the list below, are not subject of the agreement and their ownership is not transferred:

- (a) manufacturing know-how employed by Seller, including intellectual property licenses;

- 495 (b) cash, cash equivalents, bank deposits, investment accounts other than workers' compensation security referred to in 1(g);

500 (c) Seller's right, title and interest in trademarks, trade name, logos thereto, together with all patents and invention records listed on Schedule 3 [not reproduced for confidentiality reasons];

505 (d) claims, defenses, causes of action, choses in action or claims of any kind that are available to or being pursued by Seller or any of its subsidiaries whether as plaintiff, claimant, counterclaimant or otherwise;

510 (e) books and records, files, papers, disks, plans, catalogues, sales and promotional materials, supplier and customer lists, price lists, historical research, environmental and engineering data and all other printed and written materials related to the Business.

515 (f) any other assets business lines, properties, rights, contracts and claims of Seller or any Subsidiary, **unrelated to the "MK-1 Beetle" manufacturing brunch owned by Seller.**

This Agreement constitutes a sale of certain assets of Seller only and is not a sale of any stock in any entity comprising of all or any part of the Seller or a sale of any assets not explicitly included in Schedules 1-3. Buyer is not assuming and shall not be responsible for the payment of any liabilities or obligations of the Seller or the shareholders of Seller whatsoever, including but not limited to any collective bargaining agreement or other agreement, benefits, plans or arrangements affecting employees or suppliers.

- 530 3. **Purchase Price**. Buyer shall pay the Seller, as the total purchase price for the Assets an amount equal to Twenty-Five Million Four Hundred Eighty Thousand Dollars (\$25.480.000,00) ("**the Purchase Price**"). The Purchase Price shall be paid to Seller as follows:

-\$5.000.000,00 as a deposit paid on December 26, 2022

535 -\$20.480.000,00 balance paid on January 31, 2023.

The balance of the Purchase Price shall be paid in immediately available funds.

[intentionally omitted]

540 **4. Closing.** The consummation of the transaction described in this Agreement (the "**Closing**") shall take place on or before December 24th, 2022, (the "**Closing Date**"), at the principal business office of Buyer or Buyer's attorney or other designee, or on such other date and location as shall be mutually agreeable to Buyer and Seller. At the Closing, Seller shall evidence the transfer of title of the Assets, and Buyer shall deliver the Purchase Price as provided above.

545

[intentionally omitted]

550

5. Miscellaneous.

555 a. Casualty prior to Closing. If prior to Closing Date any of the Assets shall be damaged by any casualty, the Buyer shall have the option (i) of terminating this Agreement without liability, or (ii) to waive diminution in value and close under this Agreement, buying the Assets "as is," in which event the Buyer shall be entitled to receive the proceeds of any insurance paid to Seller by reason of 560 such loss or damage.

565 b. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Albion. The parties expressly agree that the UN Convention on the International Sale of Goods shall not apply to this Agreement.

570 c. Effect of Agreement. This Agreement sets forth the entire understanding of the parties. It shall not be changed or terminated orally. All the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and assigns of the parties.

575 d. Severability. If any provisions of this Agreement shall for any reason be held invalid, then the invalidity

of such specific provision shall not be held to invalidate any other provisions of this Agreement which shall, therefore, remain in full force and effect.

580

e. Notices. Any notice or other communications required or permitted hereunder shall be sufficiently given if sent by hand delivery, facsimile transmission, overnight mail or registered or certified mail, postage prepaid, with return receipt requested, addressed as follows:

585

[intentionally omitted]

590 **IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement on the date first above written.

BUYER

595

Mimic Tech LLC
an Albion Limited Liability Company

By: /s/ Kimberly Wexler
Name/Title: Kimberly Wexler/Manager

600

SELLER

605

MK ROBOTICS SRL
a Martineek Limited Liability Company

By: /s/ Gustavo Fring
Name/Title: Gustavo Fring/Chairman of the
Board

610 CLAIMANT'S EXHIBIT C11 - Investor News article of 24 November 2022

STOCK MARKET



Investor News

MK Robotics' valuation growing steadily after a 615 successful Q3

BEN SAVORY

10:11 AM ET 24/11/2022



620 The champagne has been popping in the MK Robotics' headquarters as the recent reports as of 20 November 2022 show that the projected profits of the iconic automotive company are steadily growing after the successful third quarter. The current valuation of MK Robotics' is \$91.000.000 with further expectations of increase in the upcoming months.

625 According to recent financial reports, MK Robotics' Q3 sales and profits have exceeded expectations, with the company reporting a significant increase in both domestic and international sales. This has led to a surge in the company's stock price, with investors taking notice of MK Robotics' renewed success and strong financial outlook.

630 MK Robotics' Q3 performance is being attributed to a number of factors, including the company's recent launch of a new commercial drone model, as well as securing several contracts with state entities for the sale of their equipment.

"We are thrilled to see such strong growth in our business," said MK Robotics CEO John Demarco. "We have always believed in the potential of our brand and our products, and it's gratifying to see that belief being reflected in our financial performance."

635 With its growing valuation and strong financials, MK Robotics' is well-positioned for continued success in the coming years. The company plans to continue investing in research and development, as well as expanding its manufacturing capabilities, in order to meet the growing demand for its automotives.

640 "We are excited to see where this growth takes us in the future," Demarco said. "We look forward to continuing to innovate and push the boundaries of what's possible in the automotive industry."

THE INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT
DISPUTES

645

650

DELOREAN TECHNOLOGIES LLC

Vs.

THE REPUBLIC OF MARTINEEK

655

RESPONSE TO THE REQUEST FOR ARBITRATION
5 June 2023

660

665

Respondent

Ministry of Justice of the Government of Martineek
Oloitoktok Road, Government Lane
5 3841,
670 Siaya, Martineek

670

675

Counsel for Respondent
Dumbledore, Black & Partners
1207, Kingdom of Narnia, Ville de la Liberté,
Chemin Ilya Yashin, 7

I. INTRODUCTION

- 680 1. This Response to Claimant's Request for Arbitration (the “**Response**”), together with its Exhibits, is submitted on behalf of the Republic of Martineek (“**Respondent**”).
2. In this Response, unless otherwise stated, Respondent adopts the abbreviations used in Claimant's Request for Arbitration. Unless otherwise stated, capitalized terms shall have the meanings given to them in the Request.
- 685 3. Unless expressly admitted, each paragraph of the Request is denied by Respondent.

II. RESPONDENT'S POSITION ON JURISDICTION

4. Respondent respectfully submits that the Tribunal lacks jurisdiction to adjudicate this dispute because Claimant has no protected investment under the BIT.
5. The parties to the BIT have explicitly conditioned the making of a legitimate investment 690 upon satisfaction of the legality requirement contained in the BIT. Thus, the investment shall be made in accordance with all laws and regulations in force in the host state. It follows, therefore, that absent fulfilment of this requirement, there shall be no legitimate investment in a host state, and an arbitral tribunal shall lack the jurisdiction to entertain any claim brought under such circumstances.
- 695 6. Claimant's investment was not made in accordance with internal laws as it did not comply with the authorisation requirement of the Dual-Use Regulation.¹
7. Article 28 of the Dual-Use Regulation provides that:

700 Any natural or legal person who carries out the activities described herein, shall apply for authorization of any transaction with a foreign person or entity that results in a change in ownership or control of the company, or transfer of assets as listed in paragraph 1 (a) of Article 2, to the Council of Ministers before the transaction is made, along with any relevant information on the proposed acquisition, the purchaser, and the scope of operations.

- 705 8. The acquisition of 100% shares in Martineek company engaged in the exportation of several dual-use items - MK Robotics, by Claimant's company, was not authorized by the government contrary to Article 28 of the Dual-Use Regulation.
9. The foreign investor shall adopt an adequate level of due diligence to ensure compliance 710 with host state laws while making the investment. In spite of this, Claimant did not conduct any due diligence, ignoring a forged authorization to sell shares provided by the previous owner of MK Robotics - Dr. Farnsworth. Claimant failed to perceive evidence of this serious

¹ **Exhibit R_1** - Law Decree 53/2007 on the control of foreign trade in defence and dual-use material.

misconduct: Dr. Farnsworth already had a criminal record for falsifying documents; no authorisation record exists in official databases; the authority signing the authorization decision never applied an electronic signature, as was stated in the document provided by
 715 Dr. Farnsworth.²

10. Thus, Claimant's investment was not made in accordance with the law of the host state, and Claimant has no protected investment under the BIT.
11. Based on these grounds, the arbitral tribunal lacks jurisdiction to hear any dispute between
 720 Claimant and Respondent or any complaints which Claimant purports to have in relation to Respondent.

III. MERITS OF THE DISPUTE

12. Over the past two years, Respondent and its allies faced a twofold increase in investment flows from companies incorporated in Albion, that are taking over innovative entities in the field of technologies, pushing technology transfer, and obtaining cutting-edge technologies and know-how, leading to public concerns. According to the results of the Young & Coopers Report, Martineek's economy is negatively affected by investments from Albion that sooner or later will squeeze out other small shareholders in high-tech companies.³
13. Despite indeed welcoming the technological development initiative of Albion, the home State of Claimant, the "Albion first" program raises concerns towards internal and
 730 international stability of critical technologies linkages and the use of tech components of FTPG companies in military conflicts. According to the Global Armament Review, several Albionese companies acquired dual-use goods from FTPG' companies that ended up in the Avaikian Republic, an embargoed country.⁴
14. Further, these acquisitions of drone technology and components from FTPG' companies were affected at the same time that Albion launched its development of drones for defence. Albion partnered in a joint military project with the Avaikian Republic and its companies for
 735 the development of a military Unmanned Aerial Vehicle ("UAV").⁵
15. Claimant's investment manufactured dual-use goods that were used for military purposes. The following actions purported under Claimant's control of MK Robotics prove the
 740 involvement of Claimant in business related to military goods.

² **Exhibit R_2** - Results of the Joint investigation on the MK Robotics former owner.

³ **Exhibit R_3** - Young & Coopers Report of 19 December 2021, YC 15/2021.

⁴ **Exhibit R_4** - Global Armament Review - Inspecting Awbari drones: FTPG Technology findings of 28 November 2022.

⁵ **Exhibit R_5** - VaryalëNews - Successful first flight of the Qertel-ASP UAV of 27 November 2022.

16. Firstly, the use of the MK-1 UGVs in the Wadaihi-Karamanlean conflict. This event was so impactful to the war theatre that the conflict was dubbed the “Beetle Wars”.⁶
17. Secondly, Claimant’s electronic components were used to manufacture UAVs used for Awbari militias’ attacks.⁷ This is because of the spread and resale of drone components produced in Martineek for the manufacture of UAVs in the Avaikian Republic. These trades were conducted by Albionese companies that purchased the goods from MK Robotics and Claimant.
- 745
18. While no sanctions were planned to be introduced by Respondent during most of December 2022, which is evidenced by the minutes of the Parliament’s Standing Committee on National Defence of Martineek meeting on 23 December 2022,⁸ the situation changed just two days later. On 25 December 2022, a drastic drone strike in the Wadai Sultanate killed 14 civilians and caused major injuries to over 50 people. The investigation launched on 26 December 2022 showcased that debris of FTPG tech components produced by Martineek was present at the place of the strike. Urged by the public outcry and protests calling the 755 region to react, Respondent undertook measures to impose sanctions that were supposed to limit the escalation of violence.
19. On 27 December 2022, at an extraordinary meeting of the Martineekean Parliament, it was decided that sanctions were indeed necessary to stop technology linkage that was crucial for the State’s national interests and to prevent its further use in military conflicts.⁹ By enacting 760 the Sanctions Law, Respondent imposed protective measures that are, by nature, not supposed to deprive the targeted investor of its assets. The motivation for the sanctions was expressed by the Department of the Treasury.¹⁰
20. Moreover, by recognizing the freedom of a State to protect its national interest, as indicated in the BIT as well as in the Screening Law 24/2022 that identifies the high-tech sector as a key strategic interest of the State, Respondent has the discretion to adopt measures to prevent any threat to its national interests.
- 765

IV. ALLEGED DAMAGES

21. In response to Claimant’s compensation claims, Respondent strongly rejects any alleged responsibility for Claimant’s financial incompetence. At the time of sale of assets, the

⁶ **Exhibit R_6** - VaryalëNews Article “UGVs shape modern warfare in the Wadaihi-Karamanlean conflict: the “Beetle War” of 12 January 2022.

⁷ **Exhibit R_7** - Global Armament Review - “Inspecting Awbari drones: FTPG Technology findings” of 28 November 2022.

⁸ **Exhibit R_8** - Minutes of the Parliament meeting of 23 December 2022.

⁹ **Exhibit R_9** - Secretary of State’s Press Release of 27 December 2022.

¹⁰ **Exhibit R_10** - Statement of the Secretary of the Treasury Paul Bäumer of 30 December 2022.

- 770 investment was not impacted by sanctions in any way, which were not even planned yet, as evidenced by the official records.
22. Claimant's involvement in the Wadaihi-Karamanlean conflict resulted in heated political debate both in Albion and Martineek. Since the beginning of December 2022, multiple politicians, journalists, and influencers have expressed their opinions on how the governments should proceed. No government representative of Martineek has ever made any statement regarding a possible course of actions, simply because no such plans were considered up until 27 December 2022, where the sanctions were jointly proposed by representatives from all parties in the Martineekian parliament.
- 775
23. However, as the media and the market are governed by their own rules, rumours continued and other public figures spoke up. Amongst them were multiple politicians of both the ruling and the opposition parties, presenting their own personal views. One of them was Mr. Bail Organa, member of the Nation's Voice party, who on 15 December 2022 supported the vague idea of sanctions. However, as it was his own personal opinion, which he stated clearly in a TV interview the next day, the statement was officially and loudly denounced by the leader of the Nation's Voice party, Mr. Howard Hamlin, on 17 December 2022 during a press conference. Mr. Hamlin stated that "Mr Organa's statement was his own personal opinion, currently the government does not plan to introduce any specific actions related to sanctions".
- 780
24. In any case, the statement of Mr. Organa was his own personal opinion not made in an official governmental capacity and should not be attributed to Respondent itself.
- 785
25. The lack of any intention to introduce sanctions is evidenced by the minutes of the Parliament's Standing Committee on National Defence of Martineek meeting that took place after Claimant sold its assets, on 23 December 2022. The minutes showcase that in response to the question about possible sanctions asked by one of the members of the Parliament, the Chair stated that "no sanctions or equivalent measures are being considered by the Government and the Government's stance on this matter had not change".¹¹
- 790
26. Despite Respondent's efforts to limit misinformation, the false report of planned sanctions circulated on the market, enabled by speculators and people hoping to create chaos. Their actions resulted in Claimant following the speculations and going along with the rumours by selling its assets on 25 December 2023.
- 800
27. Even if the Tribunal would find any liability on Respondent's side, the market value of Claimant's investment should be valued at the time of the sale, being 25 December 2022.

¹¹ Exhibit R_8.

Therefore, no compensation is due from Respondent in any case.

V. PROCEDURAL MATTERS

- 805 28. Respondent agrees that the Tribunal should consist of three arbitrators.
29. Respondent nominates Dr. Xenon Bloom to serve as an Arbitrator, whose details are as follows:

810 Dr. Xenon Bloom,
Mart-Re House,
Kabarsiran Avenue,
9 2278,
Iten, Hans.

VI. RELIEF SOUGHT

30. Respondent respectfully requests the Arbitral Tribunal to:
- 815 i. **DECLARE** that the Tribunal lacks jurisdiction over the dispute because Claimant does not have a protected investment under Article 9 of the BIT and dismiss Claimant's claims;
- ii. In the event the Tribunal finds that it has jurisdiction over the dispute, **DECLARE** that Respondent's actions do not amount to expropriation of Claimants' investment within the meaning of Article 5 of the BIT and reject Claimant's claims;
- 820 iii. **ORDER** that even if the Tribunal deems Respondent liable for a breach of Article 5 of the BIT, the relevant date of valuation of Claimant's assets for the purposes for establishing their fair market value is the date of the sale and with regards to the assets that were not sold by Claimant, Claimant still remains their sole owner, therefore no damages should be awarded; in any case no taxes payable on the awarded amount should be awarded.
- iv. **ORDER** Claimant to compensate all costs and fees incurred by Respondent in relation to the proceedings.

- 830 31. Respondent reserves its right to further develop its arguments.

On behalf of Respondent
Advocate Dr. Zan Zendegi

835 **RESPONDENT'S EXHIBIT R1 - Law Decree 53/2007 on the Control of Foreign Trade in Defence and Dual-Use Material**

29.12.2007

Official Journal of the Republic of Martineek

L 425

840

LAW DECREE 53/2007

of 28 December 2007

ON THE CONTROL OF FOREIGN TRADE IN DEFENCE AND DUAL-USE MATERIAL

THE PRESIDENT OF THE REPUBLIC OF MARTINEEK,

845 *Considering* the necessity to bring its legislation into line on the external trade in defence equipment and dual-use products and technologies,

850 *Considering* the increasing complexity of international trade in defence equipment and dual-use products and technologies that makes it necessary for the public authorities to take decisive action in order to respond effectively to the various aspects of concerns and the various commitments that Martineek makes in this field,

Considering the political and social demand for control of the trade in defence material and dual-use products and technologies,

855 *Respecting* the legitimate demands of legal arms trade, an element intimately linked to the national defence and law enforcement activities and the fight against crime by governments,

Recalling that Martineek has a duty to ensure that its exports are consistent with existing commitments in accordance with international law and in a way that guarantees that such exports do not promote the violation of human rights, fuel armed conflict or contribute significantly to poverty,

860 *Considering* that the arms trade is increasingly globalised, including final assembly from components produced in other countries, the delocalisation of final production, the emergence of non-traditional exporting countries subject to fewer controls, the proliferation in countries where human rights are not respected and which are subject to arms embargoes, make it necessary for the international community to make an effort to achieve effective control of the arms trade that is adapted to the new reality and the establishment of international law standards.,

HAS ADOPTED THIS LAW DECREE:

Article 1

1. The purpose of this Law is to contribute to better regulation of the foreign trade in defence material, and dual-use products and technologies, and other related material to prevent their diversion to illicit markets and to combat their proliferation, while complying with international commitments in this respect and guaranteeing the general interests of national defence and foreign policy.
870
2. For these purposes, the Law regulates the control procedure for transfers of defence material, dual-use products and technologies, other related material, including those carried out in free zones and warehouses and the linking to the customs warehousing regime, as well as brokerage, licensed production agreements and technical assistance.
875
3. The provisions of this Law shall apply to any natural or legal person who habitually or occasionally carries out on the territory of the Martineek Republic the activities described herein, in relation to the transfer of materials, products or technologies subject to control.
880

Article 2

1. For the purposes of this Law, the following definitions shall apply:
 - a. 'dual-use items' means items, including software and technology, which can be used for both civil and military purposes, and includes items which can be used for the design, development, production or use of nuclear, chemical or biological weapons or their means of delivery, as well as all items which can be used for both non-explosive uses and assisting in any way in the manufacture of nuclear weapons or other nuclear explosive devices;
885
 - b. 'export' means:
 - i. an export procedure within the meaning of Article 160 of the Customs Code;
 - ii. a re-export within the meaning of Article 161 of the Customs Code; or
 - iii. transmission of software or technology by electronic media, including by fax, telephone, electronic mail or any other electronic means to a destination outside the customs territory of Martineek; it includes making available in an electronic form such software and technology to natural or legal persons or to partnerships outside the customs territory of Martineek; it also includes the oral transmission of technology when the technology is described over a voice transmission medium;
890

900

c. 'exporter' means:

i. any natural or legal person or any partnership that, at the time when the export declaration or the re-export declaration or an exit summary declaration is accepted, holds the contract with the consignee in the third country and has the power to determine the sending of the items out of the customs territory of Martineek; where no export contract has been concluded or if the holder of the contract does not act on its own behalf, exporter means the person who has the power to determine the sending of the items out of the customs territory of Martineek; or

905

ii. any natural or legal person or any partnership that decides to transmit software or technology by electronic media, including by fax, telephone, electronic mail or by any other electronic means to a destination outside the customs territory of Martineek or to make available in an electronic form such software and technology to natural or legal persons or to partnerships outside the customs territory of Martineek. Where the benefit of a right to dispose of the dual-use item belongs to a person resident or established outside the customs territory of Martineek pursuant to the contract on which the export is based, the exporter shall be considered to be the contracting party resident or established in the customs territory of Martineek;

910

d. 'technical assistance' means any technical support related to repairs, development, manufacture, assembly, testing, maintenance, or any other technical service, and may take forms such as instruction, advice, training, transmission of working knowledge or skills or consulting services, including by electronic means as well as by telephone or any other verbal forms of assistance;

915

920

e. [...]

f. 'individual export authorisation' means an authorisation granted to one specific exporter for one end-user or consignee in a third country and covering one or more dual-use items;

925

g. 'global export authorisation' means an authorisation granted to one specific exporter in respect of a type or category of dual-use items which may be valid for exports to one or more specified end-users and/or in one or more specified third countries;

Article 3

1. An administrative authorisation shall be required for the export of dual-use items
935 listed in Annex I.
2. Pursuant to Article 4, 5, 9 or 10, an authorisation may also be required for the export to all or certain destinations of certain dual-use items not listed in Annex I.
3. Applications for authorisation shall be accompanied by the control documents, with the necessary inclusion of non-re-export clauses, to be determined by regulation, so as to
940 ensure sufficient guarantees that the destination and end use of the materials, products and technologies comply with the limits of the corresponding authorisation. Applications for authorisations shall also include information on the countries of transit and methods of transport used. This information shall be extended in brokering operations to the financing used.
4. For each authorisation, the desirability of establishing mechanisms for verification, monitoring and collaboration between governments shall be assessed.
945

Article 4

1. An authorisation shall be required for the export of dual-use items not listed in Annex I if the exporter has been informed by the competent authority that the items in
950 question are or may be intended, in their entirety or in part:
 - a. for use in connection with the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices or the development, production, maintenance or storage of missiles capable of delivering such weapons;
 - b. for a military end-use if the purchasing country or country of destination is subject to an arms embargo; for the purposes of this point, 'military end-use' means:
 - i. incorporation into military items listed in the military list;
 - ii. use of production, test or analytical equipment and components therefor, for the development, production or maintenance of military items listed in the military list; or

iii. use of any unfinished products in a plant for the production of military items listed in the military list;

965 c. for use as parts or components of military items listed in the national military list that have been exported from the territory of Martineek without authorisation or in violation of an authorisation.

970 2. Where an exporter is aware that dual-use items which it proposes to export, not listed in Annex I, are intended, in their entirety or in part, for any of the uses referred to in paragraph 1 of this Article, the exporter shall notify the competent authority. That competent authority shall decide whether or not to make the export concerned subject to authorisation.

975 3. All exchanges of information required pursuant to this Article shall take place in accordance with the legal requirements concerning the protection of personal information, commercially sensitive information or protected defence, foreign policy or national security information. Such exchanges of information shall be made via secure electronic means.

Article 5

980 1. The Ministry of Trade and Industry has the right to annul an export authorisation or to modify the terms of it if any information provided in the application has been found incorrect or if any circumstances have changed after the authorisation was granted so that international commitments or obligations binding on Finland call for such a measure.

985 *[intentionally omitted]*

Article 9

990 1. Penalties for actual or attempted intentional violations of any provisions contained in or issued under sections 3 and 4 of this Law are imposed in chapter 46, sections 1 - 3 of the Penal Code.

2. Any person who out of inadvertence fails to meet his notification obligation under section 4(2), shall be liable, for omission to notify export of dual-use goods, to fines or to imprisonment.

3. An authority can refrain from proceeding to action against a suspect, if the act, with regard to its negative impact and the guilt of the culprit as apparent from the act, can

995 be judged insignificant as a whole and if public interest does not require proceedings
to be instituted.

[intentionally omitted]

Article 16

1000 1. The competent authority acting in accordance with this Law, may refuse to grant an export authorisation and may annul, suspend, modify or revoke an export authorisation which it has already granted.

[intentionally omitted]

Article 27

1. Exporters of dual-use items shall keep detailed registers or records of their exports, in accordance with the law or practice in force in Martineek. Such registers or records shall include in particular commercial documents such as invoices, manifests and transport and other dispatch documents containing sufficient information to allow the following to be identified:
1010

- a. a description of the dual-use items;
 - b. the quantity of the dual-use items;
 - c. the name and address of the exporter and of the consignee;
 - d. where known, the end-use and end-user of the dual-use items

1015 2. The registers or records and the documents referred to in paragraph 1 shall be kept for at least five years from the end of the calendar year in which the export took place. They shall be produced, on request, to the competent authority.

Article 28

1020 1. Any natural or legal person who carries out the activities described herein, shall apply for authorization of any transaction with a foreign person or entity that results in a change in ownership or control of the company, or transfer of assets as listed in paragraph 1 (a) of Article 2, to the Council of Ministers before the transaction is made,

along with any relevant information on the proposed acquisition, the purchaser, and the scope of operations.

1030 The President of the Republic of Martineek,

Wolfgang Borchert



1035

ANNEX I - THE DUAL-USE ITEM LIST

[intentionally omitted]

ANNEX II - THE DUAL-USE ITEM WATCH LIST FOR CONVENTIONAL WEAPON

1040

CATCH-ALL CONTROLS

The items listed in the figure below are examples of those which do not fall under the List controls, but which have a particularly strong possibility of being used for the development, and proliferation., of conventional weapons.

Particularly careful screening is required before exporting or transferring these items to
1045 ensure that they will not be diverted to uses of concern.

As of 22 February 2022

Items	
Ni or Ti alloy	Electronic computers or components thereof
Sintered magnet	Telecommunication transmission equipment or components thereof
Equipment to manufacture item 2 above, or parts thereof	Phased array antennas
Hydraulic fluids containing phosphate/cresol ester, tris (dimethylphenyl) phosphate, or trinormalbutyl phosphate	Telecommunication jamming equipment or components thereof
Organic fiber, carbon fiber, or inorganic fiber	Position detecting equipment using electromagnetic interference observation technology without sending out electromagnetic waves such as radio waves
Bearings or components thereof	16. Optical detectors, coolers therefore, or equipment using optical detectors
Machine tools listed below, or components thereof (a) Numerically controlled machine tools (b) Machine tools for generating optical quality surfaces (excluding numerically controlled machine tools) (c) Dimensional inspection or measuring system (including machine tools having such capabilities)	Optical fibers for use in sensors

Secondary cells	Laser oscillators or components thereof
Waveform digitizers	Magnetometers, underwater electromagnetic field sensors, magnetic gradiometers, or components thereof
10. Electronic parts mounting robots	Gravity meters
Radars or components thereof	Accelerometer or components thereof
Gyroscopes or components thereof	Inertial navigation systems, other equipment using inertial forces, or components thereof
Gyro-astro compasses, devices that derive position or orientation by means of automatically tracking celestial bodies or satellites, electromagnetic wave receivers for global navigation satellite systems, components thereof, or airborne altimeters	Underwater cameras or components thereof
Air-independent power systems	Self-contained diving equipment (open-circuit types) or components thereof
Gas turbine engines or components thereof	Rocket propulsion systems or components thereof
Equipment for the manufacture of the items listed in 29) or 30) above or components thereof	Air vehicles or components thereof
Vibration testing equipment, wind tunnels, environmental testing equipment for the development or testing of rockets or air vehicles, or components thereof	Flash X-ray machines

1050 **RESPONDENT'S EXHIBIT R2 - Results of joint investigation on MK Robotics former owner**



1055

Press release

The Council of Ministers of Martineek Republic

1060

and

Financial and Economic Crimes Commission

Results of Joint investigation

1065

The Council of Ministers of Martineek Republic together with the Financial and Economic Crimes Commission has completed an investigation into Dr. Farnsworth, the former owner of the MK Robotics SRL, Fratti Street, 73 Republic of Martineek.

1070

The investigation revealed that while being the major shareholder of MK Robotics from 2018 to 2020, Dr. Farnsworth had been fabricating corporate documents and governmental permissions, including licenses, sales authorizations, Board of Directors decisions to avoid taxes, regulatory compliance, misrepresent financial information to secure loans, conceal transactions.

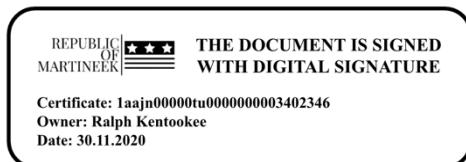
1075

The copies of documents found during the investigation reviled the forged governmental approval of 100% shares sale of MK Robotics to the foreign investor DeLorean Technologies LLC (112 Charles Street, Medtown, ME 2231, Federation of Albion) in 2020, that has never been authorized by the Council of Ministers.

1080

All fabricated documents were created by copying official wording and replacing the names of the counterparties, as well as substituting the

original hand signatures with electronic ones. As evidence of this
1085 fraudulent activity, the Council of Ministers and the Financial and Economic
Crimes Commission present the following example of a signature used by
Dr. Farnsworth:



As a result of the investigation, Dr. Farnsworth has been found to have committed a criminal offense, criminal prosecution has already started.

1090 Financial and Economic Crimes Commission will continue to investigate and prosecute any individuals or companies engaging in fraudulent activities: "We remind the public that fabricating documents is a serious crime and will not be tolerated".

1095

The Council of Ministers of Martineek Republic

Secretariat

30 November 2022

1100

RESPONDENT'S EXHIBIT R3 - Young & Coopers Report of 20 December 2021



YOUNG & COOPERS REPORT SERIES

1105

Martineek, 20.12.2021, YC 20/2021

**Second Annual Report on FDI inflows in the Future-Technology Partners Group
(FTPG) countries**

[Report extract]

1110

1. The Report is based on an empirical analysis of FDI inflows from 2018 to 2021 and provides transparency around operations involving foreign capital in the FTPG countries ("Annex 1"), including data on the origin of investments and targeted economic sectors ("Annex 2").
2. When making forecasts, the report relies on investors' official statements, financial plans, government policy documents and reports by 4 FTPG countries.
3. It contributes to the accountability of the FTPG in an area where, given the security interests at stake, transparency regarding individual transactions is neither possible nor appropriate.

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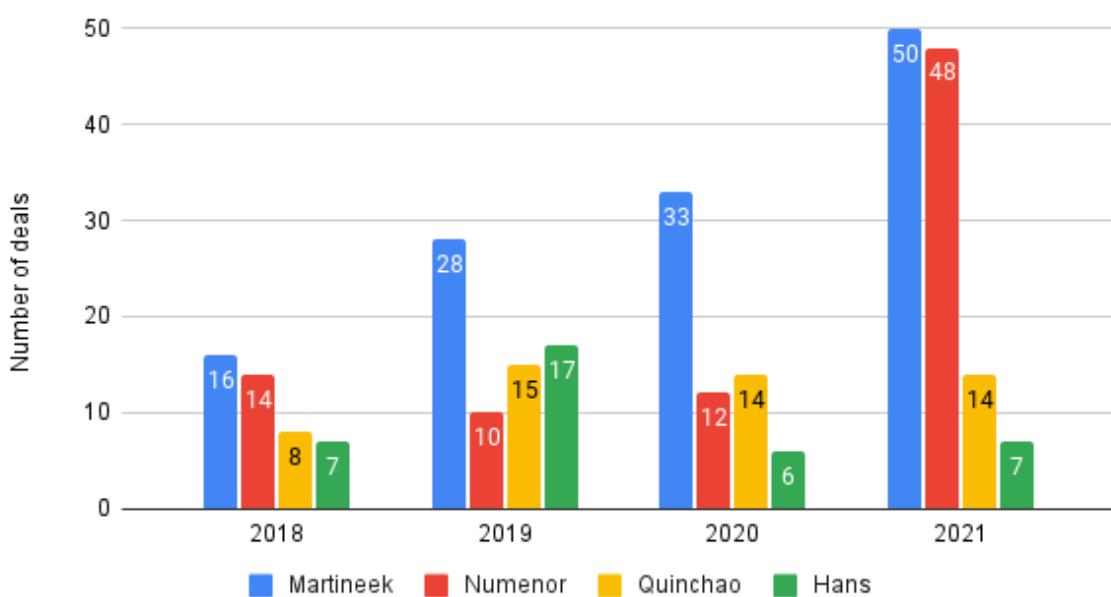
[Intentionally omitted]

5. Conclusions:
 - In 2021, FDI inflows rebounded from COVID-19 and reached record growth as compared to 2020.
 - The upward trend in cumulated inflows of foreign transactions in the FTPG confirms the openness of FTPG countries to foreign investments, despite the slow-down caused by the COVID-19 pandemic, with an average rise of acquisitions.

- 1130
- Martineek companies were at the centre of takeovers, with 33 completed FDI deals in 2020 and 78 in 2021. Initially acquired 4% of the voting rights in major high-tech companies is currently reaching 35%. Yet, the interest of foreign investors in FTPG technology sectors from 2020 has evidently changed.
- 1135
- Year-on-year data by foreign jurisdiction shows an increase in investment flows from Albion and Atlandia companies targeting the region's high-tech and energy sectors respectively.
- Strict Albion capital control and the concentration of investment activities in core industry sectors negatively influenced Martineek economy in 2021. Martineek's failure to increase innovation and productivity in the last years, put some of its industries at the risk of being overwhelmed by Albion competitors.
- 1140
- According to financial plans of Albion investors, further significant growth in investment in research and development, as well as a complete takeover by squeezing out the remaining small shareholders should be expected.

Annex 1.

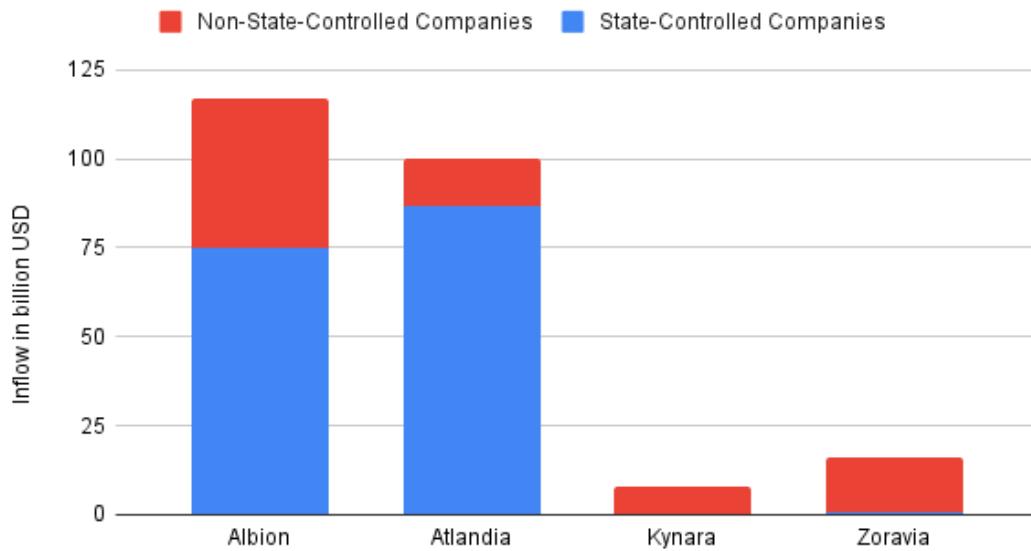
Acquisitions



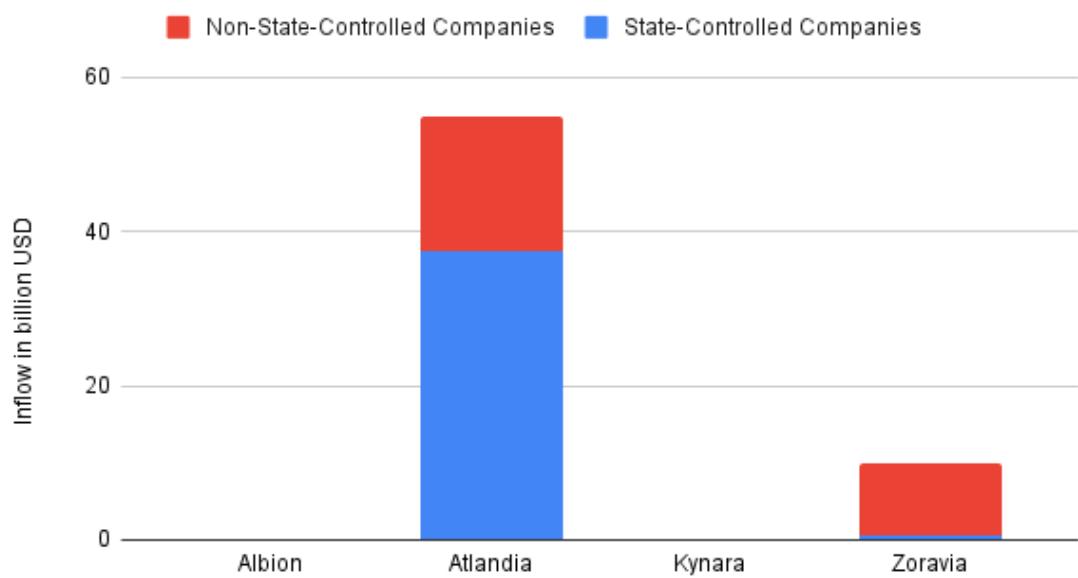
Annex 2.

1145

High-Tech Sector FDI Inflow to FTPG's (in billion USD)



Energy Sector FDI Inflow to FTPG's (in billion USD)



1150 **RESPONDENT'S EXHIBIT R4 - Global Armament Review- Inspecting Awbari drones:
FTPG Technology findings of 28 November 2022**



1155 **Inspecting Awbari drones: FTPG Technology findings - 28/11/22**

Background

1. Karamanlean-Awbari unmanned aerial vehicles ("UAV") have been terrorising the Wadai Sultanate during the last few months. A closer look at these drones has shown 1160 that most of its parts were made in the States of the Future-Technology Partners Group ("FTPG"), despite strict regulations on export controls.
2. This report summarizes the investigation carried out by the Global Armament Review 1165 ("GAR") which shows how dual-use components manufactured in the FTPG region were diverted and ended up in Awbari UAVs. Drones used to target Wadaihi infrastructure and missile defence systems in kamikaze attacks. The development of the Awbari UAV program seems to be supported by the Aviation Industries Research Centre of the Avaikian Republic. Although there are no direct confirmations, the results of this investigation prove the close relation between them.
3. In September 2022, GAR documented five UAVs, and two UAV engines, in the 1170 possession of Wadaihi defence forces. These aircraft allegedly entered the country overland from Karamanli. The new Karamanlean Government denied any involvement with such attacks and stated their commitment to the ceasefire agreement signed with the Wadai Sultanate. The Awbari Resistance Movement ("ARM"), the political movement and guerrilla group operating in the southern provinces of Karamanli, 1175 claimed responsibility for the UAV attacks. The Democratic Republic of Karamanli rejects ARM's territorial claims. The conflict has also affected several foreign investors involved in the cannabis industry in the southern provinces.

Documentation and Component Analysis

UAV Comparisons

- 1180 4. On May 2022, ARM forces presented the Cuāuhltli-1 UAV, which they claimed to have designed and manufactured. Investigations by GAR provide reasons for concluding that ARM forces did not manufacture the Cuāuhltli-1.¹ The Cuāuhltli-1 is a first-generation and rudimentary UAV. This model of UAV appears to be a type within the Pākehā UAV models, produced by the Aviation Industries Research Centre of the

¹ See the blueprint attached at the end of this Report for technical and physical characteristics of the Cuāuhltli-1. This contribution was made by [@m.buchard](#), the Head Engineer of U.S. Robots and Mechanical Men, Inc.

- 1185 Avaikian Republic. The Cuāuhlti-1 is smaller and primitive but identical to the Pākehā-V UAV. They share an almost identical design, dimensions, and construction characteristics. Thus, GAR concluded that the Cuāuhlti-1 is a variant of the Pākehā-V UAV and not of Awbari design and construction.
- 1190 5. GAR compared the physical characteristics and internal components of three Cuāuhlti-1 UAV provided by the Wadaihi defence forces. The electronic components showed a relatively high degree of precision in their fabrication. The marking and assemblage of the components had been industrially produced and made under quality- controlled processes. Also, several internal components match those found in Avaiki UAVs. GAR found evidence that the engine and internal components of the Cuāuhlti-1 are almost identical to those of the Pākehā-V.
- 1195 6. The only difference with the Pākehā-V is that the Cuāuhlti-1 has a hybrid frame that is poorly constructed and crafted with both industrially produced parts and crudely moulded materials. GAR suspects that the hybrid frame is domestically produced by Awbari militias. This is because the UAV frames are difficult to transport discreetly while the commercially produced internal components are small and easy to traffic.
- 1200 7. The Awbari militias have assembled Cuāuhlti-1 UAVs by using imported parts, or a combination of imported and domestically manufactured components. This domestic production of UAVs has scaled due to the growing domestic capabilities and to the acquisition of developed material from external sources.
- 1205 8. In cases where markings on the components were visible and identifiable, GAR instigated formal tracing processes with the producers to comprehend the supply chains of the products. The following sections examine the components for which GAR investigated.
- 1210 9. Briefly, each of the Cuāuhlti-1 UAVs documented was made of commercial and dual-use components such as electronic parts, satellite compasses, GPS modules, microprocessors, servomotors and engines produced in Albion, Corellia, Kuat, and in the FTPG States. There is no evidence that any of the companies identified in this report were responsible for support or supply to Awbari militias operating in southern provinces of the Democratic Republic of Karamanli, or any other transgression. GAR sent several trace requests to the identified companies. Some companies have responded but almost all were incapable of providing information on their components' onward supply chains.
- 1215 10. GAR found that the Numenorean Engineering Corporation sold satellite compass modules as part of a delivery to Republic Sienar Systems, an Albionise distributor, which exported the modules in August 2021 to a partner company, Holowan Satellites, a major Albionise satellite component distributor. At the time of export, there were no restrictions on transfers of such items to the Avaikian Republic and Holowan Satellites declared the intended end customer to be Cygnus Spaceworks, a Avaikian producer of civilian satellite trackers. Cygnus Spaceworks' order was subsequently cancelled. However, the modules were sold to a Avaikian manufacturer,

SedriMotors, and unnamed third parties. GAR could not establish a connection between key personnel or ownership structures of these companies. GAR is waiting for a response from SedriMotors.

- 1230 11. In response to additional trace requests, three other companies from Martineek and Quinchao, responded that some of the UAV's components were fakes. In October 2022, the Martineekian company Industrial Automaton stated that Core-3PO microprocessors labelled 'Tripio' were counterfeit. Similarly, Martineekian Electronics denied producing the electronic part that bears its name.
- 1235 12. GAR analysed the electronic circuits of servomotors and engines in all the Cuāuhltli-1 UAVs and found that the electronic components were produced by the Martineekian company MK Robotics. In response to a GAR trace request, MK Robotics stated that it sold the electronic components to the former Albionese company Hoersch-Kessel Drive in Albion in April 2022. Recently, this company received Avaikian capital and changed its name to BlasTech Industries, a civilian electronics distributor. BlasTech Industries declared that the prospective end customer of MK Robotics' components was a company serving mining companies in Avaikia. No evidence was found of these alleged mining companies. Weeks later, these components were mentioned in a sale between the Sonn-Blas Corporation, an Avaikian provider of imported electronic components, to one of its major clients for aerial surveillance systems, the Avaiki Ministry of Defence.
- 1240 13. GAR found that the Sonn-Blas Corporation was liquidated in September 2022. The Office of Corporations provided evidence that two of its directors were citizens linked to political and security agencies of the Avaikian government. GAR considers that these findings do not constitute proof that the company was acting on behalf of the Avaikian State. GAR ascertains that one end user—an Avaikian manufacturer of military UAVs—received MK Robotics electronic components in August 2022.
- 1245 14. Drone components documented by GAR's investigators show how commercial products manufactured in the FTPG have been diverted for use in drone production.

1255

Gaps In Dual-Use Controls

- 1255 15. MK Robotics informed GAR that some of its electronic components were also shipped to BlasTech Industries in May 2022; that it was not subject to export licensing; and that the company had no information on any transfer to the Sonn-Blas Corporation. MK Robotics confirmed to GAR that BlasTech Industries is no longer a customer. While the FTPG members sanctioned Sonn-Blas Corporation in 2021, there is no suggestion that BlasTech Industries is bound by these measures or has acted unlawfully in transacting.
- 1260 16. MK Robotics alleged that the Martineekian authorities had not sent formal letters to the companies to inform them that the exports of these goods were unauthorized. Instead, Martineekian authorities had told MK Robotics in informal awareness-raising letters, about the Avaikian Republic's procurement efforts and those exports of unlisted dual-use items would be likely subject to catch-all controls.

1270 17. Most of the components found in the analysed drones were manufactured in the FTPG States. Remarkably, the production marks of FTPG components found in the UAVs show that they were produced between 2020 and 2021. Some components were produced earlier but GAR managed to identify export documentation that prove that they were exported after 2020.

1275 **Conclusion**

- 1280 18. The use of these UAVs demonstrates the ARM forces' ability to employ low-cost technology against the Wadaihi infrastructure and military assets. Their use of Pākehā-V UAVs supports allegations that the Avaikian Republic continues to bolster the capacity of ARM forces through the transfer of new technology and advanced weaponry. The militia group can conduct increasingly sophisticated asymmetric operations similar to those carried out by professional armies.
- 1285 19. Up to date, several UAVs continued to threaten Wadai. The last UAVs targeted civil infrastructure which caused damage to the power grid and left millions of Wadaihians without electricity.
- 1290 20. Further, the proliferation of these vehicles reached conflicts around the globe. Pākehā UAV models have been identified in the Tyrean uprising in 2021. Also, footage provided by the survivors of the sinking of *HMS Escafeld* shows that the Athabascan vessel was hit by an unidentified UAV. After an analysis of the videos, it could be determined that the *kamikaze* UAV was similar to the Cuāuhtli-1 despite some differences in the frames. Still, the confirmation will come after the discovery of *HMS Escafeld's* wreck and the search of the AUV's debris.
21. GAR is committed to determine the illicit transfer of military material into war zones. It is important to mention that the use of these components in these UAVs does not imply any wrongdoing on the part of the manufacturers.
- 1295 22. It is important to analyse the production of these UAVs and the supply routes used by their manufacturers. The initial step is documenting non-state groups' capacity to obtain and use commercially available components for lethal means and their lines of supply. This is the key element for identifying the parties responsible for their supply.

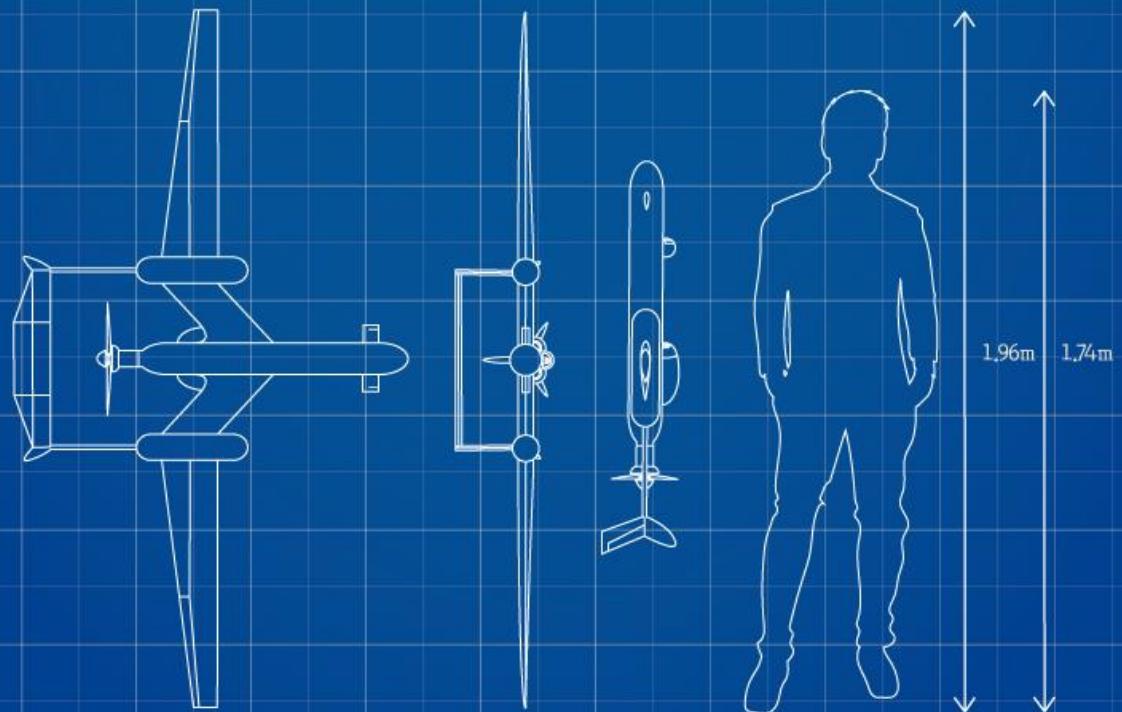
1300

Cuāuhtli-1 - UAV

Max. Speed: 216 km/h
Aprox weight: 137 kg

Range: 1500 km
Endurance: 24 hours
Service ceiling: 76 km

Avionics:
- ASIP-1C
- AN/AAS-52 Multi-Spectral Targeting System
- AN/ZPQ-1 synthetic-aperture radar
(early airframes only)



RESPONDENT'S EXHIBIT R5 - VaryalëNews - Successful first flight of the Qertel-ASP UAV of 27 November 2022

VaryalëNews

Drones | Warfare | Land | Naval | Space | Cyber | Global |

Successful first flight of the Qertel-ASP UAV

1305

27 November 2022

The Qertel-ASP UAV is an Albionese-Avaikian project contracted to Albionese Aerospace Industries and SedriMotors for modification, production, and operation by the 1310 Albionese Air Force.

This joint development is a significant milestone in the relations between the Albionese and Avaikian Defense Ministries. The first Qertel-ASP UAV, produced by Albionese Aerospace Industries, has completed its first successful flight 1315 in Albionese skies in preparation for its delivery to the Albionese Air Force.

The agreement between the respective ministries was signed in August 2020. The agreement outlines the leasing of a number of UAVs as well as maintenance and training services. 1320 As such, Albionese Air Force personnel are training together with Avaikian UAV pilots in a military base in Angmar, Albion.

The UAV was designed according to the needs and requirements of the Albionese Ministry of Defense. The Qertel-ASP UAV is a medium altitude, and multi-mission aircraft. It is based on the Avaikian Pākehā UAV models, which 1325 is in operational use in the Avaikian Air Force. The Qertel-ASP UAV was designed and created in record time and incorporates advanced technology to outmatch any other military UAV.

Trending Now

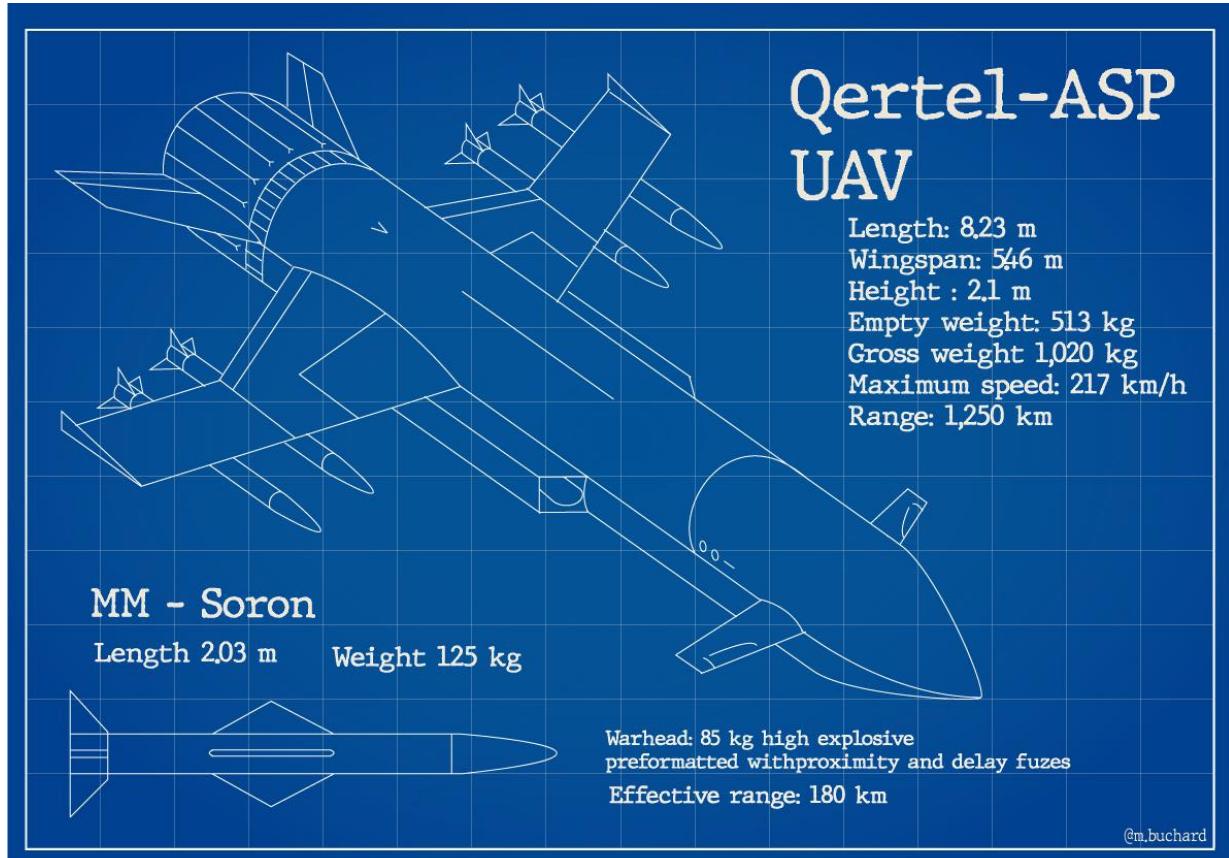
[1. Kaminoan Labs presents Experimental Unit Clone Force 99 to its investors](#)

[2. Albion launches peacekeeping operation in the Wadaihi-Karamanlean border](#)

[3. Galen Erso, Numenorean scientist and Nobel laureate focused on crystallography and energy enrichment disappears](#)

[4. Director Krennic demoted after investigation on electronic components acquisitions](#)

[5. Vice-Admiral Horatio Thrawn was severely wounded during the attack on the *HMS Escafeld*](#)



1330 Qertel-ASP UAV Blueprint prepared by [@m.buchard](#), Head Engineer of U.S. Robots and Mechanical Men, Inc.

<https://www.VaryaléNews.com/drone/2022/11/27/Successful-first-flight-of-the-Qertel-ASP-UAV/>

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RESPONDENT'S EXHIBIT R6 - VaryalëNews - UGVs shape modern warfare in the Wadaihi-Karamanlean conflict: the “Beetle War” of 14 January 2022

VaryalëNews

Drones | Warfare | Land | Naval | Space | Cyber | Global |

UGVs shape modern warfare in the
Wadaihi-Karamanlean conflict: the
“Beetle War”

14 January 2022

- 1340 After a year of a stalemate of trench warfare, the front line between the Wadaihi Sultanate and the Karamanli Kingdom is moving. While other conflicts saw the rise of unmanned aerial vehicles, the Wadaihi-Karamanlean conflict is changing the character of warfare by using unmanned ground vehicles, especially the introduction in battle of modified versions of the MK-1 modular unmanned ground vehicle commonly known as the “Beetle”. Each State acquired used Beetles and adapted them for warfare. The modified Beetles showed remarkable military performance. They outperformed both armoured fighting vehicles and infantry in the desert and volcanic battlefield.

In the Battle of Dagorlad Hills, 24 W

- 1355 adaihi modified Beetles faced 30 Karamanlean armoured vehicles and 15 modified Beetles. Only 7 Wadaihi modified Beetles survived the battle. This clash of Beetles gave the name “Beetle War” to the Wadaihi-Karamanlean conflict.

- 1360 In an interview with war correspondents, the Wadaihi Field Marshal Mr. Gonzalo “Monty” Montiel stated: The Beetles are cheap and we're not so worried about losing them compared to losing human lives. We throw them into fierce fights under extreme conditions for our soldiers and they return victorious. Suddenly, we're winning the war thanks to them. Yet, we regret that the producer of the Beetles declined to provide us with the necessary spare parts to repair damaged ones. We had to request more units from our vendor, who replied ‘15 units are ready, with 40 more well on the way’. With these numbers ahead, victory will be ours”.

- 1365 Mr. Montiel did not disclose the vendor of the vehicles. Yet, it is believed that Yuri Orlov could be the provider of such vehicles. The results of the investigations against Mr. Orlov's involvement in arms trafficking are still pending. However, there are proven records of several cargo flights of Mr. Orlov's planes landing in fields close to Wadaihi frontiers.

Trending Now

- [1. Vice Admiral Rampart launches Project War-Mantle as a major reform in the Avaikian Army](#)
- [2. FTPG Defence Leaders' Summit to take place in Hans](#)
- [3. Albion launches Drone & Space Research Department under the supervision of Director Krennic](#)
- [4. Avaikia strikes Nal Hutta with its modern Pākehā-III UAV](#)
- [5. Kamino establish fund for cloning projects](#)

1370 Regarding the rumours about a potential retreat of Wadaihian forces due to the fall of Minas Ithil, Mr. Montiel only replied "All quiet on the western front". The interview was interrupted due to a UAV strike close to the location of the interview.

1375 From the opposing side, a Karamanlean officer said that middlemen from Albion have been smuggling the vehicles into his country. Yet, this source was not able to provide further information.

1380 The so-called "War Beetles" were integrated with a remote weapon system and electrical optical sensor system. These modifications transform the commercial drone into an armed drone capable of firing cannons or launching missiles from its platform. These "War Beetles" are able to find and engage larger air threats as well as ground targets, even if armoured, all without the operator being exposed to threats.

In Martineek the news about the novel military use of the Beetles was not well received by the High Command. Martineekean military officials have asked MK Robotics to help them determine how these States have managed to acquire a considerable number of Beetles for the Wadaihi-Karamanlean conflict.

1385 MK Robotics replied that it does not know how Wadai or Karamanli obtained the Beetles and is "supporting" the government effort to prevent Martineekean-made goods from ending up in wars.

1390 "We briefed the Ministry of Defense on MK Robotics' supply chains and the procedures that MK Robotics has in place to protect supply chain integrity," said John Garman, public policy and communications Chief.

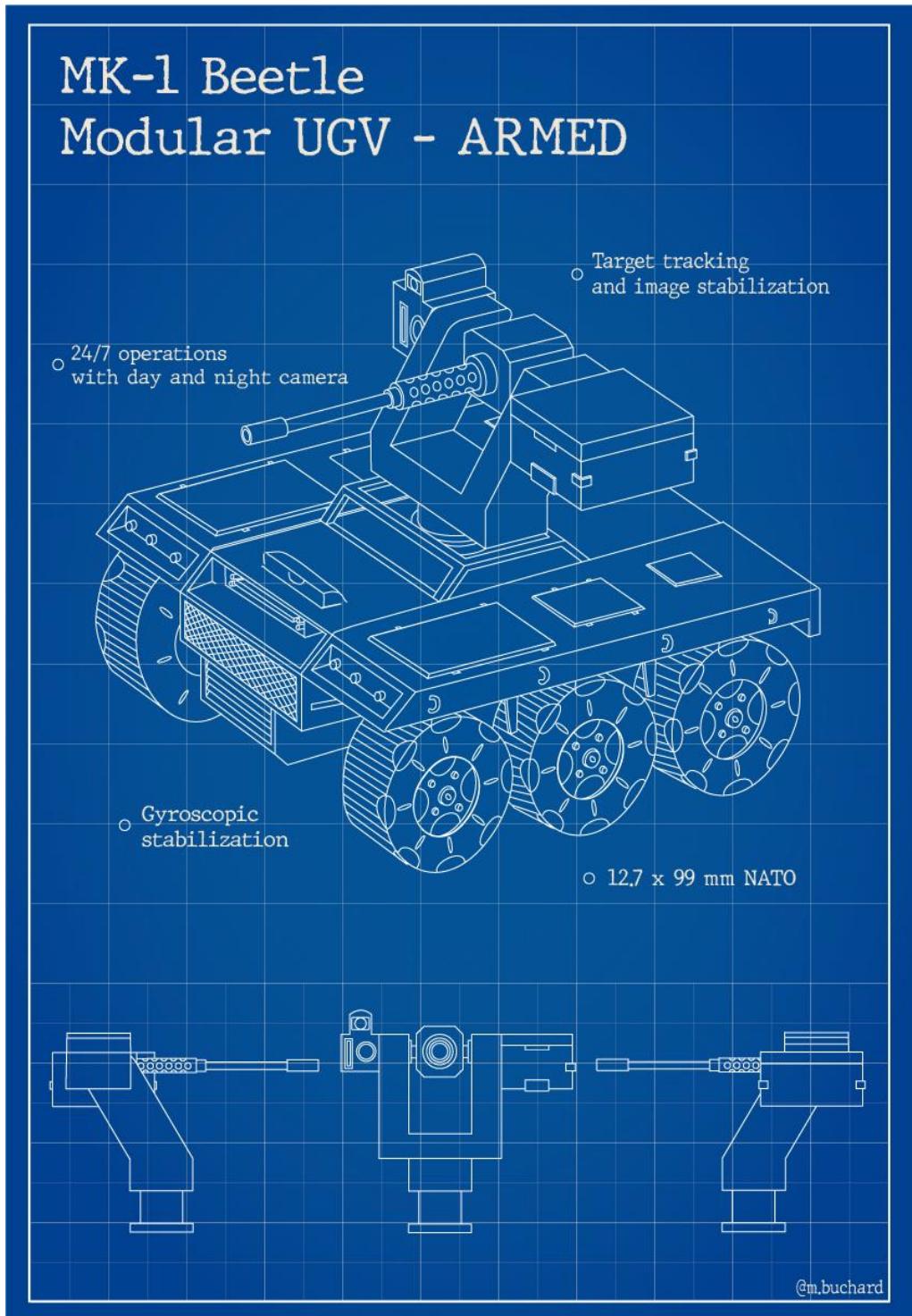
Garman added, "It is impossible for MK Robotics to completely control indirect or illegal channels through which the vehicles could be misappropriated."

1395 "MK Robotics does not obtain any profit from these re-sales, but they are on notice now and they should do more. On the one hand they want to be thought of as a responsible entity, but they need to export more because Martineek has a small domestic market. You probably see Beetles in a few markets with feeble controls" said Brigadier General Emiliano Martinez from Martineek. "They should be able to track how the Beetles got there. I think they should disclose that, put a stop to that, and put policies and procedures in places that are real and effective to make sure that we don't see Beetles 1400 in foreign conflicts in the future."

The deployment of Beetles in the Wadaihi-Karamanlean conflict proved their effectiveness as war machines. They proved to be reliable and with a high performance in harsh environments.

1405 After this success, MK Robotics could have considered expanding their business into the defence industry. However, MK Robotics decided to expand its business to the manufacture and sale of electronic components for commercial drones instead due to the limited commercial demand of the Beetle UGVs. It seems that the purpose of the company is set on values and not on profit.

The following blueprint provides further details on technical and physical characteristics
1410 of the military version of the MK-1 UGV. VaryalëNews appreciates the contribution made
by [@m.buchard](#), Head Engineer of U.S. Robots and Mechanical Men, Inc.



<https://www.VaryalëNews.com/drone/2022/01/14/UGVs-shape-modern-warfare-in-the-Wadaihi-Karamanlean-conflict:-the-“Beetle War”/>

1415 **RESPONDENT'S EXHIBIT R7 - Minutes of the Parliament meeting of 23 December 2022**

MINUTES OF PROCEEDINGS

Meeting No. 114

1420 Friday, 23 December 2022

Parliament's Standing Committee on National Defence met in a live session at 1:30 PM in the Plenary Hall, with the Chair, Maxwell Smith, presiding.

1425 Members of the Committee present: *[intentionally omitted]*.

At 1:41 PM, Maxwell Smith made an opening statement on the current situation related to the development of the Wadaihi-Karamanlean conflict.

1430 At 1:50 PM, James Gillen (Nation's Voice) inquired about whether there are any plans of the Government to get involved in the conflict, directly or indirectly. Mr. Smith responded that no such plans are being discussed within the Government and that the conflict is of local nature without any ties to Martineek.

1435 At 2:03 PM, Martha Funhey (League of Workers) inquired about whether the conflict posed any potential threat to Martineek's integrity or economy. Mr. Smith responded that while there is no reason to predict any danger to the territorial integrity, the economic impact of the conflict may be severe due to disrupted delivery chains in the region.

1440 At 2:14 PM, Peter Hill (Nation's Voice) inquired about whether the Government of Martineek is considering the introduction of any sanctions on Albionian entities whose equipment is being exploited in the conflict, referring to Mr. Organa's revoked statement of 15 December 2022. Mr. Smith responded that no sanctions or equivalent measures are being considered by the Government and the Government's stance on this matter had not changed.

At 2:31 PM, the sitting was suspended.

1450 At 3:04 PM, the sitting resumed.

[intentionally omitted]

At 4:41 p.m., the Committee adjourned to the call of the Chair.

1455

Martin Doom

Clerk of the Committee

23/12/2022, 6:33 PM.

1460

RESPONDENT'S EXHIBIT R8 - Press Release of Parliament of Martineek of 27 December 2022



1465

PRESS RELEASE

27 DECEMBER 2022

1470 **The Parliament of Martineek reaches an agreement on adopting sanctions
 in response to the aggravation of the Wadaihi-Karamanlean conflict**

1475 An agreement concerning the adoption of sanctions in response to the aggravation of the Wadaihi-Karamanlean conflict, proposed by the Marshall of the Parliament, Mr. Jeffrey Rooms, on 26 December 2022, was reached today during an extraordinary meeting of the Parliament.

Sanctions are to be introduced to prevent the further use in military conflicts of FTPG technology produced by designated entities. Members of the Martineekian Parliament agreed on the sanctions anonymously.

1480 The sanctions are to be announced and implemented on 30 December 2022. Any further developments will be announced via a separate press release.

1485 Marc J. Anthony
 Secretary of the State

**RESPONDENT'S EXHIBIT R9 - Statement of the Secretary of the Treasury Paul Bäumer
of 30 December 2022**



PRESS RELEASE

Remarks by Secretary of the Treasury Paul Bäumer on the adoption of a sanctions regime against Albion and Albionese companies

Today, the Remark Administration affirms Martineek's unwavering support for peace through imposing sanctions, which will primarily avoid the further development of military weapons with Martineekian technology. These measures will save countless lives from brutal and illegal conflicts, in addition to bolstering security in Martineek and promoting global security and peace.

This statement is to be neither an accusation nor a condemnation. We are the sons and daughters of a generation of men and women who, even though they may have escaped its shells, were destroyed by the war. We are a generation no longer untroubled—we are no more indifferent to war.

While we have watched foreign States and militias' leaders continuing to support war efforts, we saw the wounded and dying. While they taught that duty to one's country is the greatest thing, we already knew that death-throes are stronger. These "leaders" do not realize that above such shattered bodies there are still human faces in which life goes its daily round. Death is not an adventure for those who stand face to face with it.

It is very queer that the unhappiness of the world is so often brought on by small men. A word of command has made enemies; a word of command might transform them into friends again. Here, our word stands for peace. We want kids to become mediators and guides to the world of maturity, the world of work, of duty, of culture, of progress—to the future and not to war.

These young generations that had begun to love life and the world had to shoot it to pieces. The first bomb, the first explosion, burst in their hearts. They are cut off from activity, from striving, from progress. They believe in such things no longer; they believe in war. War ruins generations for everything.

These generations affected by war know nothing of life but despair, death, fear, and fatuous superficiality cast over an abyss of sorrow. We see how people are set against one another, and in silence, unknowingly, foolishly, obediently, innocently slay one another. What affects us is that they are doing it with Martineekian technology.

During the last century, bombardments, barrages, curtain-fires, mines, gas, tanks, machine-guns, hand-grenades held the horror of the world. The new century has proved to us that components such as electronic parts, satellite compasses, GPS modules, microprocessors, servomotors and engines have become missiles and drones used specifically for killing and destroying. These small components when they fall under improper hands have become tainted. Many of these components that fall under these hands are of Martineekian manufacture. Our pride, the jewels of our innovation, have become conductors of death.

Statement digitally signed by Paul Bäumer - Stanislaus Katczinsky - Joseph Behm on 30 December 2022 in Siaya, Martineek.

1530

INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

ICSID Case No. ARB/21/37

1535

DELOREAN TECHNOLOGIES LLC

Claimant

v.

1540

THE REPUBLIC OF MARTINEEK

Respondent

1545

PROCEDURAL ORDER NO. 1

Members of the Tribunal

Richard Sanchez, President of the Tribunal

1550

Tamara Gueterman, Arbitrator

Dr. Xenon Bloom, Arbitrator

Secretary of the Tribunal

Jerry Smith

1555

4 July 2023

The first session of the Arbitral Tribunal was held on 3 July 2023 at the seat of the Centre in Washington, D.C. Participating in the first session were:

1560

[intentionally not reproduced]

Following the session, pursuant to ICSID Arbitration Rules 19 and 20, this first Procedural Order sets out the Procedural Rules that govern this arbitration.

1565

1. Applicable Arbitration Rules

These proceedings are conducted in accordance with the ICSID Arbitration Rules in force as of 2023, and the Official Rules of the Foreign Direct Investment International Arbitration Moot, as agreed between the Parties. In case of an inconsistency between the two, the latter shall prevail to the extent of the inconsistency.

2. Constitution of the Tribunal

1575 a. The Tribunal was constituted on 20 June 2023 in accordance with the ICSID Convention and the ICSID Arbitration Rules. The parties confirmed that the Tribunal was properly constituted and that no party has any objection to the appointment of any Member of the Tribunal. The Arbitral Tribunal in this case consists of Tamara Gueterman (arbitrator appointed by Claimant), Dr. Xenon Bloom (arbitrator appointed by Respondent), and Richard Sanchez (President appointed by the two arbitrators).

1580 b. The Members of the Tribunal timely submitted their signed declarations in accordance with ICSID Arbitration Rule 6(2). Copies of these declarations were duly distributed to the Parties by the Centre.

1585 c. Contact details of each Member of the Arbitral Tribunal are as follows:

Tamara Guterman
Anasa Plaza, 311 Bond Avenue
KJ 8973
Lokana, Albion
E-mail: tguterman@lokkheadlaw.com

1595 Dr. Xenon Bloom
Mart-Re House
Kabarsiran Avenue,
9 2278

1600 Iten, Martineek
E-mail: bloom@itenuniversity.edu

1605 Richard Sanchez
Bookamo Ave 221
110 Stud Drive
Balitown, Nihonkoku
E-mail: rick.sanchez@bblegal.nih

3. Fees and Expenses of Tribunal Members

1610 [intentionally omitted]

4. Representation of the Parties

1615 Each party shall be represented by its counsel (below) and may designate additional agents, counsel, or advocates by notifying the Tribunal and the Tribunal Secretary promptly of such designation.

For Claimant:

1620 Adila LLP
Anasa Plaza, 311 Bond Avenue
KJ 8972
Federation of Albion

1625 **For Respondent:**

Dumbledore, Black & Partners
1207, Kingdom of Narnia, Ville de la Liberté,
Chemin Ilya Yashin, 7

1630 **5. Place of Proceeding**

5.1 Washington, D.C., shall be the place of the proceeding. It was decided that the Tribunal may hold hearings in Lucknow, India or at any other place that it considers appropriate if the Parties so agree.

1635 5.2 The Arbitral Tribunal may meet at any location that it considers appropriate for deliberations.

6. Procedural Language

1640 English is the procedural language of the arbitration.

7. Hearings

1645 7.1 Having considered the Parties' respective proposals on the organization of the pleadings, the Tribunal determines the following organization of the hearings.

1650 7.2 Although the issues raised by the Parties in their respective submissions would typically be addressed in two or more separate stages of these proceedings, for the purposes of these Proceedings, they shall be dealt with together in the "Main Stage" followed by a stage for costs and, as appropriate in accordance with the Arbitral Tribunal's findings in the Main Stage, for quantum ("Quantum and Costs Stage").

7.3 The "Main Stage" will address the following issues:

- 1655 i) Whether the Tribunal has jurisdiction over this dispute in light of Article 9 of the Agreement on Encouragement and Reciprocal Protection of Investments between the Republic of Martineek and the Federation of Albion;
- ii) Whether the challenged measures violate Article 5 of the Agreement on Encouragement and Reciprocal Protection of Investments between the Republic of Martineek and the Federation of Albion, and
- 1660 iii) If the Tribunal finds a violation of Article 5 of the Agreement on Encouragement and Reciprocal Protection of Investments between the Republic of Martineek and the Federation of Albion and find Respondent liable for the breach, what is the appropriate date of valuation of the investment for the purposes of quantification of damages.

1665 7.4 The hearings in the "Main Stage" shall be held in Lucknow on 2-5 November 2023.

1670 7.5 During "Stage 1" the Tribunal will hold a hearing on the issues of Jurisdiction, Liability, and Damages, and subsequently decide on Jurisdiction, Liability and Damages.

1675 7.6 "Stage 2" will address the quantum of damages, if any, as well as the costs of the proceedings and their allocation among the parties.

1680 7.7 As agreed between the Parties and the Tribunal, the evidence that may be relied on in the arbitration will be limited to (i) facts and assertions contained in the Request for Arbitration and the Response to it, the "Statement of Uncontested Facts" as will be agreed to between the parties, and appended to a Procedural Order (with no admission being made by either of the Parties as to correctness of the inferences from facts asserted by the other Party in its respective submission); (ii) publicly available

information; and (iii) responses to the questions presented by the Parties' counsel in accordance with the procedure described below:

- 1685 i) By 1 June 2023 factual questions that require clarification shall be posted in accordance with the procedure described at <https://fdimoot.org/teams/clareqs.php>;
- ii) The Parties shall then confer and seek to agree as soon as practicable on the responses to those questions. The Parties' agreed responses shall be appended to the case file at <https://fdimoot.org/problem.pdf>;
- 1690 iii) By 15 August 2023 another set of factual questions may be posted in accordance with the same procedure referenced above. The responses to those questions shall be appended as described above.

1695 **8. Provisional Timetable of the Proceedings**

8.1 "Stage 1" of the Proceedings:

- 1700 i) Only one round of written submissions shall be made by the Parties. The Claimant's Memorial on Jurisdiction, Liability and Damages is to be submitted to the Tribunal no later than 12 September 2023; the Counter-Memorial on Jurisdiction, Liability and Damages is to be submitted to the Tribunal by Respondent no later than 19 September 2023. The Tribunal may direct the Parties to submit Skeleton Briefs if it finds them necessary for the proper consideration of the issues in dispute.
- 1705 ii) Considering that it is appropriate to hold hearings in the present case, both Parties are invited to attend the hearings scheduled in Lucknow on 2-5 November 2023.

1710 8.2 "Stage 2" of the Proceedings: The Tribunal will schedule the second stage of the proceedings and set the provisional timetable for its conduct in consultation with the Parties after the Tribunal issues the Partial Award on Jurisdiction, Liability and Remedies.

1715 **9. Good Faith**

The Parties accept that they have a duty to arbitrate in good faith, which includes an obligation to cooperate with the opposing parties and the Tribunal. The Parties further agree that the Tribunal may direct any Party to do all such things during the proceedings as may be reasonably needed to enable an Award to be made properly, fairly and efficiently.

[signed]

1725

Richard Sanchez
President of the Tribunal

[signed]
Tamara Gueterman
Arbitrator

[signed]
Dr. Xenon Bloom
Arbitrator

1730



1735 To: Richard Sanchez, President of the Tribunal
 Tamara Gueterman, Arbitrator
 Dr Xenon Bloom, Arbitrator
 CC: Jerry Smith, Secretary of the Tribunal
 Ministry of Justice of the Republic of Martineek
 Adila LLP

1740

From: Dumbledore, Black & Partners

1745 27 October 2023

Letter of Resignation of Dumbledore, Black & Partners

By this Letter, Dumbledore, Black & Partners (“DBP Law”) respectfully asks the Tribunal to allow its resignation from representing Respondent in the case *Delorean Technologies LLC v. the Republic of Martineek*.

1750 As thousands of advocates around the world, we have been deeply chagrined by the detention of our colleague and *consœur*, Ms. Alia Azadi, who has been defending the right of women to choose their profession freely.¹ It has become impossible to represent the country that so blatantly violates fundamental human rights and freedoms.

1755 We draw the Tribunal’s attention to the fact that all other major international law firms resigned from representing Respondent in other high-stake cases in support of their colleague and *consœur* Ms. Azadi. The leading world arbitration news portal NAR (Narnian Arbitration Review) published an article singling out Dumbledore, Black & Partners as “*the last firm continuing to represent the Republic of Martineek in international proceedings after the detention of Ms. Azadi who, as of today, remains in detention and has no access to her representative*”.²

1760 Moreover, the Bar Association of the Kingdom of Narnia, which governs the conduct of all attorneys of DBP, issued an opinion, according to which members of the Narnian Bar

¹ **Exhibit DBP_1**, Amnesty International Journal, *Women’s Rights Worldwide: Newsflash*, by Fariba Adelkhah of 18 October 2023.

² **Exhibit DBP_2**, Narnian Arbitration Review, *Dumbledore Black & Partners: the last global law firm representing Martineek*, by Cosmo Oberson of 25 October 2023.

Association have the right to resign from cases in which they represent the Republic of Martineek, unless it would severely prejudice the interests of justice.³

1765 Based on the foregoing, DBP respectfully asks the Tribunal to allow its resignation from the present case. DBP is willing to present its position at the hearing, should the Tribunal consider it necessary. DBP is also willing to address the Tribunal on procedural steps it could take, including modification of the timetable of these proceedings, to prevent any due process implications for Respondent over the course of the next stages in these proceedings.

1770

Sincerely Yours,

Dr. Zan Zendegi, Partner at Dumbledore, Black & Partners

³ **Exhibit DBP_3**, Decision of the Council of the Narnian Bar Association No. 1228 of 12 October 2023.

Exhibit DBP_1 - Amnesty International Journal, Women's Rights Worldwide: Newsflash, by Fariba Adelkhah of 18 October 2023.



1775

Amnesty International Journal

Women's Rights Worldwide: Newsflash

Fariba Adelkhah

18/10/2023

- 1780 On 9 October 2023, the prominent Martineekan human rights advocate, Ms. Alia Azadi, was detained right in the courtroom of the Constitutional Court of the Republic of Martineek.
- On 15 September 2023, the Parliament of the Republic of Martineek adopted the law (“**Law 1609**”), according to which women are not allowed to have access to certain professions, including, most notably, the professions of lawyer, university educator and doctor. The penalty for not complying with the law, for instance, for appearing before courts or Martineekan-seated tribunals is up to 5 years in prison. The law applies retroactively even to those women who are already practising members of the Bar Association.
- 1790 Thousands of women took to the streets of Carouge, the capital of Martineek, to peacefully protest against this law. To no avail. The law entered into force on 22 September 2023.
- Ms. Alia Azadi, one of a few prominent female advocates in Martineek, brought a petition before the Constitutional Court of Martineek to recognize this law as unconstitutional. Ms. Azadi took the floor to make her opening statement. The twelve judges of the Constitutional Court, all male, gave her a warning that she is not allowed to appear before the Court, according to the Law 1609.
- Despite the warning, Ms. Azadi addressed the Court: “I am risking my freedom today, because a whole generation of Martineekan girls, half of the population of our country, is about to be silenced. As Amal Clooney once said: ‘*The worst thing that we can do as women is not stand up for each other...*’”. After barely two sentences of her opening statement, Ms. Azadi was arrested. She is facing up to 5 years in prison and she was not allowed access to her legal representative.

1805 **Exhibit DBP_2 - Narnian Arbitration Review, Dumbledore Black & Partners: the last global law firm representing Martineek, by Cosmo Oberson of 25 October 2023**



1810 **Dumbledore Black & Partners: the last global law firm representing Martineek**

Cosmo Oberson

25 October 2023



1815 The detention of Ms. Alia Azadi during her opening statement before the Constitutional Court of Martineek has shaken the world.

1820 Legal professionals around the globe have expressed almost unanimous condemnation of the attack on the legal profession. Leading public international lawyer Dr. Estelle LeClaire and the law firm Palestini, Kohen & Partners have withdrawn from Martineek's counsel team in a set of state-to-state disputes before the International Court of Justice. A range of other law firms followed suit in a range of investment arbitration disputes against the Republic of Martineek.

1825 Dumbledore, Black & Partners is the last firm continuing to represent the Republic of Martineek in international proceedings after the detention of Ms. Azadi who, as of today, remains in detention and has no access to her representative. We contacted the partners of DBP: they refused to comment on the issue.

Exhibit DBP_3 - Decision of the Council of the Narnian Bar Association No. 1228 of 12
October 2023



THE DECISION OF THE COUNCIL OF THE NARNIAN BAR ASSOCIATION N. 1228

**On the Request for Clarification Regarding the Termination of
Representation of the Republic of Martineek**

- 1830
- 1835 1. The Narnian Bar Association has received multiple requests from Narnian law firms on whether resignation from representing the Republic of Martineek after the detention of Ms. Alia Azadi is consistent with the Rules of Professional Conduct adopted by the Narnian Bar Association, mandatory for all its members.
- 1840 2. In response to these requests, the Narnian Bar Association issues the present decision N. 1228 providing clarification on the matter of resignation.
- 1845 3. According to the Narnian Bar Association's Rules of Professional Conduct, resignation is required and/or allowed in the following cases:
- Rule 16.1**
- 1850 (a) *Except as stated in paragraph (c), a lawyer shall not represent a client or, where representation has commenced, shall withdraw from the representation of a client if:*
- (1) *the representation will result in violation of law or the Rules of Professional Conduct;*
- (2) *the lawyer's physical or mental condition materially impairs the lawyer's ability to represent the client; or*
- (3) *the lawyer is discharged.*
- 1855 (b) *Except as stated in paragraph (c), a lawyer may withdraw from representing a client if:*
- (1) *withdrawal can be accomplished without material adverse effect on the interests of the client; or*
- (2) *the client knowingly and freely assents to the termination of the representation; or*
- (3) *the client persists in a course of action involving the lawyer's services that the lawyer reasonably believes is criminal or fraudulent; or*
- 1860 (4) *the client insists upon taking action that the lawyer considers repugnant, imprudent, or contrary to the advice and judgment of the lawyer, or with which the lawyer has a fundamental disagreement; or*
- (5) *the client has used the lawyer's services to perpetrate a crime or fraud; or*

- 1865 (6) *the client fails substantially to fulfill an obligation to the lawyer regarding the lawyer's services and has been given reasonable warning that the lawyer will withdraw unless the obligation is fulfilled; or*
- 1870 (7) *the representation will result in an unreasonable financial burden on the lawyer or has been rendered unreasonably difficult by the client; or*
- 1875 (8) *the client insists upon presenting a claim or defense that is not warranted under existing law and cannot be supported by good faith argument for an extension, modification, or reversal of existing law; or*
- (9) *other good cause for withdrawal exists.*
- (c) *A lawyer must comply with applicable law requiring notice to or permission of a tribunal when terminating a representation. When ordered to do so by a tribunal, a lawyer shall continue representation notwithstanding good cause for terminating the representation.*
- 1880 (d) *Upon termination of representation, a lawyer shall take steps to the extent reasonably practicable to protect a client's interests, such as giving reasonable notice to the client, allowing time for employment of other counsel, surrendering papers and property to which the client is entitled and refunding any advance payment of fee or expense that has not been earned or incurred. The lawyer may retain papers relating to the client to the extent permitted by other law.*
- 1885 4. The Narnian Bar Association notes that, in this particular case, resignation from representing the Republic of Martineek to show support for the rights of advocates and to condemn violations of these rights falls under the provisions of Rule 16.1(b)(9): "other good cause for withdrawal exists".
- 1890 5. However, utmost attention should be paid by counsel for the Republic of Martineek to ensure that they comply with Rules 16.1(c) and 16.1(d).
6. To conclude, members of the Narnian Bar Association as well as Narnian based law firms have the right to resign and no longer represent the Republic of Martineek, unless it would severely prejudice the interests of justice described above.

The decision taken unanimously
by the Council of the Narnian Bar
Association on 12 October 2023

[Signature of the Chair]



1895

To: Richard Sanchez, President of the Tribunal
Tamara Gueterman, Arbitrator
Dr Xenon Bloom, Arbitrator

1900

CC: Jerry Smith, Secretary of the Tribunal
Dumbledore, Black & Partners
Ministry of Justice of the Republic of
Martineek

1905

From: Adila LLP

Date: 30 October 2023

Claimant's Objections to Respondent's Counsel Resignation

1910

Dear Members of the Tribunal,

Claimant hereby requests the Tribunal, in light of the underlying duty of the arbitrators to conduct proceedings efficiently, to reject the request by counsel for Respondent, Dumbledore, Black & Partners, to resign at a very late stage of the proceedings, right before the hearing is about to take place.

1915

First, the current proceedings have already been delayed on multiple occasions by multiple requests by Respondent for extensions to file its legal submissions. If the Tribunal grants DBP's request, it will cause further significant delays in the proceedings: the proceedings will have to be postponed and Respondent will have to find another counsel. It will take months for another counsel to get acquainted with the voluminous case file containing more than 3000 pages of legal submissions and more than 800 factual and legal exhibits. This would significantly undermine Claimant's interest in bringing this case to an end and receive its full compensation without any delay.

1920

Second, none of the reasons cited by DBP justify its resignation but would lead to significant disruption in the proceedings and violate the right of both Parties to prompt and efficient resolution of the dispute.

The Tribunal enjoys broad discretion and flexibility in the conduct of arbitral proceedings, provided that a fair, equitable and efficient process is observed.

1930 Claimant reserves its right to present its arguments on this issue in full during the scheduled hearing.

Sincerely Yours,

Dr. Maria Eismont, Counsel for Claimant

1935

[signature]



JUSTITSMINISTERIET

1940

1945

1950

To: Richard Sanchez, President of the Tribunal
Tamara Gueterman, Arbitrator
Dr Xenon Bloom, Arbitrator
CC: Jerry Smith, Secretary of the Tribunal
Adila LLP

From: Ministry of Justice of the Republic of Martineek

31 October 2023

Respondent's Letter Concerning the Counsel Resignation

Dear President, Members of the Tribunal,

The Ministry of Justice of the Republic of Martineek expresses its regret in respect of the undue pressure the international community has put on its counsels in all major international proceedings, which undermines Respondent's due process rights.

The Republic of Martineek has always valued the services provided by DBP and its sudden resignation, if accepted, would lead to significant costs and expenses. It would be difficult, if not impossible, to find another law firm in the forthcoming weeks who would agree to represent Martineek and would be able to acquaint itself expeditiously with thousands of pages of case materials and evidence. This would cause to Respondent a lot of unjustified expenses and will unduly prolong the proceedings.

Respondent trusts that the Tribunal will resolve this issue bearing in mind its underlying duties. Due to the lack of immediately available legal counsel in the Ministry of Justice who could represent Respondent in the upcoming hearing, Respondent will abstain from making oral submissions on this issue. Given DBP's willingness to address the Tribunal on modifications of procedures that should be made in the event their resignation is accepted, Respondent does not object to the Tribunal hearing only the positions of Respondent's Counsel and Claimant during the oral hearing on this issue.

1970 In case the Tribunal accepts the resignation of DBP, Respondent will file a request to postpone the subsequent stages of the proceedings until at least November 2024 to find another counsel and allow the new counsel to acquaint itself with all the materials of the case.

Kind regards,

1975 Dolores Umbridge, Vice-Minister of the Ministry of Justice

[signature]

INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

1980

ICSID Case No. ARB/21/37

DELOREAN TECHNOLOGIES LLC

1985

Claimant

v.

THE REPUBLIC OF MARTINEEK

Respondent

1990

PROCEDURAL ORDER NO. 2

1995

Members of the Tribunal

Richard Sanchez, President of the Tribunal

Tamara Gueterman, Arbitrator

Dr. Xenon Bloom, Arbitrator

2000

Secretary of the Tribunal

Jerry Smith

1 November 2023

2005 Pursuant to ICSID Arbitration Rule 27, this second Procedural Order sets out the Conduct of the Proceedings of this arbitration.

The Parties have agreed upon a Statement of Uncontested Facts, as produced below. The Tribunal appreciates the effort done by the Parties for working together amicably to provide the Tribunal with the undisputed facts.

2010 With respect to the letter of the counsel for Respondent dated 27 October 2023 asking the Tribunal to allow its resignation from representing Respondent in the case and the submissions made by Claimant and Respondent on this issue, the Tribunal has made the following decisions.

2015 1. The Tribunal has decided to deal with the issue of counsel resignation as a first preliminary issue during the oral proceedings. All previous arrangements notified in Procedural Order No. 1 remain in force.

2. The Tribunal will hear the arguments of Respondent's counsel first, followed by the arguments of Claimant. The Tribunal has taken note of Respondent's Ministry of Justice's position expressed in writing.

2020 3. For the purposes of the oral hearings in Lucknow, India, on 2-5 November 2023, the Tribunal will hear all four issues (*i.e.* counsel resignation, jurisdiction, merits and the date of valuation) in the same hearing. If the counsel resignation is accepted, it will be effective for the next stages of the proceedings, *i.e.* for the filing of one or more rounds of post-hearings submissions, should the proceedings include this stage, as well as Stage 2 of the proceedings.

2025 4. Therefore, the "Main Stage" will address the following issues:

- Whether the Tribunal shall grant the request for resignation by counsel for Respondent;

2030 b. Whether the Tribunal has jurisdiction over this dispute in light of Article 9 of the Agreement on Encouragement and Reciprocal Protection of Investments between the Republic of Martineek and the Federation of Albion;

2035 c. Whether the challenged measures violate Article 5 of the Agreement on Encouragement and Reciprocal Protection of Investments between the Republic of Martineek and the Federation of Albion, and

d. If the Tribunal finds a violation of Article 5 of the Agreement on

2040

Encouragement and Reciprocal Protection of Investments between the Republic of Martineek and the Federation of Albion and find Respondent liable for the breach, what is the appropriate date of valuation of the investment for the purposes of quantification of damages.

2045

[signed]
Richard Sanchez
President of the Tribunal

[signed]
Tamara Gueterman
Arbitrator

[signed]
Dr. Xenon Bloom
Arbitrator

Statement of Uncontested Facts

2050

1. This dispute arises from certain measures undertaken by the Republic of Martineek (“**Respondent**”, “**Martineek**”) against DeLorean Technologies LLC (“**Claimant**”), a multinational automotive manufacturer incorporated under the laws of the Federation of Albion (“**Albion**”).

2055 2. Martineek is an island State with a developed economy located in the Belfalas archipelagic region (the “**Archipelago**”). The Archipelago is composed of several islands including the States of Numenor, Quinchao, Navarino, Hans, Tortuga, and Martineek.

- 2060 3. After a range of major reforms in 1993 aimed at improving the legal framework for economic development, over the years, Martineek gradually evolved into a country with a high standard of living and rapid industrial development.

4. Albion is a country located in Puelmapu, the second largest continent in the world. Puelmapu is the nearest landmass to the Archipelago. Albion represents one of the biggest economies globally with a developed industrial sector focusing on manufacturing of basic electronic goods.

2065 5. In 2013, Martineek and Albion terminated the 1993 Agreement on Encouragement and Reciprocal Protection of Investments between the Republic of Martineek and the Federation of Albion and replaced it with a revised Agreement on Encouragement and Reciprocal Protection of Investments between the Republic of Martineek and the Federation of Albion (the “**Martineek-Albion BIT**”). The Martineek-Albion BIT was ratified on 28 June 2013. Martineek and Albion are Member States of the International Centre for the Settlement of Investment Disputes (“**ICSID**”) having acceded to the ICSID Convention in February and June 1993, respectively.

2070 6. In late 2016, with technological advances in the Archipelago, Martineek became one of the world's leading manufacturers of industrial robots. By 2018, this sector accounted for more than 13% of the national workforce and received more than USD 15 billion in state aid. On 3 March 2018, the Martineekian Ministry of Economic Affairs issued a list of priority spheres to attract foreign investment. Among other economic sectors listed was the robotic industry.

- 2075 7. In October 2018, in a bid to promote regional cooperation, Martineek led the formation of the Future-Technology Partners Group (“**FTPG**”) consisting of the Archipelago leaders in high technologies together with Numenor, Nihonkoku, Quinchao and Hans.

2080 8. In December 2018, the FTPG launched “To infinity and beyond”, an economic development and innovation strategy. The aim was to consolidate FTPG technological leadership in the incipient fourth industrial revolution. Over a 15-year period, the goal was to drive digital manufacturing forward by adopting information technology and the internet of things to connect the Archipelago's small- and medium-sized companies to global production networks, which, in turn, would help them become more efficient and globally competitive.

- 2085 9. In June 2020, Albion's economy was severely impacted by the COVID-19 pandemic. Albion placed export restrictions on a range of goods in different sectors, including the technology sector, which led to a fall in production across industries. Faced with a tough economic reality,

- 2090 companies had to trim their workforce by undertaking massive layoffs. Several foreign investors left the State and sold their manufacturing facilities to local businessmen. The Albionese Government strived to revive its economy without incurring inflation. Thus, the Albionese State developed a new public-driven, national strategy, “Albion first”, to expand its economic outreach and become the leading State for future technologies in a decade.
- 2095 10. Albionese leaders strategically defined seven key industry sectors in this regard. These included next-generation information technology; high-end numerical control machinery and robotics; aerospace and aeronautical equipment; maritime engineering equipment and high-tech maritime vessel manufacturing; energy saving and new energy vehicles; biomedicine and high-performance medical devices; and innovative defence technologies.
- 2100 11. Albion’s strategy relied on the development of cutting-edge, advanced technologies. Albion invested in research and development from State and industry sources, accumulation of intellectual property, setting up of distinct technical standards, and leveraging access for foreign players to Albion’s market in exchange for their technologies.
- 2105 12. To strengthen its technological competitiveness both domestically and globally, Albionese leaders decided to take part in innovative and future-oriented companies located abroad. Through these steps, Albion stimulated its national development of technologies by enhancing the purchase of foreign know-how through acquisitions. *“The financial support of Albion gives a clear direction for future development in our manufacturing innovation,”* said Mr. Lionel Tusk, a renowned Albionese businessman.
- 2110 13. The FTPG member States publicly welcomed the new path taken by Albion towards innovation. However, media reports of high-level internal meetings among FTPG members noted their concern that Albion could become a direct value-added competitor to the FTPG States.
- 2115 14. The eminent academic, Dr. Emmett Brown, remarked: *“If Albion achieves these goals, it will put pressure on FTPG member States as well, since Albion will become a serious competitor in a whole series of industries where today FTPG has an edge. The industrialised nations will feel the competition coming from Albion. Martineek will likely be affected with more acquisitions due to its flexible corporate law regime and relaxed foreign exchange regulations.”*
- 2120 15. Between 2020 and 2021, the investment flow from Albion to Martineek and other FTPG member States increased twofold. Companies incorporated in Albion were taking over innovative entities in the field of technologies, acquiring intellectual property, key research, and making technological advances. Subsequently, several well-known businesses in the Archipelago were taken over by investors from Albion.
- 2125 16. Among the landmark acquisitions in Martineek during 2020, Claimant acquired 100% of the shares of MK Robotics. MK Robotics was a Martineekian leading start-up in robotic innovation owned by an ingenious engineer Dr. Farnsworth. The company specialised in unmanned ground vehicles for civil and commercial use as well as engaged in the exportation of several dual-use items.
17. After negotiations on the terms of the deal, besides the purchase price and payment structure, the parties agreed to conduct “seller due diligence” before finalizing the purchase agreement. Dr. Farnsworth performed due diligence evaluating financial health, operational efficiency, legal

- 2130 compliance, and market position of MK Robotics. Subsequently, Claimant's in-house council reviewed the reports presented and did not identify any major red flags.
- 18.The general public in Martineek was concerned about the impact of losing the leading robotic company of Martineek to an investor from Albion. To quell the negative press, MK Robotics and its new owner published a plan to invest significant resources in research and development and
2135 promised to keep the core company functions in Martineek.
- 19.In the quarterly earnings that followed the acquisition, MK Robotics reported considerable growth in the earnings due to the more than 200 automated vehicles sold mostly in Albion, and Martineek.
- 20.However, the forecast of the company portended a reduction in the future sales of the MK-1
2140 "Beetle" modular vehicle. The reduction was expected due to the slow growth of market demand for the vehicles. The company decided to expand its business to the production of electronic components for smaller ground and aerial drones while expanding market opportunities for its MK-1 modular vehicle. Simultaneously, the company intended to develop further uses of its technology in areas such as space exploration in a branch in Albion.
- 2145 21.In July 2020, the Wadai Sultanate initiated a military operation against the Karamanli Kingdom. The cause of the conflict was an ill-defined disputed border in the Ered Mithrim region. Despite initial advances by Wadaihi forces, the operation reached a stalemate and both belligerents were forced to engage in attrition warfare. The war efforts and the loss of vital infrastructure severely damaged the economy of Wadaihi. The conflict had a negative impact in the sales of several
2150 companies located in the FTPG members which had Wadaihi companies as main clients.
- 2155 22.Meanwhile, a widely discussed topic, "Albion first" became a subject of non-governmental international organisations and financial consulting investigations. Most of the results pointed out that since Albion's development in critical high-tech sectors was behind the Archipelago, Albionese leaders pushed a strategy of foreign acquisitions and forced technology transfer agreements for obtaining cutting-edge technologies and know-how. The results whipped up the Archipelago's public and media with growing concerns about sensitive data linkages and the military development of Albion. Subsequently, a Young & Coopers report indicated that 184 Albionese companies took over FTPG companies during 2020-2021, compared to 45 Albionese companies that landed in prior years. During these two years, Albion indirectly invested more
2160 than USD 100 billion in FTPG companies.
- 2165 23.Claimant and MK Robotics were got caught in the scrutiny of the press especially due to the use of the MK-1 "Beetle" vehicle in the Wadaihi-Karamanlean conflict. The Beetle outbreak in the Wadaihi-Karamanlean conflict was not well received by FTPG members, especially by Martineek. Most units sold in Martineek were confirmed to still be on Martineekian soil. The situation with the units sold in Albion and in other markets was the opposite. Several units could not be traced by MK Robotics or the original buyers and an important number of units were never presented for service or for actualization.
- 2170 24.These developments were met with growing concerns from politicians and the business community in the FTPG region. FTPG members started to question their industrial strategy and relation with Albion due to the increasing investments in the high-tech sectors by Albionese State-owned enterprises.

- 2175 25.In January 2022, at the annual FTPG meeting, the member States' representatives expressed concerns with the increased foreign presence in strategic high-tech industries due to the development of the "Albion first" program. They agreed to tighten the FDI policy towards sensitive technological sectors and to develop a cooperation mechanism to share information on FDIs entering any FTPG States, if such investments posed a potential threat to the national interests of those member States.
- 2180 26.To limit the use of FTPG technologies for military purposes, member states also enacted several restrictive measures, including a trade embargo, against the Avaikian Republic and several Avaikian companies. The Avaikian Republic is a leading producer of military weapons, conventional and non-conventional. Avaikian weapons were found in almost every war conflict in the world and were often used against civilians.
- 2185 27.Following these events, in February 2022, Respondent amended its legal framework to address these concerns.
- 2190 28.First, in February 2022 Martineek issued a Screening Law 24/2022 identifying critical technology, biomedicine and dual-use items as sectors of strategic importance and imposing screening procedures for FDIs in these sectors. The Law provides for notifying the government of any transaction made by foreign investors in the covered sectors, including providing information on an investment plan, as well as the right of the State to impose conditions on or veto such a transaction.
- 2195 29.Second, Martineek enacted Ordinance 66/2022 modernising Law 53/2007 on the control of foreign trade in defence and dual-use material. This amendment aimed to respond effectively to evolving security risks and emerging technologies. The amendment included under the dual-use classification certain controlled unmanned vehicles with technical specifications and some technical and related equipment and components related to drones.
- 2200 30.A ceasefire was signed on 28 February 2022 concluding the Wadaihi-Karamanlean conflict. The borders were established. The Wadaihi forces had to withdraw from the occupied territories in Karamanli, however, Wadai Sultanate retained the Azanulbizar valley, a sacred valley for the Awbari people. An approximately 1,500-strong Albionese peacekeeping force from the Albionese Defence Forces was deployed to observe and maintain the ceasefire.
- 2205 31.Despite the regulatory scrutiny, Martineek continued to be the focus of Albionese investors. Although Albionese investors had more than USD 20 billion worth in acquisitions pending, during 2022, no transactions were identified as posing a threat to Martineek security in strategic sectors under the Screening law. In late 2022, two more acquisitions of the largest robotics companies in the Archipelago added fire to the Archipelago's tensions with Albion. The acquisitions were made by three Albionese medium-sized enterprises with no current know-how in robotics. One of the Albionese companies was a seamless pipe manufacturer and another one was a manufacturer of rubber and plastic products. The statement of the intent of acquisition pointed out that the companies wanted to enter into robotics to diversify their business and expand their market.
- 2210 32.On 28 November 2022, an investigation of the Global Armament Review about the armament used in the Wadaihi-Karamanlean conflict discovered, in the debris of unmanned aerial vehicles, tech components from products of FTPG companies. Several FTPG States, including Martineek,

2215 initiated a joint investigation which revealed the use of Martineekean critical technology with Albionese armament manufacturers.

2220 33.To maintain the public trust and protect the interests of national stakeholders, Martineek also conducted its internal investigation revealing various instances of misconduct by the former owner of the MK Robotics, including the fabrication of documents. Among other findings, the investigation concluded that to demonstrate compliance with Law 53/2007 Dr. Farnsworth forged the signature of a governmental official and created the false authorization decision on the sale of MK Robotics shares to Claimant. In fact, this transaction has never been authorized by the government. The official press release with investigation results was published and publicly available.

2225 34.On 2 December 2022, Respondent initiated an extraordinary FTPG meeting. Citing security concerns relating to Albion's unprincipled ways to obtain critical technology and the emergence of information about the use of FTPG technologies in military conflicts. FTPG States, including Respondent, issued a joint statement titled "Addressing the threat from high-tech investments" and agreed to develop a list of restrictive measures towards Albion.

2230 35.On 15 December 2022, in the midst of heated discussions on the use of FTPG technologies in armed conflicts, Mr Bail Organa, a powerful politician of Nation's Voice, Respondent's ruling party, who was currently holding the position of the Head of Committee on International Trade, made a Twitter statement worded as following: "*Martineek should impose sanctions as soon as possible and all assets should be banned. There I said it.*". Shortly after, on 17 December 2022, this statement was denounced by Mr Howard Hamlin, the leader of the Nation's Voice party. 2235 Hamlin stated on a press conference that "*Mr Organa's statement was his own personal opinion and the government does not plan introducing any specific actions related to sanctions yet*".

2240 36.Immediately after that, reports and rumours of Respondent's plans to impose sanctions related to the strategic state interests started to appear all over the media and on the internet. Claimant, afraid of the possible sanctions, attempted to sell a major part of its assets as soon as possible before they were frozen or severely decrease in value. To do so, on 20 December 2022, Claimant announced that it was willing to sell particular assets and invited bids. However, as the prospect of imposition of sanctions was a common knowledge at this point, the offers received from private companies operating in the same business sector were severely lower than expected by Claimant.

2245 37.On 25 December 2022 a drone strike took place in a northern village of the Wadai Sultanate, less than 150 kilometres away from the border with Karamanli. In the strike, 14 civilians were killed and over 50 were seriously injured. Initial investigations conducted immediately on the next day found debris of electronic components of products of FTPG companies, including some that likely were produced by companies from Martineek. From the debris, a trademark of MK Robotics could be discerned from one of the electronic components. The strike shocked public opinion and was broadly covered by the media, mostly due to the number of casualties and because the video footage from the strike was taped by one of the observers. It triggered public outcry and debate on neighbouring States stepping in indirectly to curb the violence.

2250 38.On 27 December 2022, the Martineekean parliament organised an extraordinary meeting. During the meeting it was decided that sanctions are to be introduced in order to prevent the further use of FTPG technology produced by designated the entities in military conflicts.

- 2260 39.On 30 December 2022, Respondent enacted the Sanctions Law that entailed imposition of economic sanctions on Albion to stop critical technology linkage and prevent their further use in military conflicts. The Sanctions Law prohibited to directly or indirectly engage in transactions for sale, supply, transfer or export dual-use items for military use or to military end-users originating in FTPG States, as well as technologies and data on components used in such items with Albion entities.
- 2265 40.The Sanctions Law listed Claimant as a targeted entity based on the involvement of the Beetle vehicle in the Wadaihi-Karamanlean conflict and on the discovery of similar components of MK Robotics in the vehicles used to attack Wadai. According to the Law, Claimant's assets were to be subject to freezing. Moreover, the business operations of MK Robotics were affected by Sanctions Law as a manufacturer of dual-use goods despite its stated policy of only producing vehicles for commercial and civil purposes.
- 2270 41.In January 2023, Claimant filed an official request to the Martineek government asking for the detailed reasons for its inclusion on the sanctions list and demanding that its assets be unblocked. After 6 months of unfruitful discussions, on 20 April 2023, Claimant submitted its request for arbitration to the ICSID Secretariat.
- 2275 42.After the receipt of Claimant's Request for Arbitration, Respondent retained the law firm "Dumbledore, Black & Partners" ("DBP Law"). DBP Law has represented Respondent in these proceedings since the very beginning: it collected evidence, built the case strategy, and drafted all the necessary procedural documents and submissions. However, shortly before the scheduled hearing, DBP Law filed with the Tribunal its Letter of Resignation, in which it indicated its intention to resign from the case.
- 2280 43.According to this Letter, DBP Law can no longer represent Respondent after the arrest of the prominent Martineekan lawyer and human rights defender, Ms. Alia Azadi. Ms. Azadi has been detained right in the courtroom of Martineekan Constitutional Court, where she pleaded against the recent decision adopted by Respondent's Parliament to prohibit access to women to a range of professions, including the profession of lawyer.

2285

**AGREEMENT ON ENCOURAGEMENT AND RECIPROCAL
PROTECTION OF INVESTMENTS BETWEEN
THE REPUBLIC OF MARTINEEK AND THE FEDERATION OF ALBION**

The Republic of Martineek and the Federation of Albion, hereinafter referred to as the Parties;

2290 DESIRING to establish favourable conditions to enhance economic co-operation between two countries, in relation to investment by nationals and companies of one Party in the territory of the other Party;

ACKNOWLEDGING that agreement upon the treatment to be accorded such investment will stimulate the flow of private capital and the economic development of the Parties;

2295 REAFFIRMING their commitment to promote internationally recognized worker rights and principles of corporate social responsibility;

REAFFIRMING their commitment to sustainable development and to promote the development of international economic cooperation in such a way as to contribute to sustainable development in its economic, social and environmental dimensions;

2300 WILLING to duly protect the intellectual property rights of their investors and

RECOGNISING that the provisions of this Agreement preserve the right of the Parties to regulate within their territories in order to achieve legitimate policy objectives, such as public health, safety, environment, public morals, financial stability, social or consumer protection, and the promotion and protection of cultural diversity;

2305 HAVE agreed as follows:

Article 1

For the purposes of this Agreement:

2310 "**Investment**" means any kind of asset that an investor of one Contracting Party owns or controls, directly or indirectly, in the territory of the other Contracting Party, in accordance with the laws and regulations of the aforementioned party, irrespective of the legal form chosen. For the purposes of this Agreement, an investment includes a certain duration, the commitment of capital or other resources, and the assumption of risk. Without limiting the generality of the foregoing, the term "investment" shall include in particular, but not exclusively:

- 2315
- a. an enterprise;
 - b. movable and immovable property, and any ownership rights in rem, including real guarantee rights on a property of a third party, to the extent that it is connected with an investment;
 - c. shares, debentures, equity holdings and any other instruments of credit;
 - d. re-invested incomes and capital gains or any service rights having an economic value as integral part of an investment;
 - e. intellectual property rights, including copyright and related rights, trade-mark rights, rights in geographical indications, patent rights, rights in industrial designs and other intellectual and industrial property rights, know-how, trade secrets, trade names and goodwill;
- 2320
- 2325

- 2330 f. any economic right accruing by law or by contract and any license and franchise granted in accordance with the provisions in force on economic activities, including the right to prospect for, extract and exploit natural resources;
- g. turnkey, construction, infrastructure, management, production, concession, revenue-sharing, and other similar contracts;
- h. any increase in value of the original investment;
- i. claims to money or claims to performance under a contract;
- j. credits to sums of money or credits to performance under any order, judgment, arbitral award or under any settlement when such orders, judgments, arbitral awards or settlements relate to an investment.
- 2335

Any alteration of the legal form chosen for the investments shall not affect their classification as investments.

For greater certainty, “**claims to money**” does not include:

- 2340 i. claims to money that arise solely from commercial contracts for the sale of goods or services by a person in the territory of a Contracting Party to another in the territory of the other Contracting Party;
- ii. the domestic financing of such contracts; or
- iii. any order, judgment, or arbitral award related to sub-paragraph (k) or (l), as it lacks the characteristics of an investment.

2345 “**Control**” means, in relation to any undertaking, being:

- 2350 a. entitled to exercise, or control the exercise of (directly or indirectly) more than 50 per cent of the voting power at any general meeting of the shareholders, members or partners or other equity holders (and including, in the case of a limited partnership, of the limited partners of, or, in the case of a trust, of the beneficiaries thereof) in respect of all or substantially all matters falling to be decided by resolution or meeting of such persons; or
- b. entitled to appoint or remove:
- 2355 i. directors on the board of directors or its other governing body (or, in the case of a limited partnership, of the board or other governing body of its general partner) who are able (in aggregate) to exercise more than 50 per cent. of the voting power at meetings of that board or governing body in respect of all or substantially all matters; and/or
- 2360 ii. any managing member of that undertaking;
- iii. in the case of a limited partnership, its general partner; or
- iv. in the case of a trust, its trustee and/or manager; or
- 2365 c. entitled to exercise a dominant influence over that undertaking (otherwise than solely as a fiduciary) by virtue of the provisions contained in its constitutional documents or, in the case of a trust, trust deed or pursuant to an agreement with other shareholders, partners, members (or beneficiaries) of that undertaking.

“**Investor**” means:

- i. a natural person having the nationality of a Contracting Party according to its laws; or

- 2370 ii. an undertaking constituted on the territory of a Contracting Party in accordance with the laws of that Party, and having its head office, as well as real business activities, on the territory of that Party; or
- 2375 iii. an undertaking controlled directly or indirectly by a person under a) or b) and constituted on the territory of a Contracting Party in accordance with the laws of that Party; and that is making or has made an investment in the territory of the other Contracting Party in accordance with the law of the latter.

2380 "**Territory**" means the part of a land area, internal and territorial waters, air space above them, the sea area outside the territorial waters, including the seabed and subsoil on which the Contracting Party exercises sovereign rights, and subject to its jurisdiction, according to international law.

2385 "**Activities connected with an investment**" means, inter alia, the organization, control, operations, maintenance and disposal of companies, branches, agencies, offices or other organizations for the conduct of business; the access to the financial markets; the borrowing of funds; the purchase, sale and issue of shares and other securities and the purchase of foreign exchange for imports necessary for the conduct of business affairs; the marketing of goods and services; the procurement, sale and transport of raw and processed materials, energy, fuels and production means and the dissemination of commercial information.

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Article 2

1. Each Contracting Party shall encourage the investors of the other Contracting Party to invest in its territory and shall create and maintain in its territory, in conformity with its legal order, a favorable legal environment, capable of guaranteeing the investors of generally stable and equitable conditions for investment.
- 2395 2. Neither Contracting Parties shall set any conditions for the operation, expansion or continuation of investments, which might imply taking over or imposing any obligations on export production and specifying that goods must be procured locally or similar conditions.

Article 3

- 2400 1. Each Contracting Party, within its territory, shall offer to investors of the other party and to covered investments, treatment no less favourable than the treatment accorded to its own investors and their investments, or to investors of any third State and their investments, with respect to the expansion, conduct, operation, management, maintenance, use, enjoyment and sale or disposal of their investments in its territory.
- 2405 3. "Treatment" referred to in paragraph 1 does not include procedures for the resolution of investment disputes between investors and States provided for in other international investment treaties and other trade agreements.
4. Investment shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security.
- 2410 5. Neither Party shall in any way impair by arbitrary or discriminatory measures the management, operation, maintenance, use, enjoyment, acquisition, expansion, or disposal of investments.

Article 4

- 2415 1. The Contracting Parties reaffirm their right to regulate within their territories to achieve legitimate policy objectives, such as the protection of public health, social services, public education, safety, the environment including climate change, public morals, social or consumer protection, privacy and data protection, or the promotion and protection of cultural diversity.
- 2420 6. For greater certainty, the mere fact that a Contracting Party regulates through general measures, including through a modification to its laws, in a manner which negatively affects a covered investment or interferes with an investor's expectations, including its expectations of profits, does not amount to a breach of an obligation under this Agreement, as long as this is non-discriminatory, reasonable and proportionate.

2425

Article 5

- 2430 1. Neither Party shall nationalise or expropriate a covered investment either directly or indirectly through measures having an effect tantamount to nationalisation or expropriation except for a public purpose; in a non-discriminatory manner; upon payment of prompt, adequate and effective compensation; and in accordance with due process of law and the general principles of treatment provided for in Article 4.
- 2435 2. The compensation referred to in paragraph 1 shall amount to fair market value of the investment expropriated, shall be made without delay, be effectively realizable and be freely transferable in a freely convertible currency. This includes any form of currency that exists digitally or virtually and uses cryptography to secure transactions. In case there is an undue delay with payment of the compensation for expropriation, this compensation shall include interest according to the legislation of the respective Contracting Party.

Article 6

- 2440 This Treaty shall not preclude the application by either Party of measures necessary for the maintenance of public order, the fulfilment of its obligations with respect to the maintenance or restoration of international peace or security, and the protection of its own national security.

Article 7

- 2445 1. Each Party shall permit all transfers relating to a covered investment to be made in a freely convertible currency, without restriction or delay and at the market rate of exchange prevailing on the date of transfer with regard to the currency to be transferred. Such transfers include:
- 2450 a. contributions to capital to maintain, develop or increase the investment;
- b. profits, dividends, capital gains, interest, royalty payments, management fees, technical assistance and other fees or returns derived from the investment;
- c. proceeds from the sale of all or any part of the investment or from the partial or complete liquidation of the investment;
- 2455 d. payments made under a contract entered into by the investor, or its covered investment, including payments made pursuant to a loan agreement;

- e. earnings and other remuneration of personnel engaged from abroad and working in connection with an investment;
 - f. payments made pursuant to Articles 5;
- 2460 2. Neither Party may require its investors to transfer, or penalise its investors for failing to transfer, the income, earnings, profits or other amounts derived from, or attributable to, their covered investments in the territory of the other Party.
- 2465 3. Notwithstanding paragraphs 1 and 2, this Article shall not be construed as preventing a Party from applying in an equitable and non-discriminatory manner, and not in a way that would constitute a disguised restriction on trade and investment, its laws and regulations relating to:
- a. bankruptcy, insolvency, bank recovery;
 - b. issuing, trading, or dealing in financial instruments;
 - c. financial reporting or record keeping of transfers where necessary to assist law enforcement or financial regulatory authorities;
 - d. criminal or penal offenses, deceptive or fraudulent practices;
 - e. ensuring compliance with orders or judgments in judicial or administrative proceedings;
 - f. social security, public retirement or compulsory savings schemes.
- 2475

Article 8

Subject to the requirement that such measures are not applied in a manner that would constitute arbitrary or unjustifiable discrimination between investments or between investors, Articles 5 shall not be construed to prevent a Party from adopting or enforcing measures necessary:

- a. to protect public morals;
 - b. to protect human, animal or plant life or health;
 - c. to ensure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement including those relating to:
 - i. the prevention of deceptive and fraudulent practices or to deal with the effects of a default on contracts;
 - ii. the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts;
 - iii. safety.
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- 2490

Article 9

An investor shall be bound by the laws and regulations in force in the host state and shall refrain from exercising restrictive practices and from trying to achieve gains through unlawful means.

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Article 10

Where a Party experiences serious balance of payments or external financial difficulties, or threat thereof, it may adopt or maintain restrictive measures with regard to transfers. Such measures shall:

- 2500 a. be consistent with other international obligations of the Party, and with the Articles
 of the Agreement of the International Monetary Fund;
 b. not exceed those necessary to deal with the difficulties addressed under this
 paragraph;
 c. be temporary and phased out progressively;
 d. avoid unnecessary damage to the commercial, economic and financial interests of
 the other Party;
 e. be non-discriminatory compared to third countries in like situations.
- 2505

A Party maintaining or having adopted measures referred to in this paragraph shall promptly notify them to the other Party.

2510

Article 11

1. The Parties shall cooperate on issues covered by this Agreement.
2. To this end, the Parties shall establish a Committee, which shall meet once a year or at the request of a Party.
- 2515 3. The Committee shall:
 - a. supervise and facilitate the implementation and application of this Agreement and further its general aims;
 - b. consider any matter of interest relating to an area covered by this Agreement
 - 2520 c. establish its own procedures.

Article 12

1. Any dispute which may arise between one of the Contracting Parties and an investor of the other Contracting Party, from a covered investment including disputes relating to the amount of compensation, shall as far as possible be settled through consultation and negotiation.
2. In the event that such dispute cannot be settled as provided for in paragraph 1 of this Article within three (3) months from the date of a written application for settlement, the investor in question may submit at its choice the dispute for settlement to one of the following fora:
 - 2530 a. the competent Court of the Contracting Party,
 - b. an ad hoc Arbitration Tribunal, in compliance with the Arbitration Rules of the UN Commission on International Trade Law (UNCITRAL) as in force at that time, unless another set of rules is agreed by the parties to the dispute;
 - c. the International Centre for Settlement of Investment Disputes (ICSID), for the implementation of an arbitration procedure, under the Washington Convention of 18 March, 1965, on the Settlement of Investment Disputes between State and National of other State, if this had entered into force for both of the Contracting Parties to the dispute, or, alternatively, in accordance with the ICSID Additional Facility Rules, if the Washington Convention has entered into force only for one the Contracting Parties.

- 2545 3. In case of arbitration proceeding sub (b) or (c) above, an investor may only submit a claim if the investor itself or any entity directly or indirectly controlled by it, or by which it is in turn directly or indirectly controlled, withdraws or discontinues any existing proceeding before a tribunal or court under domestic or international law with respect to a measure alleged to constitute a breach of this Agreement, as well as it waives its right to initiate any claim or proceeding of the same kind with respect to a measure alleged to constitute such a breach. The investor shall apply this provision in good faith and avoid double proceedings for the same kind of substantial claims.
- 2550 4. In the event that the Investor, the investment or the State have already been satisfied under domestic law on a claim substantially reproducing that to be addressed under this article, the disputing Party is forbidden from proposing an arbitration.
- 2555 5. In case of arbitration proceeding sub (b) or (c) above, all arbitrators appointed by the disputing parties shall be independent, serve in their individual capacities and not be affiliated with the government of either of the Contracting Parties. All arbitrators shall have specialized knowledge of or experience in public international law and international investment law, or in the settlement of disputes under international investment agreements. The arbitrators shall comply with arbitrators' codes of conduct adopted by the Parties in Annex I (Code of conduct).
- 2560 6. The UNCITRAL Rules on Transparency in treaty-based Investor-State Arbitration (the "UNCITRAL Transparency Rules") shall apply to disputes under this Agreement.
- 2565 7. When rendering its decision, the Tribunal shall apply this Agreement as interpreted in accordance with the Vienna Convention on the Law of Treaties, and other rules and principles of international law applicable between the Parties. Where the Tribunal is required to ascertain the meaning and effects of the provisions of domestic law as a matter of fact, it shall follow the prevailing interpretation made by the courts or authorities of that Party.
- 2570 8. Upon the entry into force between the Contracting Parties of an international agreement providing for a multilateral investment tribunal and/or a multilateral appellate mechanism applicable to disputes under this Agreement, and irrespective of Article 15, the relevant parts of this Agreement shall cease to apply.

Article 13

- 2575 1. In case a dispute arises between the Contracting Parties on any alleged breaches in this Agreement, relating to its interpretation and application, this shall, as far as possible, be settled amicably through consultation and negotiation.
- 2580 4. In the event that the dispute cannot be settled within six months from the date on which one of the Contracting Party notifies the other Contracting Party in writing, the dispute shall at the request of one of the Contracting Parties, be laid before an ad hoc Arbitration Tribunal as provided for in this Article.
- 2585 5. The Arbitration Tribunal shall be constituted in the following manner: within two months from the moment on which the request for arbitration is received, each of the two Contracting Parties shall appoint a member of the Tribunal. The President shall be appointed within three months from the date on which the other two members are appointed, by agreement of the Contracting Parties.
- 2590 6. If, within the period specified in paragraph 3 of this Article, the appointment has not been made, each of the two Contracting Parties may invite, in default of other arrangements, the President of the International Court of Justice to make an appointment. In the event that the President of the Court is a national of one of the Contracting Parties or if, for any reason, it is

impossible for him/her to make the appointment, the application shall be made to the Vice President of the Court. If the Vice President of the Court is a national of one of the Contracting Parties or, for any reason, is unable to make the appointment, the most senior member of the International Court of Justice, who is not a national of one of the Contracting Parties, shall be invited to make the appointment.

2590 7. The Arbitration Tribunal shall rule with a majority vote, and its decision shall be binding.
 2595 Each Contracting Parties shall pay the cost of its own arbitrator and of its representative at the hearings. The President's cost and any other cost shall be divided equally between the Contracting Parties. The Arbitration Tribunal shall lay down its own procedure.

Article 14

2600 By mutual consent, the Contracting Parties may amend this Agreement, or may jointly issue an interpretative note of any provision thereof. Any such amendments and additions will be executed by a separate protocol, which is an integral part of this Agreement, and will enter into force as provided by Article 16 of this Agreement.

Article 15

1. A Party may deny the benefits of this Agreement to an investor of another Party that is an enterprise of such Party and to investments of such investor if investors of a non-Party own or control the enterprise and the denying Party:
 - a. does not maintain diplomatic relations with the non-Party; or
 - b. adopts or maintains measures with respect to the non-Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Agreement were accorded to the enterprise or to its investments.

2. A Party may deny the benefits of this Agreement to an investor of another Party that is an enterprise of such Party and to investments of such investors if investors of a non-Party own or control the enterprise and the enterprise has no substantial business activities in the territory of the Party under whose law it is constituted or organised.

Article 16

1. This Agreement, its amendments and additions shall enter into force on the date of receiving the last written notification confirming the implementation by the Contracting Parties of all internal procedures necessary for its entry into force.

2. This Agreement will remain in force for the period of ten years. Thereafter, it will be automatically extended for further periods of five years, unless one of the Contracting Parties notifies in writing to the other Contracting Party within a minimum of six months prior to the expiration of the current period of validity, its intention to terminate it.

3. In case of investments made prior to the expiry date of this Agreement, the provisions of this Agreement shall remain active for a further period of five (5) years from the date of the termination of this Agreement.

4. In witness thereof the undersigned Representatives, duly authorized by their respective Governments, have signed the present Agreement.

2635 DONE in Siaya, Martineek on 21 January 2013 in two originals each in English.

For the Republic of Martineek

Minister of Foreign Affairs

Joseph Miles

2640 *[signature illegible]*

For the Federation of Albion

Minister of International Trade and Economy

Bethany Wu

2645 *[signature illegible]*

ANNEX I. CODE OF CONDUCT FOR ARBITRATORS

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