

INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

Libra LLC and Others
Claimants

v.

Republic of Azerbaijan
Respondent

(ICSID Case No. ARB/23/46)

INTERIM COST ORDER

Members of the Tribunal

Prof. Eduardo Zuleta, President of the Tribunal
Mr. D. Brian King, Arbitrator
Dr. Claus von Wobeser, Arbitrator

Secretary of the Tribunal

Leah W. Njoroge

Assistant to the Tribunal

María Marulanda Mürrle

November 26, 2025

I. PROCEDURAL BACKGROUND

1. On September 2, 2025, the Claimants requested that the Tribunal sanction the Respondent for failing to comply with the Tribunal’s Decision on the Claimants’ Second Renewed Request for Provisional Measures (the “PMO”), including by issuing an interim order granting the Claimants all costs and fees incurred in connection with the provisional measures proceedings (the “Request for Sanctions”).¹
2. On September 12, 2025, the Respondent filed its reply, requesting that the Tribunal reconsider the PMO and deny the Claimants’ Request for Sanctions.
3. On October 30, 2025, the Tribunal issued its Decision on Respondent’s Request for Reconsideration of the Decision on Provisional Measures and Claimants’ Request for Sanctions (the “Decision on Reconsideration and Sanctions”).
4. In its Decision, the Tribunal found that the Claimants’ request for an interim order on costs had merit and invited the Claimants to submit a statement of costs, limited to a breakdown of legal and other costs incurred in connection with the provisional measures proceedings, certified by counsel.² The Tribunal also invited the Respondent to submit any comments on the Claimants’ statement of costs.³
5. On November 6, 2025, the Claimants submitted their Statement of Costs on Provisional Measures (“Statement of Costs”).
6. On November 13, 2025, the Respondent submitted its Response to the Claimants’ Statement of Costs (“Response”).

II. THE PARTIES’ POSITIONS

A. CLAIMANTS’ POSITION

7. The Claimants seek US\$ 1,548,448.00 in legal fees incurred over 21 months of provisional measures proceedings to secure Mr. Muduroglu’s release from Azerbaijan.⁴

¹ See Request for Sanctions, para. 47(A). (“First, Claimants request that the Tribunal issue an interim order granting Claimants all costs and fees incurred in the preparation of Claimants’ provisional measures requests and related briefing (in the amount of US\$ 1,371,161, as of August 24, 2025), with the right to update such amount as these proceedings continue. [...] Claimants request that the Tribunal issue this cost allocation order now, with the intention that it be incorporated into the Tribunal’s Final Award.”)

² Decision on Reconsideration and Sanctions, paras. 71 and 76(d).

³ Decision on Reconsideration and Sanctions, paras. 71 and 76(d).

⁴ Statement of Costs, para. 2.

The Claimants stress that the Respondent's continued refusal to comply prompted the Tribunal to reaffirm its order, yet the Respondent remains in default and Mr. Muduroglu remains unable to leave Azerbaijan.⁵

8. In the Statement of Costs, the Claimants' legal fees are itemized across twelve submissions spanning from their first request for provisional measures in February 2024 to their final submission on the Respondent's non-compliance with the PMO in September 2025.⁶

B. RESPONDENT'S POSITION

9. The Respondent challenges the Claimants' request for US\$ 1,548,448.00 in legal fees for provisional measures proceedings from February 2024 to September 2025. The Respondent argues that the Claimants have failed to provide detailed breakdowns or substantiation of costs, rendering meaningful evaluation impossible, and provides examples of allegedly unreasonable costs.⁷ The Respondent requests that the Tribunal apply at least a 30% reduction to all costs claimed to reflect lack of transparency and apparent excessiveness.⁸
10. The Respondent further contends that the Claimants wrongly seek costs for unsuccessful applications, noting that the first request for provisional measures and the renewed request—which were briefed between February 2024 and January 2025—were both denied by the Tribunal.⁹ The Respondent argues that the Tribunal's costs order in the Decision on Reconsideration and Sanctions only covers costs relating to the successful PMO issued in July 2025, not prior submissions relating to denied applications.¹⁰ Additionally, the Respondent asserts that the Claimants' extensive requests for sanctions, which comprised at least 25% of each of their September 2025 submissions and were denied by the Tribunal, should result in proportionate cost reductions.¹¹
11. Based on these arguments, the Respondent submits that the maximum award should be US\$ 348,862.16, calculated by excluding all costs for unsuccessful applications, applying a 30% reduction to costs related to the successful PMO for lack of transparency and

⁵ Statement of Costs, para. 2.

⁶ Statement of Costs, pp. 1-2.

⁷ Response, paras. 2-4.

⁸ Response, para. 5.

⁹ Response, paras. 6-7.

¹⁰ Response, para. 7.3.

¹¹ Response, para. 8.

reasonableness, and further reducing costs for the September 2025 submissions to 75% to account for the denied sanctions requests, followed by an additional 30% reduction.¹²

III. THE TRIBUNAL'S ANALYSIS

12. The Tribunal's power to allocate costs, and to do so at any stage of the proceedings, is well established.

13. Article 61(2) of the ICSID Convention provides that:

In the case of arbitration proceedings the Tribunal shall, except as the parties otherwise agree, assess the expenses incurred by the parties in connection with the proceedings, and shall decide how and by whom those expenses, the fees and expenses of the members of the Tribunal and the charges for the use of the facilities of the Centre shall be paid. Such decision shall form part of the award.

14. Rule 52(3) of the ICSID Arbitration Rules (2022) provides that “[t]he Tribunal may make an interim decision on costs at any time, on its own initiative or upon a party's request.”

15. Rule 52(1) sets forth the criteria the Tribunal shall consider in allocating costs:

In allocating the costs of the proceeding, the Tribunal shall consider all relevant circumstances, including:

(a) the outcome of the proceeding or any part of it;

(b) the conduct of the parties during the proceeding, including the extent to which they acted in an expeditious and cost-effective manner and complied with these Rules and the orders and decisions of the Tribunal;

(c) the complexity of the issues; and

(d) the reasonableness of the costs claimed.

16. In its Decision on Reconsideration and Sanctions, the Tribunal determined that an interim cost order in favor of the Claimants was appropriate given the Respondent's failure to comply with the PMO without compelling justification.¹³

¹² Response, para. 9, pp. 4-5.

¹³ Decision on Reconsideration and Sanctions, para. 70.

17. The costs at issue encompass both those incurred in obtaining the PMO and those arising from the Respondent's subsequent failure to comply with it. Indeed, following the issuance of the PMO, the Respondent's refusal to comply generated further procedural steps: the Claimants sought clarification on implementation, the Tribunal convened an emergency conference call, and the Parties engaged in additional rounds of briefing on the Respondent's announced non-compliance.
18. The Claimants seek US\$ 1,548,448.00 in legal fees for the provisional measures proceedings. The Respondent objects to this quantum on several grounds. The Tribunal addresses each objection in turn.
19. First, the Respondent argues that costs related to prior requests for provisional measures that were denied should not be awarded.¹⁴ The Tribunal agrees that, at this stage, only costs related to the PMO should be awarded, commencing with the Claimants' Second Renewed Request for Provisional Measures of April 25, 2025, and concluding with their Rejoinder on Respondent's Non-Compliance filed on September 17, 2025. This limitation reflects the basis for the cost decision articulated in the Decision on Reconsideration and Sanctions: the Respondent's failure to demonstrate any compelling justification for its non-compliance with the PMO.¹⁵ A decision on costs related to earlier unsuccessful requests is reserved for a later stage of the proceedings.
20. Second, the Respondent contends that costs related to the PMO should be reduced by 30% for lack of transparency and apparent unreasonableness.¹⁶ The Tribunal disagrees. The Claimants have provided a statement by counsel of the legal fees associated with each submission, correspondence, and the emergency conference call. This level of detail is sufficient for present purposes, and the Tribunal has no basis to question either the transparency or the reasonableness of the costs claimed. The provisional measures proceedings raised complex issues spanning domestic criminal law, tax law, and administrative and judicial proceedings in Azerbaijan. The costs claimed appear proportionate to this complexity and to the additional briefing and procedural steps necessitated by the Respondent's non-compliance.
21. Third, the Respondent contends that costs related to the Claimants' September 2025 submissions should be reduced to account for sanctions requests that were denied.¹⁷ The Tribunal does not consider that such a reduction is appropriate. The Claimants prevailed on the central issue addressed in the Decision on Reconsideration and Sanctions: the Respondent's non-compliance with the PMO was established, and an interim cost order

¹⁴ Response, paras. 6-7.

¹⁵ Decision on Reconsideration and Sanctions, para. 70.

¹⁶ Response, paras. 2-5.

¹⁷ Response, para. 8.

was determined to be an appropriate consequence. The Claimants sought a range of sanctions in response to the exceptional circumstances presented by the Respondent's refusal to comply with the PMO. That the Tribunal declined to grant certain of the sanctions requested does not warrant a reduction in the costs reasonably incurred in presenting those requests to the Tribunal for its consideration.

22. For these reasons, the Tribunal awards the Claimants legal fees in the amount of US\$ 556,234.00, representing costs incurred from the "Update on the Travel Bans and Second Renewed Request for Provisional Measures" of April 25, 2025, through the "Rejoinder on Respondent's Non-Compliance with Provisional Measures Order" filed on September 17, 2025.

IV. THE TRIBUNAL'S DECISION

23. For the foregoing reasons, the Tribunal decides as follows:

- (a) The Claimants are hereby awarded legal fees and expenses in the amount of US\$ 556,234.00, representing costs incurred in connection with the provisional measures proceedings from the "Update on the Travel Bans and Second Renewed Request for Provisional Measures" of April 25, 2025, through the "Rejoinder on Respondent's Non-Compliance with Provisional Measures Order" filed on September 17, 2025;
- (b) All other matters concerning costs are reserved for determination at a later stage of the proceedings.

For and on behalf of the Tribunal,

[signed]

Professor Eduardo Zuleta
President of the Tribunal
November 26, 2025