



PRESS RELEASE

PCA CASE NO. 2022-13

KN HOLDING LLC & SEVERGROUP LLC V. THE FRENCH REPUBLIC

THE HAGUE, 25 JULY 2024

First Procedural Meeting, Adoption of Terms of Appointment and Issuance of Procedural Order No. 2 in UNCITRAL Arbitration under the France-Russia Bilateral Investment Treaty

On 4 March 2024, the Tribunal constituted in the arbitral proceedings commenced by KN Holding LLC and Severgroup LLC (the “**Claimants**”) against the French Republic pursuant to Article 7 of the *Agreement between the Government of the French Republic and the Government of the Union of Soviet Socialist Republics on the Reciprocal Promotion and Protection of Investments* dated 4 July 1989 (the “**France-Russia BIT**”) held a first procedural video conference with the Parties.

Following this conference, the Tribunal and the Parties executed Terms of Appointment and the Tribunal issued its Procedural Order No. 2, in which, *inter alia*, the procedural calendar for these proceedings was fixed. Pursuant to the procedural calendar, the Claimants are to file their Statement of Claim by 26 July 2024 and the Respondent is either to submit a request for bifurcation or to notify the Tribunal of its intention not to submit a request for bifurcation by 23 September 2024.

Procedural Order No. 2 also fixed the place of arbitration (legal seat) to Singapore, and decided that the languages of the arbitration would be English and French. Additionally, the Order provides that third parties may seek to file written comments, which the Tribunal may allow after consulting the Parties.

Background of the Arbitration

The arbitration was commenced by the Claimants pursuant to the France-Russia BIT and in accordance with the UNCITRAL Arbitration Rules 1976 on 8 June 2021. The Claimants allege that the French Republic breached the France-Russia BIT in relation to the Claimants’ rights to exploit gold and other resources in the Montagne d’Or area in French Guiana.

The Tribunal is comprised of Professor Dr. Klaus Sachs (Presiding Arbitrator), Ms. Anne K. Hoffmann (appointed by the Claimants), and Professor Brigitte Stern (appointed by the Respondent). Mr. Marcus Weiler has been appointed Assistant to the Presiding Arbitrator.

After consulting the Parties, on 6 April 2022, the Tribunal issued its Procedural Order No. 1, appointing the Permanent Court of Arbitration (“**PCA**”) as registry. The proceedings were subsequently suspended by agreement of the Parties at the request of the Claimants until the developments recounted in this press release.

Pursuant to Procedural Order No. 2, the Tribunal will instruct the PCA to publish a press release at each stage of the proceedings, summarizing the background of the case and procedural developments. Basic information about the proceedings is available on the PCA [website](#). Procedural Order No. 2 further provides that, in accordance with Article 32(5) of the UNCITRAL Arbitration Rules 1976, awards in this arbitration shall only be made public if the Parties so agree or where and to the extent disclosure is required of a Party by legal duty, to protect or pursue a legal right or in connection with legal proceedings

before a court or other competent authority. Prior to the issuance of any award, the Tribunal will consult the Parties as to whether they consent to the publication of that award.

* * *

Background on the Permanent Court of Arbitration

The Permanent Court of Arbitration is an intergovernmental organization established by the 1899 Hague Convention on the Pacific Settlement of International Disputes. The PCA has 122 Contracting Parties. Headquartered at the Peace Palace in The Hague, the Netherlands, the PCA facilitates arbitration, conciliation, fact-finding, and other dispute resolution proceedings among various combinations of States, State entities, intergovernmental organizations, and private parties. The PCA's International Bureau is currently administering 6 inter-state arbitrations, 1 other inter-state proceeding, 98 arbitrations arising under bilateral or multilateral investment treaties or national investment laws, 100 cases arising under contracts involving a State or other public entity, and 5 other proceedings.

Contact: Permanent Court of Arbitration
E-mail: bureau@pca-cpa.org