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Home > Events > ARMENIA SECURES FULL VICTORY IN THE RASIA ANNULMENT CASE



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November 15, 2024

The Annulment Committee issued its decision in the case of *Rasia FZE and Joseph K. Borkowski v. Republic of Armenia (ICSID Case No. ARB/18/28)* on 5 November 2024.

The ICSID annulment proceedings sought to annul the arbitral award in connection with the dispute over the construction of a southern railway and express roadway. The dispute was based on concession agreements with the Republic of Armenia, as well as the Treaty between the United States of America and the Republic of Armenia concerning the encouragement and reciprocal protection of investment. In its award, the Arbitral Tribunal fully dismissed the claim of approximately USD 331 million and ordered the claimants to compensate Armenia around USD 2.8 million for legal fees and costs, covering all costs incurred by Armenia during the arbitration proceedings.

In the annulment proceedings, the applicants requested that the Committee annul the arbitral award based on three grounds under Article 52 of the ICSID Convention. They asserted that (1) the Tribunal had manifestly exceeded its powers; (2) there was a serious departure from a fundamental rule of procedure; and (3) the award failed to state the reasons on which it was based. The applicants primarily contended that the Tribunal should not have applied the statute of limitations under the Civil Code of the Republic of Armenia to claims filed under the concession contracts. They further argued that, even if the Tribunal had to apply these limitations, it made errors that could constitute grounds for annulment.

In its written submissions and during the hearing, Armenia presented comprehensive and persuasive arguments, demonstrating the lack of merit in the applicants' claims and establishing that that annulment of the arbitral award was unwarranted. The Annulment Committee ultimately found Armenia's arguments compelling and fully dismissed the applicants' requests. As a result, the Committee ordered the applicants to reimburse Armenia's legal fees and expenses in full, totaling USD 382,248. Furthermore, the decision allows Armenia to retain a

guarantee of approximately USD 2.8 million, provided by the applicants as security for enforcing the arbitral award.

The Republic of Armenia was represented in the annulment proceedings by the law firm Alliance Law Partners, with partner Edward (Teddy) Baldwin and Professor Frederic Sourgens, alongside the Office of the Representative on International Legal Matters. Further details on the case are available on the Centre's [website](#).



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