

INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

**Lotus Proje Akaryakıt Enerji Madencilik Telekomünikasyon İnşaat
Sanayi Taah. Ve Tic. A.Ş.**

v.

Turkmenistan

(ICSID Case No. ARB/24/13)

PROCEDURAL ORDER NO. 7

Members of the Tribunal

Ms. Meg Kinnear, President of the Tribunal

Ms. Lucy Greenwood, Arbitrator

Mr. John M. Townsend, Arbitrator

Secretary of the Tribunal

Mr. Govert Coppens

September 29, 2025

I. INTRODUCTION AND PROCEDURAL BACKGROUND

1. The procedural background to this case is recited in [*Procedural Order No. 3*](#).¹
2. On March 7, 2025, the Respondent filed a Request for Security for Costs (“SFC”) under Arbitration Rule 53 of the 2022 ICSID Arbitration Rules. The Parties exchanged submissions on SFC on March 7 and April 4, 2025, and a hearing on SFC was held on April 16, 2025.
3. The Tribunal issued [*Procedural Order No. 3*](#) on April 28, 2025, in which it:
 - a. Ordered the Claimant to post SFC of USD 2 million;
 - b. Gave the Claimant the option of posting SFC through a bank guarantee, cash in an escrow account, or ATE insurance coverage, and required it to revert to the Tribunal in writing “with a detailed explanation of its proposal sufficient for the Tribunal to be assured that it will serve the intended purpose.” Once approved, the Claimant would have 30 days to put the security in place; and
 - c. The SFC was to be maintained consistently until the conclusion of the arbitration and satisfaction of any adverse cost award or modification of the SFC order by the Tribunal.²
4. On May 28, 2025, the Claimant advised that its client would pay SFC but requested an extension of time until June 30, 2025, to comply with the SFC order. The Tribunal granted this extension in [*Procedural Order No. 4*](#).³ The Tribunal reiterated that this meant the Claimant had “until June 30, 2025, to revert to it in writing with sufficient details concerning the security to be obtained and the provider of such security. The Tribunal will

¹ *Lotus Proje Akaryakıt Enerji Madencilik Telekomünikasyon İnşaat Sanayi Taah. Ve Tic. A.Ş. v. Turkmenistan*, ICSID Case No. ARB/24/13, Procedural Order No. 3, April 28, 2025 (“**PO3**”), paras. 1-9.

² PO3, para. 86.

³ *Lotus Proje Akaryakıt Enerji Madencilik Telekomünikasyon İnşaat Sanayi Taah. Ve Tic. A.Ş. v. Turkmenistan*, ICSID Case No. ARB/24/13, Procedural Order No. 4, June 2, 2025 (“**PO4**”), para. 11.

then review the details provided concerning the security and will advise whether it is approved. If so, the Claimant will then have 30 days from the date of such approval to put the SFC in place. [...] the 30 days to put the SFC in place only commences once [the SFC is] approved”.⁴

5. In [*Procedural Order No. 6*](#), the Tribunal agreed to modify the case filing schedule and to allow the Claimant to provide the details on its proposed SFC by July 5, 2025.⁵

II. CORRESPONDENCE CONCERNING DISCLOSURE OF INSURANCE AND REINSURANCE POLICY TERMS

6. The Claimant elected to provide the SFC in the form of an ATE insurance policy issued to Lotus by Neova Katilim Sigorta A.S. (“**Neova**”), backed by a reinsurance policy issued by Mosaic Insurance (“**Mosaic**”). Between July 5 and September 12, 2025, the Parties exchanged information and questions about the proposed terms of the ATE and the Tribunal posed several questions concerning the proposed policy.⁶ During this exchange the Claimant agreed to many (but not all) changes or additions requested by the Respondent.⁷ At the same time, significant confusion about the ATE remained.
7. On August 14, 2025, the Tribunal invited the Claimant: (1) to advise when it would provide the updated Neova draft policy (i.e., the “**Neova-Lotus insurance policy**”); and (2) to provide the updated insurance policy schedule, reinsurance policy schedule and anti-avoidance endorsement (“**AAE**”) reflecting the amendments agreed to by the Claimant on July 30, 2025.

⁴ PO4, para. 13.

⁵ *Lotus Proje Akaryakıt Enerji Madencilik Telekomünikasyon İnşaat Sanayi Taah. Ve Tic. A.Ş. v. Turkmenistan*, ICSID Case No. ARB/24/13, Procedural Order No. 6, July 2, 2025 (“**PO6**”), para. 4.

⁶ The Claimant sent correspondence dated July 7, 8 and 30, August 20 and 28, and September 7, 10, 18 and 24, 2025. The Respondent replied on July 15, August 11, and September 1, 8, 12 and 24, 2025.

⁷ Hearing on Security for Costs, September 26, 2025, Transcript (“**Transcript**”), p. 9, lines 17-21.

8. On August 20, 2025, the Claimant advised that it would circulate “both policies, together with any updated versions of the documents previously shared” by August 27, 2025, and would address any changes requested by the Respondent but not implemented.⁸
9. On August 28, 2025, the Claimant provided “an updated version of the policy obtained from the insurer and the reinsurer” with necessary amendments. This version appeared to be the insurance policy schedule between Neova and Lotus. It included numerous amendments that the Respondent had requested but did not address all outstanding matters, including the Respondent’s concern with respect to its ability to make a direct claim against the reinsurer if necessary.⁹
10. On September 1, 2025, the Respondent asserted that the Claimant’s correspondence remained unsatisfactory. The Respondent recalled that the Claimant had undertaken to provide “both” the insurance policy and the reinsurance policy and expressed its concern about the lack of production and the delay in producing the policies.
11. By email dated September 4, 2025, the Tribunal asked the Claimant to: (1) confirm that the document sent on August 28, 2025, contained the full terms of the Neova-Lotus insurance policy; and (2) provide a separate copy of the Neova-Mosaic reinsurance policy terms.
12. On September 7, 2025, the Claimant provided a combined draft of the Neova-Lotus insurance policy and the Neova-Mosaic reinsurance policy, although some terms appeared to be missing or erroneous.

⁸ Email from the Claimant to the Respondent and the Tribunal, August 20, 2025.

⁹ Email from the Claimant to the Respondent and the Tribunal, August 28, 2025, attaching the Neova-Lotus insurance policy. See also Transcript, p. 9, l. 17 – p. 10, l. 14; p. 12, ll. 8-20; p. 15, l. 20 – p. 16, l. 3; p. 21, ll. 2-6; p. 23, l. 7 – p. 24, l. 5; p. 25, l. 5 – p. 30, l. 3; p. 30, l. 12 – p. 31, l. 4; p. 32, l. 5 – p. 33, l. 14 (for examples of matters upon which the Parties did not share the same understanding of the policy).

13. On September 9, 2025, the Tribunal again asked the Claimant to confirm in writing that the document it had provided on August 28, 2025, contained the full terms of the Neova-Lotus insurance policy. The Claimant confirmed this by email dated September 10, 2025.
14. On September 12, 2025, the Respondent alleged that the Claimant still had not produced the necessary documents and asked that the proceedings be suspended.
15. On September 18, 2025, the Claimant confirmed that the policies shared with the Tribunal and the Respondent were the complete terms received from the insurance companies.
16. By this point, it was evident that the Parties had different understandings of the policy, and the Tribunal was not in a position to approve (or disapprove) the SFC policy. As a result, the Tribunal convened a hearing with the Parties on September 26, 2025, by video conference, to clarify the terms of the proposed policy and the Parties respective positions (the “**Hearing**”).
17. Participating in the Hearing were:

Tribunal:

Ms. Meg Kinnear
Ms. Lucy Greenwood
Mr. John M. Townsend

President of the Tribunal
Co-arbitrator
Co-arbitrator

ICSID Secretariat:

Ms. Leah W. Njoroge

ICSID Legal Counsel

For the Claimants:

Counsel

Mr. Alptuğ Tokeşer
Mr. Berk Tüzüner
Mr. Mehmet Tuğberk Dekak
Mr. Sercan Polat

Alp Arbitration
Alp Arbitration
Juris Attorney Partnership
Polat Law Firm

For the Respondent:

Counsel

Mr. John Branson
Mr. Carlos Guzman
Ms. Kate Maguire

Squire Patton Boggs, LLP
Squire Patton Boggs, LLP
Squire Patton Boggs, LLP

Court Reporter:

Ms. Dawn Larson

18. During the Hearing, the Parties were able to clarify certain aspects of the SFC. At the same time, the Parties and the Tribunal identified a number of errors in the existing documents which made it impossible to understand fully the operation of the SFC.¹⁰
19. By the end of the Hearing, it was evident to all that the only relevant document was the Neova-Lotus insurance policy; that there were still a number of unaddressed questions in the versions of the Neova-Lotus insurance policy that had been provided; and that the policy contained some erroneous provisions.
20. Counsel for the Claimant agreed that it would revert to the insurer and produce a clean version of the Neova-Lotus insurance policy (only).¹¹ In turn, Counsel for the Respondent advised it would accept a revision of the policy that addressed its concerns. These included:
 - a. Neova should be clearly responsible for the full USD 2 million;
 - b. The Respondent should have a clear right to make a claim directly against Neova;
 - c. Clause 8, dealing with governing law and jurisdiction, should be revised either to provide for arbitration involving the Parties and Neova or litigation that would include all three in the English courts;
 - d. The definition of “costs” should be aligned with the ICSID Arbitration Rules; and
 - e. The joint and several liability clause should be deleted.¹²

¹⁰ See, for example, Transcript, p. 9, l. 17 – p. 10, l. 14; p. 12, ll.8-20; p. 15, l. 20 – p. 16, l. 3; p. 21, ll. 2-6; p. 23, l. 7 – p. 24, l. 5; p. 25, l. 5 – p. 30, l. 3; p. 30, l. 12 – p. 31, l. 4; p. 32, l. 5 – p. 33, l. 14; p. 34, ll. 1-17; p. 36, ll. 9-12; p. 38, ll. 17-19; p. 39, ll. 8-14; p. 39, ll. 17-18; p. 40, ll. 8-14; p. 40, l. 19 – p. 41, l. 9; p. 43, l. 1 – p. 47, ll. 5-20; p. 50, ll.8-12; p. 52, ll. 10-21; p. 57, ll. 16-19; p. 63, ll. 12-19; p. 64, ll. 5-7; p. 67, ll. 2-22; p. 70, l.18 – p. 71, l. 10.

¹¹ Transcript, p. 73, l. 15 – p. 74, l. 6; p. 73, ll. 2-4.

¹² Transcript, p. 57, l. 20 – p. 58, l. 18; p. 60, ll. 12-21; p. 61, l. 12 – p. 62, l. 3; p. 63, ll. 12-19; p. 66, l. 11 – p. 67, l. 1; p. 70, l. 18 – p. 71, l. 9.

21. Accordingly, the Tribunal invites the Claimant to provide a clear, updated and complete Neova-Lotus insurance policy that, to the extent possible, addresses all outstanding issues that have caused confusion. This version should be discussed with the Respondent and then submitted to the Tribunal and the Respondent by October 15, 2025. The Claimant should not submit further iterations of the Neova-Mosaic reinsurance policy, as reinsurance is a distinct legal matter that does not affect the sufficiency of the SFC.
22. The Respondent shall have until October 24, 2025, to make any final comments on the new version of the Neova-Lotus insurance policy. Thereafter, the Tribunal will advise the Parties whether it is able to approve the new version of the Neova-Lotus insurance policy.
23. The Tribunal is also mindful of the fact that the Respondent is likely preparing its pleadings due on January 12, 2026,¹³ and that the delay caused by discussions on the SFC may have diverted its attention from the pleadings. While the Tribunal's preference is to maintain the current schedule if feasible, the Tribunal proposes to hold a case management conference with the Parties once the SFC has been finalized to consider whether the current schedule needs revision to account for this delay.

¹³ PO6, Annex B.

III. DECISION

24. For the foregoing reasons, the Tribunal orders as follows:

- a. The Claimant will provide a clear, updated and complete Neova-Lotus insurance policy by October 15, 2025;
- b. The updated policy shall address all outstanding issues, to the extent possible;
- c. The Respondent shall have until October 24, 2025, to make any final comments on the updated policy; and
- d. Thereafter, the Tribunal will revert to the Parties on whether it is able to approve the new version of the Neova-Lotus insurance policy.

On behalf of the Tribunal,

[signed]

Ms. Meg Kinnear
President of the Tribunal
Date: September 29, 2025