

REPUBLIC



OF CYPRUS

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MINISTRY OF COMMERCE, INDUSTRY
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22 June, 1998

The Energy Charter Secretariat
Boulevard de la Woluwe 56
B-1200 Brussels
BELGIUM

Attention: Mr. Vessely

ENERGY CHARTER SECRETARIAT
Date: 25/06/98
Reg No: 11676
For Info: EG/CEG/10/LA

VV

Dear Sir,

**Subject: Written Statement by the Republic of Cyprus
in accordance with Article 26(3)(b)(ii)
of the Energy Charter Treaty**

I am directed to refer to the above subject and further to my telefax message No. 6/05/98/13 of May 6, 1998 forward to you herewith a written statement by the Republic of Cyprus in accordance with Article 26(3)(b)(ii) of the Energy Charter Treaty.

Yours sincerely,

(C. Xichilos)
for Permanent Secretary

Copy to: Permanent Delegation
of the Republic of Cyprus
Brussels
(Attention: Mr. C. Karagiorgis)

WRITTEN STATEMENT BY THE REPUBLIC OF CYPRUS
IN ACCORDANCE WITH ARTICLE 26(3)(b)(II)

Republic of Cyprus has opted to be included in the Annex ID of Energy Charter and thus not allowing a dispute between an Investor and the Republic of Cyprus to be submitted to international arbitration or conciliation, if that dispute has already been submitted to a competent Court of law in Cyprus or to a previously agreed arbitration procedure for the settlement of the dispute.

The above position is maintained and based on the principles of two legal impediments which are well founded in the legal system of Cyprus through a long time judicial recognition.

The first legal impediment relates to the so called doctrine of litispendence, which may be invoked by any party to the proceedings for the dismissal of the case on the ground that proceedings for the same dispute have already been pending in another competent judicial body.

The second legal impediment relates to the well known doctrine of res judicata, which may be invoked by any party to the proceedings so as to avoid the duplicity of proceedings and judgments or arbitration awards for the same dispute.

Finally it may be argued that the adoption of a different position than that adopted by the Republic of Cyprus would cast doubt upon the reputation, authority, dignity and credibility of the national system of administration of justice.