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## International Tribunal Rejects Claims Against India

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### Why in News

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The Government of India in its recent press release has announced that the International Arbitration Tribunal has dismissed all claims against India in entirety in relation to cancellation of **Letters of Intent** for **providing 2G services**.

- The verdict was pronounced last year in July 2019 by the **International Arbitration Tribunal** constituted in accordance with the **United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules, 1976**.
- The proceedings were administered by the **Permanent Court of Arbitration (PCA)**.

### Key Points

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- **Parties Involved:** The claims were filed by Tenoch Holdings Limited (Cyprus), Mr Maxim Naumchenko (Russian Federation) and Mr Andrey Poluektov (Russian Federation) against India under the **Bilateral Investment Treaties** with Cyprus and Russian Federation.  
**Bilateral Investment Treaties** between two countries allows a private investor to initiate dispute arbitration proceedings against the government to protect its investments.
- **Underlying Reason:** The arbitration arose out of the cancellation of **Letters of Intent** for the **issuance of telecommunications licences to provide 2G services in five telecommunications circles** in India, inter alia, for India's essential security interests.

- **Agreements:** The arbitration was carried out in accordance with the Agreement signed between:
  - Government of the Russian Federation and the Government of the Republic of India for the **Promotion and Mutual Protection of Investments**, and
  - Government of India and the Government of the Republic of Cyprus for the **Mutual Promotion and Protection of Investments**.

**Note:**

## **Letters of Intent**

A Letter Of Intent (LOI) is a document declaring the preliminary commitment of one party to do business with another. In business, it is commonly used as an **initial proposal** to the other party.

## **International Arbitration Tribunal**

- It is an **independent non-governmental panel** of independent and impartial experts.
- It generally comprises of three members nominated by the Parties (or appointed by the International Arbitration Institution, or by a National Court) on the basis of their legal and practical expertise and knowledge, to render a **final and binding award**.

## **Permanent Court of Arbitration**

- **Established** in: 1899.
- **HQ:** Hague, Netherlands.
- **Purpose:** It is an intergovernmental organization dedicated to serve the international community in the field of dispute resolution and to facilitate arbitration and other forms of dispute resolution between States.
- **Structure:** The PCA has a three-part organizational structure consisting of:
  - **Administrative Council-** to oversee its policies and budgets,
  - **Members of the Court-** a panel of independent potential arbitrators, and
  - **International Bureau-** its Secretariat, headed by the Secretary-General.
- **Funds:** It has **Financial Assistance Fund** which aims at helping developing countries meet part of the costs involved in international arbitration or other means of dispute settlement offered by the PCA.

**Source: PIB**