

Bosnia claims victory in treaty-based arbitration

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The Republic of Bosnia and Herzegovina has reportedly prevailed in the PCA-administered [Usha Industries et al. v. Bosnia](#)* case.

As [readers may recall](#), the case was initiated under the India-Bosnia bilateral investment treaty (BIT), in relation to an investment in a state-owned insurance company, “Krajina Osiguranje AD”.

According to [local media](#), the UNCITRAL tribunal hearing the case recently dismissed the claimants’ 30 million USD claims. Per the reports, the claimants have also been ordered to bear at least some of the costs of the proceedings.

In a statement [reported by local media](#), the Ministry of Finance of Republika Srpska said: “We are especially satisfied considering that the court ordered the claimant to pay 1.1 million euros to the respondent. This decision by the Arbitration Tribunal is proof that the institutions of Republika Srpska, primarily the supervisory bodies of the financial sector – the Insurance Agency and the Securities Commission, have consistently complied with financial market regulations and professional rules, applying the best supervisory practices and adopting appropriate measures in a timely manner, with the goal of protecting the interests of our citizens, in this case, individuals who purchased insurance. There was also a confirmation that the relevant legal regulations were complied with, as well as an assessment that there was no violation of the provisions of the Bilateral Investment Treaty between Bosnia and Herzegovina and India.”**

(According to a [different local media report](#), however, the amount that is to be paid by the claimants on account of costs is said to be approximately 750,000 EUR.)

The UNCITRAL tribunal that heard the case consisted of [Bernard Hanotiau](#) (chair, appointed by co-arbitrators), Ian Laird (claimant’s appointee) and [Bernardo Cremades](#) (respondent’s appointee).

The claimants were represented by Baker McKenzie and Steptoe & Johnson, while the respondent relied on Dimitrijevic & Partners, Mikijelj Jankovic & Bogdanovic, and also MIM Law.

The reports also indicate that local criminal proceedings for an alleged abuse of power in “Krajina Osiguranje AD” initiated against one of the claimants, Naveen Agarwal, remain pending.

We are attempting to learn more about the recent UNCITRAL award, and we will update our readers accordingly.

* Local news reports indicate that the claim was defeated by Republika Srpska, one of Bosnia and Herzegovina’s two political subdivisions. While the claim was formally brought against Bosnia and Herzegovina, it appears from local media reports (see [here](#) and [here](#)) that the case was handled and financed by Republika Srpska’s Ministry of Finance, with the involvement of Bosnia’s State Attorney’s Office.

** We translate from the original text.