

ANNEX XVI

RULES OF PROCEDURE FOR DISPUTE SETTLEMENT

General provisions

1. In Chapter 14 (Dispute settlement) of Title V (Trade and Trade-related Matters) of this Agreement and under these Rules:

- (a) ‘adviser’ means a person retained by a Party to the dispute to advise or assist that Party in connection with the arbitration panel proceeding;
- (b) ‘arbitrator’ means a member of an arbitration panel established under Article 352 of this Agreement;
- (c) ‘arbitration panel’ means a panel established under Article 352 of this Agreement;
- (d) ‘assistant’ means a person who, under the terms of appointment of an arbitrator, conducts research or provides assistance to that arbitrator;
- (e) ‘complaining Party’ means any Party that requests the establishment of an arbitration panel under Article 351 of this Agreement;
- (f) ‘day’ means a calendar day;
- (g) ‘party complained against’ means the Party that is alleged to be in violation of the provisions referred to in Article 348 of this Agreement;
- (h) ‘representative of a Party’ means an employee or any person appointed by a government department or agency or any other public entity of a Party who represents the Party for the purposes of a dispute under this Agreement.

2. The Party complained against shall be in charge of the logistical administration of the dispute settlement proceedings, in particular the organisation of hearings, unless otherwise agreed. The Parties shall share the expenses derived from organisational matters, including the remuneration and expenses of the arbitrators.

Notifications

3. Each Party to the dispute and the arbitration panel shall transmit any request, notice, written submission or other document by e-mail to the other Party and, as regards written submissions and requests in the context of arbitration, to each of the arbitrators. The arbitration panel shall circulate documents to the Parties also by e-mail. Unless proven otherwise, an e-mail message shall be deemed to be received on the date of its sending. If any of the supporting documents are above ten megabytes, they shall be provided in another electronic format to the other Party and, where relevant, to each of the arbitrators within two days from the sending of the e-mail.
4. A copy of the documents transmitted in accordance with rule 3 shall be submitted to the other Party and, where relevant, to each of the arbitrators on the day of sending the e-mail by facsimile transmission, registered post, courier, or delivery against receipt or any other means of telecommunication that provides a record of the sending thereof.
5. All notifications shall be addressed to the Ministry of Economy of the Republic of Moldova and to the Department for International Trade of the United Kingdom, or its successor, respectively.
6. Minor errors of a clerical nature in any request, notice, written submission or other document related to the arbitration panel proceeding may be corrected by delivery of a new document clearly indicating the changes.
7. If the last day for delivery of a document falls on an official holiday of the UK or of the Republic of Moldova, the document shall be deemed delivered within the deadline on the next business day.

Commencing the arbitration

8. (a) If, pursuant to Article 352 of this Agreement or to rule 20 of these Rules, an arbitrator is selected by drawing lots, the drawing of lots shall be carried out at a time and place decided by the complaining Party to be promptly communicated to the Party complained against. The Party complained against may, if it so chooses, be present during the drawing of lots. In any event, the drawing of lots shall be carried out with the Party/Parties that is/are present.
- (b) If, pursuant to Article 352 of this Agreement or to rule 20 of these Rules, an arbitrator is selected by drawing lots and there are two chairs of the Political and Strategic Dialogue in Trade configuration as set out in Article 375(3) of this Agreement, both chairs, or their delegates, or one chair alone in cases where the other chair or his/her delegate does not accept to participate in the drawing of lots, shall perform the selection.

- (c) The Parties shall notify the selected arbitrators of their appointment.
 - (d) An arbitrator who has been appointed according to the procedure established in Article 352 of this Agreement shall confirm his/her availability to serve as an arbitrator to the Political and Strategic Dialogue in Trade configuration as set out in Article 375(3) of this Agreement within five days of the date in which he/she was informed of his/her appointment. If a candidate declines the appointment for a justified reason, a new arbitrator shall be selected following the same procedure used for the selection of the unavailable candidate.
 - (e) Unless the Parties to the dispute agree otherwise, they shall meet the arbitration panel within seven days of its establishment in order to determine such matters as the Parties or the arbitration panel deem appropriate, including the remuneration and expenses to be paid to the arbitrators, which shall be in accordance with WTO standards. The remuneration for each arbitrator's assistant shall not exceed 50 % of the remuneration of that arbitrator. Arbitrators and representatives of the Parties to the dispute may take part in this meeting via telephone or video conference.
9. (a) Unless the Parties agree otherwise within five days from the date of selection of the arbitrators, the terms of reference of the arbitration panel shall be 'to examine, in the light of the relevant provisions of the Agreement invoked by the parties to the dispute, the matter referred to in the request for establishment of the arbitration panel, to rule on the compatibility of the measure in question with the provisions referred to in Article 348 of this Agreement and to make a ruling in accordance with Articles 354 and 369 of this Agreement'.
- (b) The Parties shall notify the agreed terms of reference to the arbitration panel within three days of their agreement.

Initial submissions

10. The complaining Party shall deliver its initial written submission no later than 20 days after the date of establishment of the arbitration panel. The Party complained against shall deliver its written counter-submission no later than 20 days after the date of receipt of the initial written submission.

Working of arbitration panels

11. The chairperson of the arbitration panel shall preside over all its meetings. An arbitration panel may delegate to the chairperson the authority to make administrative and procedural decisions.

12. Unless otherwise provided in Chapter 14 (Dispute settlement) of Title V (Trade and Trade-related Matters) of this Agreement, the arbitration panel may conduct its activities by any means, including telephone, facsimile transmissions or computer links.

13. Only arbitrators may take part in the deliberations of the arbitration panel, but the arbitration panel may permit its assistants to be present at its deliberations.

14. The drafting of any ruling shall remain the exclusive responsibility of the arbitration panel and shall not be delegated.

15. Where a procedural question arises that is not addressed by the provisions of Chapter 14 (Dispute settlement) of Title V (Trade and Trade-related Matters) of this Agreement and Annexes XV, XVI and XVII to this Agreement, the arbitration panel, after consulting the Parties, may adopt an appropriate procedure that is compatible with those provisions.

16. When the arbitration panel considers that there is a need to modify any of the time limits for its proceedings other than the time limits set out in Chapter 14 (Dispute settlement) of Title V (Trade and Trade-related Matters) of this Agreement or to make any other procedural or administrative adjustment, it shall inform the Parties to the dispute in writing of the reasons for the change or adjustment and of the period of time or adjustment needed.

Replacement

17. If an arbitrator is unable to participate in an arbitration panel proceeding, withdraws from it, or must be replaced because he/she does not comply with the requirements of the Code of Conduct, as set out in Annex XVII to this Agreement, a replacement shall be selected in accordance with Article 352 of this Agreement and rule 8 of these Rules.

18. Where a Party to the dispute considers that an arbitrator does not comply with the requirements of the Code of Conduct and for this reason should be replaced, this Party shall notify the other Party to the dispute within 15 days from the time at which it obtained evidence of the circumstances underlying the arbitrator's material violation of the Code of Conduct.

19. Where a Party to the dispute considers that an arbitrator other than the chairperson does not comply with the requirements of the Code of Conduct, the Parties to the dispute shall consult and, if they so agree, select a new arbitrator in accordance with Article 352 of this Agreement and rule 8 of these Rules.

If the Parties to the dispute fail to agree on the need to replace an arbitrator, any Party to the dispute may request that such matter be referred to the chairperson of the arbitration panel, whose decision shall be final.

If, pursuant to such a request, the chairperson finds that an arbitrator does not comply with the requirements of the Code of Conduct, the new arbitrator shall be selected in accordance with Article 352 of this Agreement and rule 8 of these Rules.

20. Where a Party considers that the chairperson of the arbitration panel does not comply with the requirements of the Code of Conduct, the Parties shall consult and, if they so agree, select a new chairperson in accordance with Article 352 of this Agreement and rule 8 of these Rules.

If the Parties fail to agree on the need to replace the chairperson, any Party may request that such matter be referred to one of the remaining members of the pool of individuals from the sub-list of chairpersons referred to in Article 370(1) of this Agreement. His/her name shall be drawn by lot by the chair of the Political and Strategic Dialogue in Trade configuration as set out in Article 375(3) of this Agreement, or the chair's delegate within five days from the request. The decision by the so selected person on the need to replace the chairperson shall be final.

If the so selected person decides that the original chairperson does not comply with the requirements of the Code of Conduct, he/she shall select a new chairperson by lot among the remaining pool of individuals from the sub-list of chairpersons referred to in Article 370(1) of this Agreement. The selection of the new chairperson shall be carried out within five days of the date of the decision referred to in this paragraph.

21. The arbitration panel proceedings shall be suspended for the period taken to carry out the procedures provided for in rules 18, 19 and 20 of these Rules.

Hearings

22. The chairperson of the arbitration panel shall fix the date and time of the hearing in consultation with the Parties to the dispute and the other arbitrators, and shall confirm this in writing to the Parties to the dispute. This information shall also be made publicly available by the Party in charge of the logistical administration of the proceedings, unless the hearing is closed to the public. Unless a Party disagrees, the arbitration panel may decide not to convene a hearing.

23. Unless the Parties agree otherwise, the hearing shall be held in London if the complaining Party is the Republic of Moldova, and in Chisinau if the complaining Party is the UK.

24. The arbitration panel may convene additional hearings, if the Parties so agree.

25. All arbitrators shall be present during the entirety of any hearings.

26. The following persons may attend the hearing, irrespective of whether the proceedings are open to the public or not:

- (a) representatives of the Parties to the dispute;

- (b) advisers to the Parties to the dispute;
- (c) administrative staff, interpreters, translators and court reporters; and
- (d) arbitrators' assistants.

Only the representatives and advisers of the Parties to the dispute may address the arbitration panel.

27. No later than five days before the date of a hearing, each Party to the dispute shall deliver to the arbitration panel a list of the names of individuals who will make oral arguments or presentations at the hearing on behalf of that Party and of other representatives or advisers attending the hearing.

28. The arbitration panel shall conduct the hearing in the following manner, ensuring that the complaining Party and the Party complained against are afforded equal time:

Argument

- (a) argument of the complaining Party;
- (b) counter-argument of the Party complained against;

Rebuttal Argument

- (a) argument of the complaining Party;
- (b) counter-argument of the Party complained against.

29. The arbitration panel may direct questions to either Party to the dispute at any time during the hearing.

30. The arbitration panel shall arrange for a transcript of each hearing to be prepared and delivered as soon as possible to the Parties to the dispute. The Parties to the dispute may comment on the transcript, and the arbitration panel may consider those comments.

31. Each Party to the dispute may deliver a supplementary written submission concerning any matter that arose during the hearing within 10 days of the date of the hearing.

Questions in writing

32. The arbitration panel may at any time during the proceedings address questions in writing to one or both Parties to the dispute. Each Party to the dispute shall receive a copy of any questions put by the arbitration panel.

33. A Party to the dispute shall also provide a copy of its written response to the arbitration panel's questions to the other Party to the dispute. Each Party to the dispute shall be given the opportunity to provide written comments on the other Party's reply within five days of the date of receipt of such reply.

Confidentiality

34. Each Party to the dispute and its advisers shall treat as confidential any information submitted by the other Party to the dispute to the arbitration panel which that Party has designated as confidential. Where a Party to the dispute submits a confidential version of its written submissions to the arbitration panel, it shall also, upon request of the other Party, provide a non-confidential summary of the information contained in its submissions that could be disclosed to the public no later than 15 days after the date of either the request or the submission, whichever is later, and an explanation as to why the non-disclosed information is confidential. Nothing in these Rules shall preclude a Party to the dispute from disclosing statements of its own positions to the public to the extent that, when making reference to information submitted by the other Party, it does not disclose any information designated by the other Party as confidential. The arbitration panel shall meet in closed session when the submission and the arguments of a Party contain confidential information. The Parties to the dispute and their advisers shall maintain the confidentiality of the arbitration panel hearings where the hearings are held in closed session.

Ex parte contacts

35. The arbitration panel shall not meet or communicate with a Party in the absence of the other Party.

36. No arbitrator may discuss any aspect of the subject matter of the proceedings with either Party or both Parties to the dispute in the absence of the other arbitrators.

Amicus curiae submissions

37. Unless the Parties agree otherwise within three days of the date of the establishment of the arbitration panel, the arbitration panel may receive unsolicited written submissions from natural or legal persons established in the territory of a Party to the dispute who are independent from the governments of the Parties to the dispute, provided that they are made within 10 days of the date of the establishment of the arbitration panel, that they are concise and in no case longer than 15 pages typed at double space and that they are directly relevant to a factual or a legal issue under consideration by the arbitration panel.

38. The submission shall contain a description of the person making the submission, whether natural or legal, including its nationality or place of establishment, the nature of its activities, its legal status, general objectives and the source of its financing, and specify the nature of the interest that the person has in the arbitration panel proceeding. It shall be drafted in the languages chosen by the Parties to the dispute in accordance with rules 41 and 42 of these Rules.

39. The arbitration panel shall list in its ruling all the submissions it has received that conform to rules 37 and 38 of these Rules. The arbitration panel shall not be obliged to address in its ruling the arguments made in such submissions. Any such submission shall be notified by the arbitration panel to the Parties to the dispute for their comments. The comments of the Parties to the dispute shall be submitted within 10 days, and any such comments shall be taken into consideration by the arbitration panel.

Urgent cases

40. In the cases of urgency referred to in Chapter 11 (Trade-related Energy) of Title V (Trade and Trade-related Matters) of this Agreement, the arbitration panel, after consulting the Parties to the dispute, shall adjust the time limits referred to in these Rules, as appropriate, and shall notify the Parties of such adjustments.

Translation and interpretation

41. During the consultations referred to in Article 349 of this Agreement and no later than the meeting referred to in rule 8(e) of these Rules, the Parties to the dispute shall endeavour to agree on a common working language for the proceedings before the arbitration panel.

42. If the Parties to the dispute are unable to agree on a common working language, each Party shall make its written submissions in its chosen language. In such case, that Party shall provide at the same time a translation in the language chosen by the other Party, unless its submissions are written in one of the working languages of the WTO. The Party complained against shall arrange for the interpretation of oral submissions into the languages chosen by the Parties to the dispute.

43. Arbitration panel rulings shall be notified in the language or languages chosen by the Parties to the dispute.

44. Any Party to the dispute may provide comments on the accuracy of the translation of any translated version of a document drawn up in accordance with these Rules.

45. Each Party shall bear the costs of the translation of its written submissions. Any costs incurred for translation of an arbitration ruling shall be borne equally by the Parties to the dispute.

Other procedures

46. These Rules of Procedure are also applicable to procedures established under Article 349, Article 358(2), Article 359(2), Article 360(2) and Article 362(2) of Chapter 14 (Dispute settlement) of Title V (Trade and Trade-related Matters) of this Agreement. However, the time limits laid down in these Rules of Procedure shall be adjusted by the arbitration panel in line with the special time limits provided for the adoption of a ruling by the arbitration panel in those other procedures.