

**INTERNATIONAL CENTRE FOR THE SETTLEMENT OF INVESTMENT DISPUTES**  
WASHINGTON, D.C.

CASE No. ARB/03/3

**IMPREGILO S.p.A.**  
(Claimant)

versus

**ISLAMIC REPUBLIC OF PAKISTAN**  
(Respondent)

**ORDER OF DISCONTINUANCE OF THE PROCEEDING**

**Members of the Tribunal**

Judge Gilbert Guillaume  
Mr. Bernardo M. Cremades  
Mr. Toby T. Landau

**Secretary of the Tribunal**

Ms. Martina Polasek

**Acting Secretary of the Tribunal**

Ms. Aurélia Antonietti

**Representing the Claimant**

Mr. Daniel M. Price and  
Mr. Stanimir A. Alexandrov,  
*Sidley Austin Brown & Wood, LLP*

Judge Stephen M. Schwebel

Prof. Antonio Crivellaro,  
*Bonelli Erede Pappalardo*

**Representing the Respondent**

Mr. Makhdoom Ali Khan,  
*Attorney General for Pakistan*

Mr. V.V. Veeder, Q.C.,  
Prof. Christopher Greenwood CMG, Q.C.,  
Mr. Samuel Wordsworth,  
*Essex Court Chambers*

Prof. Alain Pellet

Mr. Iftikharuddin Riaz  
*Bhandari, Naqvi & Riaz*

Mr. Rodman Bundy,  
*Eversheds*

1. On 21 January 2003 the International Centre for Settlement of Investment Disputes (ICSID) registered a request for arbitration submitted by Impregilo S.p.A. (Claimant) against the Islamic Republic of Pakistan (Respondent).

2. The Arbitral Tribunal was constituted and the proceedings begun on 15 August 2003 in accordance with Article 6(1) of the ICSID Rules of Procedure for Arbitration Proceedings. The Tribunal consisted of Mr. Bernardo M. Cremades, appointed by the Claimant, Mr. Toby T. Landau, appointed by the Respondent and Judge Gilbert Guillaume, President of the Tribunal appointed by the Secretary-General of ICSID.

3. Following a written and oral proceeding on jurisdiction and the Tribunal's Decision on Jurisdiction of 22 April 2005, the Tribunal invited the Parties to submit by 20 May 2005 a proposal in respect of a timetable concerning the proceeding on the merits. By letter of 20 May 2005, the Parties requested an additional 45 days to advise the Tribunal of a timetable for further proceedings. The Tribunal granted the Parties' request.

4. Subsequently, by letter dated 25 July 2005, the Claimant informed the Tribunal that the Parties had reached an amicable settlement in respect of their dispute and that the Claimant had, for itself and on behalf of Ghazi-Barotha Contractors (GBC) agreed to "withdraw, discontinue and terminate all claims and disputes against the Respondent before ICSID on a 'with prejudice basis,'" provided that a payment of USD US\$ 98 million was received by GBC on or before 30 November 2005 and that the Respondent did not object to the discontinuance of the proceeding under ICSID Arbitration Rule 44. The Claimant thus requested that the Tribunal in an order take note of the discontinuance, "unconditionally and 'with prejudice,'" of the proceeding, if no objection had been raised by the Respondent in this respect and upon the presentation of evidence by the Claimant that the above-mentioned payment had been made. The Claimant further requested the suspension of the proceedings until 30 November 2005.

5. Further to the Claimant's letter of 25 July 2005, by Order of 3 August 2005, the Tribunal informed the Parties that the proceedings were suspended until 30 November 2005.

6. By letter of 1 September 2005, counsel for the Claimant transmitted a letter from the Claimant and GBC which confirmed that the Respondent had made the payment under the Parties' Settlement Agreement. The Claimant thus confirmed its request that the Tribunal issue an order taking note of the "unconditional and 'with prejudice' discontinuance of the proceedings, and reimbursing in equal parts any unused amount of the advance on costs made by the Parties to which they may be entitled." By letter of 3 September 2005, the Respondent confirmed that it did not oppose the Claimant's request.

9. In accordance with the Claimant's request affirmed by the Respondent, pursuant to Arbitration Rule 44, the Tribunal takes note of the discontinuance of the proceeding in the present Order.

On behalf of the Tribunal:

[signed]

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Judge Gilbert Guillaume

President of the Tribunal

September 25, 2005