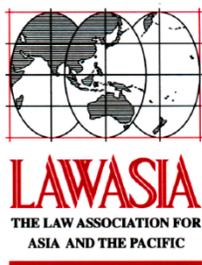




17th LAWASIA International Moot
CORRECTIONS AND CLARIFICATIONS TO THE MOOT
PROBLEM



CORRECTIONS AND CLARIFICATIONS TO THE MOOT PROBLEM

CORRECTIONS

1. In paragraph 15, at the last sentence, it should be read as: ‘...as the place of arbitration and **Sydney** as the seat of arbitration.’
 2. In paragraph 21, at the fifth line, it should be read as: ‘...have absolute control over **BRC’s** subsidiary in Facanha.’
 3. In paragraph 31, at the last line of the last sentence, it should be read as: ‘...issued a statement and criticised Reka’s full-scale military intervention in **Aprósia**’.
 4. In paragraph 46, it should be read as: ‘In response to **BRC’s** claim, Reka stated as follows:...’
-
-

CLARIFICATIONS

1. Is it possible to provide a list of relevant treaties in which both parties are signatories?

At all material times, Arkadia and Reka have been parties to the Charter of the United Nations and the Vienna Convention on the Law of Treaties. They are not parties to any other treaty or convention of potential relevance in The Brasilensis Saga besides those specified in the Moot Problem.

2. At paragraph 7, does the MOU has any relation to the BIT?

The MOU was signed to signify and establish the relationship between Arkadia and Reka. It was also a form of acknowledgement of the sovereignty of each state.

3. At paragraph 14, what were the foreign investors' tax obligations under the BIT?

Please refer to the Arkadia-Reka BIT.

4. At paragraph 35, what caused the 'irregularities' in Reka's taxation system?

Reka could not disclose the reason which caused the irregularities in its taxation system as all investigation papers, and related reports and documents were classified as "Official Secrets" under Reka's Official Secrets Act 1998. Nonetheless, one chapter of the report was leaked to the press. According to the leaked report, the irregularities were due to a loophole in Reka's taxation system.

It was leaked that a number of foreign companies took advantage of the loophole. However, the amount of tax that was supposedly payable by ABE was the largest. It was also stated in the leaked report that there was a complaint by one ABE employee who overheard its senior executive thanking an officer from the Rekan Revenue Board in his office. The ABE employee suspected that there was foul play involved since the senior executive was always praised by other executives for his good relationship with the Rekan Revenue Board.

After the report was leaked, Arkadia's Minister of Finance questioned the legitimacy of the Task Force and the truthfulness of the report, framing the entire tax operation as a form of 'tax terrorism'.

5. At paragraph 36, how were the tax assessments calculated?

The tax assessments included the amount of unpaid taxes, penalties and fines imposable under the Rekan Revenue Law.

6. At paragraph 39, why was ABE's application for a stay of the winding-up proceedings rejected by Reka's High Court and Supreme Court?

According to the judgment of the Supreme Court of Reka, ABE had not shown that there exist any special circumstances warranting a stay.

7. At paragraph 38, WTO proceedings were initiated. Are there any updates concerning the WTO proceeding? Mainly whether the arbitration proceedings are concurrent or subsequent to the WTO proceedings?

The WTO proceedings were suspended on 2 occasions where the panel members were infected by the Beebop-19 virus. Due to the severity of the Beebop-19 virus, both the panel members had to undergo intensive care to recover. It was conveyed to Arkadia and Reka that the incidents that took place were unforeseeable and unavoidable.

8. At paragraphs 39 and 40, was BRC involved in the winding-up proceedings and subsequent liquidation of ABE?

BRC was not directly involved in the winding-up proceedings and subsequent liquidation of ABE. Nonetheless, starting mid-2021, there were constant communication between Navod and Nwantiti unlike before. Nwantiti kept asking her father for advice on the situation.

9. At paragraph 42, the European Union was mentioned. Is Reka part of the EU?

Reka is not part of the EU.

10. At paragraph 48, are Ms Nwantiti's '*series of corrupt practices and abuse of powers*' related to ABE taking advantage of the tax loophole in Reka?

Based on the court papers filed at the Facanha King's Court, the charges were limited to Ms Nwantiti's misconduct in FRC. There were no investigations as to such conduct in ABE.

11. At paragraph 49, what '*security and national interest*' is President Rogers referring to?

For parties to argue.