

INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

Libra LLC and Others
Claimants

v.

Republic of Azerbaijan
Respondent

(ICSID Case No. ARB/23/46)

**DECISION ON THE CLAIMANTS' SECOND RENEWED REQUEST FOR
PROVISIONAL MEASURES**

Members of the Tribunal

Professor Eduardo Zuleta, President of the Tribunal
Mr. D. Brian King, Arbitrator
Dr. Claus von Wobeser, Arbitrator

Secretary of the Tribunal

Leah W. Njoroge

Assistant to the Tribunal

María Marulanda Mürrle

July 2, 2025

TABLE OF CONTENTS

I. PROCEDURAL BACKGROUND.....	1
II. THE PARTIES' POSITIONS.....	3
A. The Claimants' Position.....	3
(i) Malham Tax-Related Travel Ban.....	3
(ii) Neptun Tax-Related Travel Ban	3
(iii) Libra Tax Audit Travel Ban.....	4
(iv) Aqrarkredit's Alleged Seizure of Landmark III.....	6
(v) Only the Tribunal's Intervention Can Secure Mr. Muduroglu's Release	7
(vi) Proposal to Pay the Tax Debt into an Escrow Account	8
B. The Respondent's Position	9
(i) Malham Tax-Related Travel Ban.....	9
(ii) Neptun Tax-Related Travel Ban	10
(iii) Libra Tax Audit Travel Ban.....	10
(iv) Aqrarkredit's Alleged Seizure of Landmark III.....	12
(v) Proposal to Pay the Tax Debt into an Escrow Account	13
(vi) Tribunal Should Not Interfere in Criminal Proceedings.....	14
III. THE TRIBUNAL'S ANALYSIS	16
IV. DECISION OF THE TRIBUNAL.....	21

Decision on the Claimants' Second Renewed Request for Provisional Measures

I. PROCEDURAL BACKGROUND

1. On July 8, 2024, the Tribunal issued its Decision on the Claimants' Request for Provisional Measures (the "**First Decision on Provisional Measures**").
2. On March 7, 2025, the Tribunal issued its Decision on the Claimant's Renewed Request for Provisional Measures (respectively, the "**Renewed Request**" and the "**Second Decision on Provisional Measures**").
3. On April 25, 2025, each Party submitted its respective update to the Tribunal pursuant to the Decision on the Claimants' Renewed Request. Together with their submission, the Claimants filed Exhibits C-657 to C-678 and the Respondent filed Exhibits R-56 to R-58 and Legal Authorities RL-120 to RL-123. The Claimants' submission also contained a renewed request for provisional measures (the "**Second Renewed Request**").
4. On April 28, 2025, the Respondent sought leave from the Tribunal to respond to the Claimants' letter of April 25, 2025. On the same date, the Claimants sent a communication opposing the Respondent's request.
5. Also on April 28, 2025, the Tribunal invited the Respondent to submit comments on the Second Renewed Request by May 5, 2025.
6. On April 29, 2025, the Claimants requested an opportunity to briefly reply to the Respondent's comments to be submitted on May 5, 2025.
7. On May 2, 2025, the Tribunal clarified its decision of April 28, 2025 as follows: "[f]or the avoidance of doubt, the invitation to Respondent is limited to comments on the renewed request for interim measures contained in Claimants' submission of 25 April 2025 and should not be taken as an additional opportunity to comment on the updates."
8. On May 5, 2025, the Respondent filed its response to the Claimants' Second Renewed Request (the "**Response**"), together with Exhibits R-60 to R-74 and Legal Authorities RL-124 to RL-137.

Decision on the Claimants' Second Renewed Request for Provisional Measures

9. On May 9, 2025, the Claimants reiterated their request for leave from the Tribunal to reply to the Respondent's submission of May 5, 2025.
10. On May 12, 2025, the Tribunal confirmed that it had received the Claimants' request for leave to comment on the Respondent's submission of May 5, 2025. The Tribunal noted that before it could decide on the need for further submissions, it would invite the Parties to present, by way of simultaneous submission:
 1. A copy of the document that Mr. Muduroglu signed undertaking "not to go to another place" (paragraph 30 of Respondent's submission) and an explanation of the circumstances in which the document was signed.
 2. Whether there is any form of security that may be posted under the law of Azerbaijan to guarantee the payment of taxes.
 3. Whether the imposition of a travel ban in tax cases under the law of Azerbaijan is discretionary or mandatory.
11. On May 15, 2025, as instructed by the Tribunal, each Party submitted clarifications and further information on the three issues related to the Claimants' Second Renewed Request. Along with their respective submissions, the Claimants filed Exhibits C-679 to C-681 and Legal Authorities CL-300 and CL-301 and the Respondent filed Exhibits R-75 to R-76 and Legal Authority RL-144.
12. On May 20, 2025, the Tribunal granted leave to the Claimants to submit a brief reply to the Respondent's submission of May 5, 2025, and also granted leave to the Respondent to submit a brief rejoinder. The Tribunal reminded the Parties to adhere to the prescribed scope and length of submissions.
13. On May 26, 2025, the Claimants submitted their reply on their Second Renewed Request (the "**Reply**"), together with Exhibits C-682 to C-690 and Legal Authorities CL-302 to CL-304.
14. On June 3, 2024, the Respondent filed its rejoinder (the "**Rejoinder**"), together with Exhibits R-77 to R-89 and Legal Authorities RL-145 to RL-149.

II. THE PARTIES' POSITIONS

A. THE CLAIMANTS' POSITION

15. The Claimants contend that Mr. Muduroglu has been subjected to a series of travel bans since these proceedings commenced, with three currently in effect. The Claimants assert that the timing of the imposition of new criminal charges against Mr. Muduroglu has escalated the situation and they request the Tribunal to intervene and grant the provisional measures requested. The Claimants provide an account of the tax debt related travel bans and arguments as follows.

(i) Malham Tax-Related Travel Ban

16. This was the second travel ban imposed on Mr. Muduroglu. The first travel ban had been imposed in January 2024, by the Azerbaijani State Migration Service at Aqrarkredit's request, based on an alleged visa violation with a potential penalty of less than USD 300.¹ The Claimants assert that the same day this visa "violation" was rejected at an administrative hearing in March 2024, Mr. Muduroglu faced the Malham tax travel ban imposed by the State Tax Service for an allegedly outstanding "profit tax," amounting to approximately USD 4,500.² The Claimants update the Tribunal that the Baku Administrative Court ruled on April 9, 2025, that the Malham tax had been improperly calculated and that Malham never owed any outstanding "profit tax" as alleged.³

(ii) Neptun Tax-Related Travel Ban

17. According to the Claimants, despite the Tribunal's expectation expressed in the Second Decision on Provisional Measures of the lifting of the travel ban upon the resolution of the tax issue by the court or when Neptun pays the debt under protest, the Claimants inform

¹ Second Renewed Request, pg. 7.

² Second Renewed Request, pg. 7.

³ Second Renewed Request, pg. 2.

Decision on the Claimants' Second Renewed Request for Provisional Measures

the Tribunal that the travel ban continues in effect.⁴ Specifically, the Claimants advise the Tribunal that the Respondent's counsel declined their March 12, 2025 offer to pay Neptun's tax debt into an escrow account, which, in the Claimants' opinion, indicates a lack of genuine interest in the tax amount or its collection. It is the Claimants' contention that the travel ban is instead a measure of retaliation and intimidation on the part of the Respondent.⁵

18. Further, the Claimants state that on April 10, 2025, the Azerbaijani Supreme Court declined to hear the State Tax Service's appeal of the Baku Court of Appeal's decision, which found Neptun's challenge to the allegedly outstanding tax debt "highly likely" to succeed. According to the Claimants, this decision should lead to the appointment of an independent expert to confirm the tax's impropriety and the lifting of the travel ban.⁶ However, the Claimants report that despite the anticipated favorable resolution of the Neptun expert review, two additional travel restrictions have recently been imposed on Mr. Muduroglu as set forth below. An expert has nevertheless not been appointed to review Neptun's tax and Mr. Muduroglu continues to be subject to the Neptun tax-related travel ban.⁷

(iii) Libra Tax Audit Travel Ban

19. The Claimants contend that, just as they had foreshadowed, the Libra tax audit has resulted in a new basis for a travel restriction on Mr. Muduroglu.⁸ They argue that after an extended audit, Libra received the results on April 10, 2025, alleging outstanding taxes assessed at AZN 517,000 and criminal activity, which Libra intends to appeal. The Claimants state that on April 11, 2025, Mr. Muduroglu received summonses related to these new allegations, and on April 14, 2025, the State Tax Service confirmed criminal charges

⁴ Second Renewed Request, pg. 2.

⁵ Second Renewed Request, pg. 3.

⁶ Second Renewed Request, pg. 3.

⁷ Reply, ¶ 3.

⁸ Second Renewed Request, pg. 4.

Decision on the Claimants' Second Renewed Request for Provisional Measures

against Libra, Neptun, and Mr. Muduroglu.⁹ According to the Claimants, the charges allege tax evasion by Neptun due to related party transactions with Libra, which the Claimants argue are “baseless” since the relations between these two companies have been consistent for over 15 years. The Claimants argue that the real purpose of these charges is to detain Mr. Muduroglu in Azerbaijan, as evidenced by the new travel ban imposed on the same day as the summons, which is the fourth travel ban. The Claimants contend that the Tribunal’s intervention is necessary to stop Azerbaijan from using its authorities to harass Mr. Muduroglu and the Claimants into dropping the arbitration.¹⁰

20. In its supplemental submission, the Claimants indicate that a fifth travel ban was imposed on May 7, 2025, by a district court in relation to an application by Aqrarkredit for “the temporary restriction of the debtor’s right to leave the country.”¹¹ According to the Claimants, the travel ban is based on two grounds: (i) “a state duty in the amount of 100 manats” (roughly USD 59) allegedly owed to Aqrarkredit and (ii) that Mr. Muduroglu is “obligated to convene the next general meeting of ‘Libra’ LLC and to ensure the participation of ‘Aqrarkredit’ CJSC NBCO in the management of ‘Libra’ LLC.”¹²
21. Further, the Claimants argue that the Respondent has not provided any witness evidence to substantiate the criminal charges and question the minutes submitted to support the April 9, 2024 meeting between Mr. Musayev and Mr. Muduroglu regarding Libra.¹³ The Claimants undertake to submit witnesses statements at the Tribunal’s request, from witnesses who attended meetings with Aqrarkredit at which threats were made going back several years.¹⁴ In addition, the Claimants cast doubt about the Respondent’s evidence, in

⁹ Second Renewed Request, pg. 4; Decision on Applying a Measure of Restraint on Mr. Eran Muduroglu, dated April 14, 2025, C-668.

¹⁰ Second Renewed Request, pg. 5.

¹¹ Reply, ¶ 2.

¹² Reply, ¶ 2.

¹³ Reply, ¶ 5.

¹⁴ Reply, ¶ 6.

Decision on the Claimants' Second Renewed Request for Provisional Measures

particular, the May 5, 2025 State Tax Service's letter to Azerbaijan's counsel, arguing that it is unreliable, as it lacks evidence of the alleged meeting informing Mr. Muduroglu of the tax discrepancies and that the author, Ms. Musayeva, did not submit a witness statement so she cannot be cross-examined.¹⁵ The Claimants also argue that the State Tax Service and the Respondent allegedly falsely maintain that Libra requested audit extensions voluntarily, but recorded conversations, submitted as evidence with the Claimants' submission reveal that State Tax Service inspectors were instructed by their management to suspend the audit, contradicting the Respondent's assertions.¹⁶

(iv) Aqrarkredit's Alleged Seizure of Landmark III

22. The Claimants identify the ongoing and alleged unlawful seizure of Landmark III as being positioned to serve as another justification for a travel ban on Mr. Muduroglu. According to the Claimants, Aqrarkredit acquired Landmark III for a "fraction" of its actual value after allegedly "sham" court proceedings, and the auction company involved in the auction sale was allegedly subject to a criminal case for tax fraud.¹⁷ It is the Claimants' contention that Aqrarkredit intends to pursue Libra for the full outstanding amount of the debt allegedly owed and will seek to impose a travel ban on Mr. Muduroglu, as the managing director of Libra, until payment is made. The Claimants further allege that Azerbaijan has moved to seize all of Libra's assets and accounts, demanding nearly AZN 49 million from Libra to satisfy the allegedly outstanding debt. The Claimants argue that Aqrarkredit has threatened to seize Landmarks I and II, held by Neptun, to satisfy Libra's debt, in the past and most recently by Aqrarkredit's chairman Mr. Musayev in a meeting with Mr. Muduroglu on April 9, 2024.¹⁸ The Claimants believe that Libra's debt will be used to

¹⁵ Reply, ¶ 7.

¹⁶ Reply, ¶ 8.

¹⁷ Second Renewed Request, pg. 6.

¹⁸ Second Renewed Request, pg. 7.

Decision on the Claimants' Second Renewed Request for Provisional Measures

“justify an indefinite travel ban on Mr. Muduroglu and the taking of the entire Landmark Complex.”¹⁹

(v) Only the Tribunal's Intervention Can Secure Mr. Muduroglu's Release

23. With respect to the provisional measures request, the Claimants contend that Mr. Muduroglu cannot obtain effective relief from Azerbaijan's judiciary because its executive branch has allegedly manufactured a series of claims to ensure that there is always a new travel ban in place when an old one falls away and that the only way Mr. Muduroglu will be permitted to leave Azerbaijan, and properly pursue the Claimants' case, is with the Tribunal's intervention.²⁰ The Claimants accuse the Respondent in this respect of waging a “dirty war” against the Claimants, including through the threat of criminal investigations.²¹
24. The Claimants cite the *Hydro v. Albania* tribunal, which explained that a real question arises in relation to the procedural integrity of the arbitral proceedings when criminal proceedings are brought against key individuals involved in the arbitration.²² They argue that Azerbaijan's alleged misconduct and the immediate possibility that Mr. Muduroglu is imprisoned as retaliation for bringing these proceedings constitute a threat to the conduct of this arbitration, the ICSID system, and international law.²³
25. The Claimants note that the Tribunal, in its Decision on Claimants' Renewed Request, expressed concern that the lack of prompt resolution of tax proceedings and the prolonged detention of Mr. Muduroglu would materially impinge on their ability to prosecute the

¹⁹ Second Renewed Request, pg. 7.

²⁰ Second Renewed Request, pg. 7.

²¹ Second Renewed Request, pg. 7; Witness Statement of Tomas Leonard, ¶ 5

²² *Hydro S.r.l. and others v. Republic of Albania*, ICSID Case No. ARB/15/28, Order on Provisional Measures, March 3, 2016, CL-15, ¶¶ 3.18-3.20.

²³ Second Renewed Request, pg. 9.

Decision on the Claimants' Second Renewed Request for Provisional Measures

case.²⁴ In this respect, the Claimants maintain that Mr. Muduroglu's detention continues to materially impact their ability to prepare their case efficiently and thoroughly.²⁵ As to the Respondent's claim that there is no prejudice to the Claimants on account of the travel bans, the Claimants refute this saying that they have filed submissions so far with great difficulty and with the recent submissions, Mr. Muduroglu has not filed a witness statement fearing reprisal if he gave his "unvarnished" testimony given the looming criminal charges.²⁶

(vi) Proposal to Pay the Tax Debt into an Escrow Account

26. The Claimants propose that notwithstanding the new criminal investigations against Mr. Muduroglu, they are willing to pay under protest, Neptun's and Libra's alleged taxes into an escrow account held by ICSID or by the Respondent's counsel, that will disburse the funds to the State Tax Service as soon as Mr. Muduroglu is permitted to leave Azerbaijan.²⁷ The Claimants argue that if Azerbaijan's genuine concern was recovering tax revenue, it would have accepted the first offer by Neptun to pay the taxes under protest and would accept this offer too. The Claimants allege that Azerbaijan's motivation instead is the detention, intimidation, and harassment of Mr. Muduroglu and Claimants, not the recovery of funds. According to the Claimants, without the Tribunal's intervention, Mr. Muduroglu will remain in Azerbaijan indefinitely unless they withdraw their present arbitration case. The Claimants conclude that this type of harm cannot be adequately remedied with monetary damages; it is a serious violation of Mr. Muduroglu's fundamental rights and their due process rights.²⁸

²⁴ Second Renewed Request, pg. 8.

²⁵ Second Renewed Request, pg. 9.

²⁶ Reply, ¶ 11.

²⁷ Second Renewed Request, pg. 10.

²⁸ Second Renewed Request, pg. 10.

Decision on the Claimants' Second Renewed Request for Provisional Measures

27. The Claimants therefore request that the Tribunal immediately recommend the following provisional measures:

1. ORDERING that Azerbaijan immediately take all actions necessary to lift the restrictions on Eran Muduroglu's right to leave Azerbaijan and facilitate Eran Muduroglu's departure from the country;
2. In the alternative, ORDERING that, upon Mr. Muduroglu's deposit of USD 1,174,030.59 (equivalent on April 24, 2025 to AZN 1,995,852) into an escrow account managed by ICSID or Respondent's counsel, Azerbaijan immediately take all actions necessary to lift the restrictions on Mr. Muduroglu's right to leave Azerbaijan, and facilitate Eran Muduroglu's safe departure from the country;
3. ORDERING that Azerbaijan, its organs, and its affiliated entities (including Aqrarkredit) take no action to interfere with the operations or ownership of Landmark I and Landmark II without the Tribunal's written permission;
4. ORDERING that Azerbaijan refrain from taking any other action to aggravate this dispute or disturb the status quo ante; and
5. ORDERING any other relief that the Tribunal deems appropriate.

B. THE RESPONDENT'S POSITION

28. The Respondent objects to the Claimants' Second Renewed Request and asks the Tribunal to deny the request. According to the Respondent, the Claimants have failed to fulfill their tax reporting and payment obligations in Azerbaijan, forming the basis for actions taken by the State Tax Service and other authorities.²⁹ The Respondent offers its account of the Claimants' tax debt proceedings and related travel bans as summarized below.

(i) Malham Tax-Related Travel Ban

29. The Respondent clarifies that the travel ban related to this tax debt was lifted after Mr. Muduroglu paid the debt under protest on March 11, 2024 and thus the State Tax Service's intention to appeal does not imply the reinstatement of a travel ban.³⁰

²⁹ Response, ¶ 7.1

³⁰ Response, ¶¶ 10-11.

Decision on the Claimants' Second Renewed Request for Provisional Measures

(ii) Neptun Tax-Related Travel Ban

30. The Respondent accuses the Claimants of misrepresenting the status of the Neptun tax proceedings. It asserts that the Azerbaijani Supreme Court declined to hear the State Tax Service's appeal on procedural grounds, not on the substance of the Neptun tax assessment. The Respondent states that Neptun has not attempted to settle the tax debt through the proper channels, and the Claimants' proposal for payment to be held in escrow is not permissible under Azerbaijani law, which requires direct payment to the State Budget.³¹

(iii) Libra Tax Audit Travel Ban

31. The Respondent states that this audit was completed lawfully within the 90-day period and dismisses the Claimants' claims of duress, citing the Tribunal's previous finding of "no conclusive evidence" to support such claims. While the Respondent admits that a tax assessment of AZN 517,865.78 was identified, the Respondent insists that no travel ban has been imposed as a direct result of the audit but one may be imposed in the future on a complaint of the failure to pay the tax assessed.³²
32. As to the related criminal activity, the Respondent contends that the State Tax Service initiated a criminal investigation into Libra and Neptun due to indications of failure to obtain shareholder permission for related party transactions and tax evasion.³³ The Respondent further explains that the investigation initiated by the Tax Investigation Department into Mr. Muduroglu, Libra, and Neptun involves two criminal charges.³⁴
33. The first charge is the failure to comply with rules regarding related party transactions, which is a criminal violation under the Criminal Code of Azerbaijan.³⁵ The Respondent details alleged improper transactions between Libra and Neptun, such as: several instances

³¹ Response, ¶¶ 12-13.

³² Response, ¶¶ 14-16.

³³ Response, ¶ 17.

³⁴ Rejoinder, ¶ 2.

³⁵ Response, ¶ 20.

Decision on the Claimants' Second Renewed Request for Provisional Measures

of improper allocation of income and expenses between the two companies managed by Mr. Muduroglu relating to the lease of premises, office space sub-lease, Mr. Muduroglu's and his wife's salaries, gas costs, and repair and cleaning services.³⁶

34. The second charge is tax evasion in an "especially large" amount, defined as exceeding AZN 500,000, and is considered a criminal offense under Azerbaijani law. According to the Respondent, at the time the criminal investigation was initiated, the potentially evaded taxes were calculated to be AZN 557,144.20.³⁷
35. Consequently, Mr. Muduroglu, who serves as a director of Libra and Neptun, was designated as an accused person on the grounds of tax evasion.³⁸ Following Mr. Muduroglu's designation as an accused person, the Respondent explains that Mr. Muduroglu signed an "undertaking not to go to another place," which is imposed as a preventative measure permitted by Azerbaijani law due to the ongoing criminal investigation.³⁹ According to the Respondent, Mr. Muduroglu signed the document pursuant to Article 165 of the Criminal Procedure Code.⁴⁰
36. According to the Respondent, these criminal charges are serious, and the Tribunal lacks jurisdiction over them.⁴¹ Further, as to the Claimants' contention that the Respondent has not submitted witness evidence, the Respondent states that it has not submitted witness evidence at this stage as an investigation is pending, and the appropriate time to present such would be in its defense. The Respondent also emphasized that the documentary evidence provided by Aqrarkredit and the State Tax Service should be accepted, especially since the Claimants have not provided any evidence to suggest that these documents are

³⁶ Response, ¶ 25.

³⁷ Response, ¶ 26; Rejoinder, ¶ 4.

³⁸ Response, ¶ 26.

³⁹ Response, ¶ 30.

⁴⁰ Rejoinder, ¶ 7.

⁴¹ Rejoinder, ¶ 3.

Decision on the Claimants' Second Renewed Request for Provisional Measures

false.⁴² As regards the complaint that Mr. Muduroglu was not informed of the discrepancies in the tax audits, the Respondent states that at an October 7, 2024 meeting with the State Tax Service, Mr. Muduroglu along with Libra's accountant and lawyer were informed of certain tax discrepancies between Libra and Neptun.⁴³

37. The Respondent further explains that the new travel ban imposed on Mr. Muduroglu on May 7, 2025, is related to the failure to hold Libra shareholders' meetings and denies the Claimants' accusation that the travel ban was issued at Aqrarkredit's request.⁴⁴ Rather, the Respondent alleges that the travel ban, which is permitted by law, is due to Mr. Muduroglu's failure to comply with a January 17, 2025 court order to "(i) convene the ordinary general shareholders meetings of Libra; (ii) ensure Aqrarkredit's participation in the management of Libra; and (iii) pay AZN 100 in court fees to Aqrarkredit."⁴⁵ According to the Respondent, the enforcement officer would adopt a decision to lift the travel ban once Mr. Muduroglu complies with the court order.⁴⁶

(iv) Aqrarkredit's Alleged Seizure of Landmark III

31. The Respondent states that Libra owes a significant debt to Aqrarkredit, which is currently being enforced in accordance with Azerbaijani law. With respect to the auction of Landmark III, the Respondent dismisses any claims of a "sham" process.⁴⁷ Further, the Respondent asserts that despite the Claimants having raised concerns about the company responsible for facilitating the auction of Landmark III, Caspian Specialized Auction Centre LLC, and that Libra filed proceedings against the Auction Centre and Aqrarkredit in the Baku Commercial

⁴² Rejoinder, ¶ 3.

⁴³ Rejoinder, ¶ 6.

⁴⁴ Rejoinder, ¶ 6.

⁴⁵ Rejoinder, ¶ 13.

⁴⁶ Rejoinder, ¶ 16.

⁴⁷ Response, ¶ 31.

Decision on the Claimants' Second Renewed Request for Provisional Measures

Court to invalidate the auction process, the Claimants failed to mention any of these proceedings in their requests for provisional measures.⁴⁸

32. The Respondent also clarifies the nature of a meeting between Mr. Muduroglu and Aqrarkredit representatives that is said to have taken place on April 9, 2025 mentioned in the Claimants' Second Renewed Request.⁴⁹ According to the Respondent, the Claimants have made unsubstantiated allegations regarding the meeting between the ex-Chairman of Aqrarkredit, Mr. Musayev, and Mr. Muduroglu without providing a record of the meeting or witness evidence.⁵⁰ The Respondent submits that according to the minutes, during the meeting, Mr. Muduroglu informed Aqrarkredit that Libra would no longer provide services to Landmark III unless a service agreement was put in place, which was apparently never provided. Further, contrary to the Claimants' assertion, the Respondent denies that Aqrarkredit's enforcement against Libra's outstanding debt, or against Landmark I or Landmark II was discussed in the meeting. The Respondent further rejects the Claimants' suggestion that Mr. Muduroglu provoked Mr. Musayev and asked if he intended to take the buildings by military means.⁵¹

33. According to the Respondent, Aqrarkredit is taking standard steps to enforce against Libra's outstanding debt and Azerbaijani law allows for travel bans to prevent debtors from absconding. The Respondent argues that the Claimants should not seek redress from the Tribunal in these circumstances.⁵²

(v) Proposal to Pay the Tax Debt into an Escrow Account

38. The Respondent rejects the Claimants' proposal to pay outstanding taxes into an escrow account, stating that tax payments must follow state procedures. The Respondent explains

⁴⁸ Response, ¶¶ 32-34.

⁴⁹ Second Renewed Request, pg. 7.

⁵⁰ Response, ¶ 37.

⁵¹ Response, ¶¶ 38-39. *See* Second Renewed Request, pg. 7, fn. 28.

⁵² Response, ¶ 40.

Decision on the Claimants' Second Renewed Request for Provisional Measures

that payment of the Neptun tax debt would lift the related travel ban, but the travel ban due to the criminal investigation is separate and can only be lifted by the investigative authority or through appeal of the preventative measure.⁵³

(vi) Tribunal Should Not Interfere in Criminal Proceedings

39. The Respondent asserts that provisional measures are an exceptional remedy, especially when they involve state action in sovereign areas such as the enforcement of domestic criminal law. The Respondent's position is that Azerbaijan is acting within its sovereign rights and legal framework by investigating the potential criminal actions of Mr. Muduroglu, Libra, and Neptun, and imposing travel bans on Mr. Muduroglu. Relying on *SGS v Pakistan* and *Abaclat v Argentina*, the Respondent argues that ICSID tribunals have found that they could not restrain a party from conducting criminal and administrative proceedings.⁵⁴ According to the Respondent, states have the right to initiate criminal investigations and proceedings, and it is the claimants' responsibility to disprove this presumption.⁵⁵ The Respondent also states that in addition to urgency and necessity, the Claimants must demonstrate that specific rights in the arbitration are directly and detrimentally affected by the criminal proceedings, providing concrete evidence to this end, which the Claimants have failed to do.⁵⁶
40. In the Respondent's view, as supported by the findings of the tribunals in *Italba v Uruguay* and *Caratube v Kazakhstan* among other cases, the criminal investigations are at an initial stage, are separate from and have no impact on the arbitration proceedings and therefore

⁵³ Response, ¶¶ 41-42.

⁵⁴ Response, ¶¶ 45-46, citing *SGS Société Générale de Surveillance S.A. v. Islamic Republic of Pakistan*, ICSID Case No. ARB/01/13, Procedural Order No. 2, 16 October 2002, RL-24, pg. 301; *Abaclat and Others v. Argentine Republic*, ICSID Case No. ARB/07/5 (formerly *Giovanna a Beccara and Others v. The Argentine Republic*), Procedural Order No. 13 (English), 27 September 2012, paras. 39 and 45, RL-26.

⁵⁵ Response, ¶ 47.

⁵⁶ Response, ¶ 48.

Decision on the Claimants' Second Renewed Request for Provisional Measures

the anticipated consequences do not suffice to justify the Tribunal interfering with the right to enforce criminal laws in Azerbaijan's territory.⁵⁷

41. As regards the Claimants' reliance on the *Hydro* case, the Respondent considers this case inapposite and requests the Tribunal not to treat it as persuasive authority. In the Respondent's opinion, the case has been criticized for its limited analysis regarding the impact of the continuation of criminal proceedings on the claimants' ability to participate in the arbitration and other alleged rights of the claimants in the arbitration.⁵⁸ Furthermore, the Respondent contends that ICSID tribunals have confirmed that provisional measures are unwarranted if the harm incurred in the absence of the provisional measures sought can be compensated by monetary damages. For support, the Respondent relies on *Caratube v Kazakhstan II* in which the tribunal rejected the claimant's request for provisional measures relating to criminal investigations, emphasizing that such damage may be claimed, examined, and decided later in the case in the procedure on the merits.⁵⁹
42. In sum, the Respondent concludes that the Claimants have failed to pay their debts, and the travel bans imposed on Mr. Muduroglu were implemented in accordance with Azerbaijani law, with no undue prejudice suffered by the Claimants given that they have been able to file submissions so far.⁶⁰
43. Therefore, the Respondent requests that the Tribunal deny the Claimants' Second Renewed Request.

⁵⁷ Response, ¶¶ 49-60, citing *Italba Corporation v. Oriental Republic of Uruguay* (I), ICSID Case No. ARB/16/9, Decision on Claimant's Application for Provisional Measures and Temporary Relief, 15 February 2017, ¶ 120, RL-25; *Caratube International Oil Company LLP v. The Republic of Kazakhstan*, ICSID Case No. ARB/08/12, Decision Regarding Claimant's Application for Provisional Measures, 31 July 2009, RL-134, ¶ 139, among others.

⁵⁸ Response, ¶ 64.

⁵⁹ Response, ¶ 65, citing *Caratube International Oil Company LLP v. The Republic of Kazakhstan*, ICSID Case No. ARB/08/12, Decision Regarding Claimant's Application for Provisional Measures, 31 July 2009, RL-134, paras. 139-140.

⁶⁰ Response, ¶¶ 70-71; Rejoinder, ¶ 18.

III. THE TRIBUNAL'S ANALYSIS

44. The Claimants' Second Renewed Request constitutes the third application for provisional measures in relation to Mr. Muduroglu's continued inability to leave Azerbaijan, due to a series of successive and overlapping travel bans imposed by agencies of the Respondent since January 2024.

45. In the First Decision on Provisional Measures, issued in July 2024, the Tribunal concluded that the Claimants' request for provisional measures was premature.⁶¹ In particular, the Tribunal stated as follows:

The Tribunal is indeed concerned by the sequence of actions by the Respondent's officials that have resulted in repeated and sequential travel bans, and with the way the proceedings resulting in the travel bans have been conducted. However, absent a stronger evidentiary showing by the Claimants, the Tribunal is not persuaded that the requested measures are presently necessary in order to ensure the procedural integrity of the arbitration, avoid aggravation of the dispute or preserve the status quo. The Claimants have failed to prove that the alleged measures have a direct effect on the arbitration.⁶²

46. At the time of the Tribunal's First Decision on Provisional Measures, the first two travel bans against Mr. Muduroglu had been allegedly lifted, but the third (the Neptun travel ban) remained in effect.

47. The first travel ban was based on an alleged breach of the Azeri Code of Administrative Offenses by Mr. Muduroglu. It was imposed on January 26, 2024, and lifted on March 11, 2024, after the State Migration Service found that no offense had occurred.⁶³

48. The second travel ban, based on Malham's alleged tax debt of USD 4,500, was imposed on March 7, 2024, and supposedly lifted on March 13, 2024, after Mr. Muduroglu paid the debt under protest, although he was still prevented from leaving the country that day

⁶¹ First Decision on Provisional Measures, ¶ 62.

⁶² First Decision on Provisional Measures, ¶ 69.

⁶³ First Decision on Provisional Measures, ¶¶ 45-46.

Decision on the Claimants' Second Renewed Request for Provisional Measures

because the State Border Control system had not yet been updated.⁶⁴ In April 2025, an administrative court held that the Malham tax had been improperly calculated, and that it never owned the alleged profit tax.⁶⁵

49. The third travel ban was imposed on March 15, 2024, due to Neptun's alleged tax debt of USD 736,000.⁶⁶ On October 30, 2024, the Baku Court of Appeal issued a decision finding that Neptun's position was "highly likely" to succeed and ordered an expert review of the Neptun tax assessment. As of the date of the Claimants' Renewed Request, however, the review had not commenced, as the case had been referred to the Supreme Court following an appeal filed by the State Tax Service on November 16, 2024.⁶⁷ As of now, the travel ban remains in effect.
50. The Claimants' Renewed Request focused on the Neptun tax matter. They argued that the Baku Court of Appeal's October 2024 ruling in favor of Neptun should have lifted the ban, which nonetheless remained in place.
51. In its Second Decision on Provisional Measures, the Tribunal found as follows:

[I]t appears undisputed that the [Neptun] travel restriction will be lifted either upon the substantive, favorable resolution of the tax issue for Neptun (which, based on the Baku Court of Appeal October 2024 ruling, is likely to be the case) or when Neptun pays the debt under protest. Furthermore, it seems that Neptun has judicial remedies available to challenge the tax assessment on the merits.

Based on the available evidence, the Tribunal cannot determine that the travel ban resulting from the Neptun tax proceedings is unlawful. However, it remains concerned that the tax proceedings have still not been resolved, and as a result, Mr. Muduroglu has been unable to leave Azerbaijan for over a year.

Although the Tribunal's First Decision on Provisional Measures found that the circumstances at the time did not allow it to conclude that the travel bans directly impacted the arbitration, it is now concerned that the lack of prompt resolution

⁶⁴ First Decision on Provisional Measures, ¶¶ 47-48.

⁶⁵ See, Second Renewed Request, pg. 2; Response, ¶ 10; and Exhibit C-657.

⁶⁶ First Decision on Provisional Measures, ¶¶ 49-51.

⁶⁷ Second Decision on Provisional Measures, ¶¶ 50, 63.

Decision on the Claimants' Second Renewed Request for Provisional Measures

of these tax proceedings, and the prolonged detention of Mr. Muduroglu as a result, will begin to impinge materially on the Claimants' ability to prosecute this case, particularly in terms of Mr. Muduroglu's access to counsel and the potential chilling effect of his inability to leave Azerbaijan.

Based on the facts presented by the Respondent, the Tribunal understands that, in its decision dated October 30, 2024, the Baku Court of Appeal ordered an expert review process on the Neptun tax assessment, which has not yet started because the case file was sent to the Supreme Court for resolution of an appeal filed by the State Tax Service on November 16, 2024. The Respondent further explains that on January 21, 2025, the Supreme Court invited the parties to provide objections to the appeal by February 21, 2025, and that once the Supreme Court completes its review, the case file will be returned to the Baku Court of Appeal, allowing the expert review process to commence. Given the Court's earlier ruling, the Tribunal would expect that the travel ban would be lifted once the expert review process concludes. The Respondent has provided no reason to think or evidence suggesting otherwise.

Although the Respondent notes that it cannot provide a timeline due to the absence of a statutory deadline for such processes, the Tribunal expects the matter to be resolved efficiently, so that Mr. Muduroglu's ability to leave the country is clarified without unnecessary delay. Even though it is true that Mr. Muduroglu may avoid the travel ban by paying under protest, it is also true that he has the right to challenge the ban and obtain a prompt resolution of his case by the courts. If the travel ban were not lifted despite a final decision by the Baku Court of Appeal following the expert review, or despite Neptune paying under protest, the Tribunal would view that as a very serious matter indeed.

For the reasons set out above, the Tribunal (i) will not grant the requested measure at this time, but (ii) will direct the Parties to provide an update on the developments in these tax matters by April 15, 2025, after which it may, if deemed appropriate, recommend provisional measures.⁶⁸

52. In their updates to the Tribunal, the Parties reported that on April 10, 2025, the Azerbaijani Supreme Court declined to hear the State Tax Service's appeal of the Baku Court of Appeal's decision, and it is expected that the court file will now pass back to the Baku Court of Appeal and the expert review process of the Neptun tax assessment will commence.⁶⁹ As of the date of the Parties' last submission on this matter, the expert review process had not commenced, and the Tribunal has not been informed of any developments

⁶⁸ Second Decision on Provisional Measures, ¶¶ 60-65 (footnotes eliminated).

⁶⁹ Second Renewed Request, pg. 3; Response, ¶ 12.1.

Decision on the Claimants' Second Renewed Request for Provisional Measures

since that time. However, even assuming that the process concludes in Neptun's favor and the travel ban is ultimately lifted, the existence of two additional restrictions now affects the practical significance of that outcome.

53. In its Second Decision on Provisional Measures, the Tribunal also addressed the Libra tax audit, which had been included in the Claimants' application due to their concern that it might lead to an additional travel ban. The Tribunal noted the following:

Turning to the Libra tax audit, the Claimants assert that it has exceeded the 30-day limit and may result in a new travel ban. However, the Tribunal lacks sufficient evidence to conclude that the suspensions and extensions, which Mr. Muduroglu consented to, albeit under alleged undue pressure for which there is no conclusive evidence, were contrary to domestic law. Accordingly, based on the current record, it has not been established that the duration of the audit violates domestic law, and, as of today, no travel ban has resulted from this audit. The Tribunal, however, will continue monitoring the developments of this audit and requests the Parties to keep the Tribunal updated, particularly if a clear risk arises of a new travel ban being imposed on Mr. Muduroglu.⁷⁰

54. The Claimants' Second Renewed Request, which is now before the Tribunal, relies on two additional travel restrictions recently imposed on Mr. Muduroglu:
55. The first, imposed on April 14, 2025, relates to criminal charges against Mr. Muduroglu in connection with the Libra tax audit, which finally concluded in April 2025, after a year of continued suspensions and extensions.
56. The second travel ban was imposed on May 7, 2025 (i.e., after the Claimants filed their Second Renewed Request) by a district court in relation to an application by Aqrarkredit for "the temporary restriction of the debtor's right to leave the country." According to the Claimants, the travel ban is based on two grounds: (i) "a state duty in the amount of 100 manats" (roughly USD 59) allegedly owed to Aqrarkredit and (ii) that Mr. Muduroglu is "obligated to convene the next general meeting of 'Libra' LLC and to ensure the

⁷⁰ Second Decision on Provisional Measures, ¶ 57.

Decision on the Claimants' Second Renewed Request for Provisional Measures

participation of 'Aqrarkredit' CJSC NBCO in the management of 'Libra' LLC.”⁷¹ The Respondent asserted that these were the subjects of a writ of execution and that the travel restriction was imposed due to Mr. Muduroglu's failure to comply with such writ.⁷²

57. In sum, since January 2024, Mr. Muduroglu has been the subject of five different and consecutive travel bans, three of which remain in effect.
58. From the outset, the Tribunal has expressed concern about the timing and sequence of events leading to the imposition of these travel bans on Mr. Muduroglu, which have now prevented him from leaving Azerbaijan for nearly a year and a half.
59. Without making any determination regarding the legality of these travel bans under domestic law, or expressing an opinion on the justification for the two new restrictions, it remains a fact that the underlying circumstances which led to the initial three restrictions were ultimately found to be without merit by the relevant agencies or domestic courts. Moreover, given the circumstances in which these restrictions have arisen, the possibility of effectively pursuing domestic remedies appears of limited effect, considering the sequence, number, and variety of grounds cited for their imposition.
60. Mr. Muduroglu is a British citizen, the authorized representative of the Estate, the Director of Virgo, the General Director of Neptun and Libra, and a key witness in this arbitration. The continued prohibition on Mr. Muduroglu from leaving the country, now for close to 1.5 years, may not only hinder the Claimants' preparation of their case but also have a chilling effect, both on Mr. Muduroglu's ability to testify freely and on the Claimants' pursuit of the arbitration. In this context and considering the sequence and duration of these travel bans, the Tribunal finds that the Second Renewed Request satisfies the criteria of urgency and necessity.⁷³

⁷¹ Reply, ¶ 2.

⁷² Rejoinder, ¶¶ 13-14.

⁷³ The standard for urgency and necessity is addressed at ¶¶ 63-68 of the First Decision on Provisional Measures.

Decision on the Claimants' Second Renewed Request for Provisional Measures

61. Additionally, although the Respondent asserts that the imposition of travel bans is standard practice in criminal and non-criminal tax matters,⁷⁴ it does not dispute that such measures are discretionary under domestic law, not mandatory, as explained by the Claimants.⁷⁵ Lifting the travel bans would not preclude the State from continuing its investigations or imposing administrative or criminal sanctions where appropriate. Accordingly, the Tribunal finds that the request for provisional measure satisfies the proportionality requirement.
62. For these reasons, the Tribunal will recommend a provisional measure ordering that the Respondent immediately take all actions necessary to lift the restrictions on Mr. Muduroglu's right to leave Azerbaijan and facilitate Mr. Muduroglu's departure from the country.
63. As to the other requests in the Second Renewed Request, they remain insufficiently substantiated and, accordingly, cannot be granted at this stage. Nevertheless, the Tribunal reminds the Parties of their duty to refrain from any conduct that may aggravate the dispute submitted to arbitration.

IV. DECISION OF THE TRIBUNAL

64. For the reasons set out above:
- a. The Tribunal recommends a provisional measure ordering that the Respondent immediately take all actions necessary to lift the restrictions on Eran Muduroglu's

⁷⁴ Respondent's submission dated May 15, 2025.

⁷⁵ Claimants' submission dated May 15, 2025.

Decision on the Claimants' Second Renewed Request for Provisional Measures

right to leave Azerbaijan and facilitate Eran Muduroglu's departure from the country.

- b. The Second Renewed Request is otherwise denied.

For and on behalf of the Tribunal,

[signed]

Professor Eduardo Zuleta
President of the Tribunal
July 2, 2025