

IN ACCORDANCE WITH THE PROVISIONS OF
THE TREATY OF THE EURASIAN ECONOMIC UNION OF 29 MAY 2014
UNDER THE 2013 UNCITRAL ARBITRATION RULES

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In the Matter of Arbitration between:	:	
	:	
OOO MANOLIUM PROCESSING,	:	
	:	
Claimant,	:	PCA Case No.
	:	2018-06
and	:	
	:	
THE REPUBLIC OF BELARUS,	:	
	:	
Respondent.	:	
	:	Volume 2

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EVIDENTIARY HEARING

Tuesday, July 30, 2019

Peace Palace
Japanese Room
Carnegieplein 2
2517 KJ
The Hague, Netherlands

The hearing in the above-entitled matter convened
at 9:02 a.m. before:

MR. JUAN FERNÁNDEZ-ARMESTO, President

DR. STANIMIR A. ALEXANDROV, Co-Arbitrator

PROF. BRIGITTE STERN, Co-Arbitrator

Registry, Permanent Court of Arbitration:

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Secretary to the Tribunal:

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1 P R O C E E D I N G S
 2 PRESIDENT FERNÁNDEZ-ARMESTO: We resume the
 3 Hearing, and we do so in order to examine Mr. Dolgov.
 4 Andrey Vladimirovich Dolgov. My Russian does not go
 5 further than "dobre din."
 6 THE WITNESS: "Dobre din."
 7 ANDREY VLADIMIROVICH DOLGOV, CLAIMANT'S WITNESS, CALLED
 8 PRESIDENT FERNÁNDEZ-ARMESTO: And you're going to
 9 speak Russian?
 10 THE WITNESS: Yes, thank you.
 11 PRESIDENT FERNÁNDEZ-ARMESTO: I accommodate,
 12 linguistically, your position.
 13 THE WITNESS: Thank you very much.
 14 PRESIDENT FERNÁNDEZ-ARMESTO: Mr. Dolgov, thank
 15 you for being here. You are here as a witness.
 16 (Comments off microphone.)
 17 PRESIDENT FERNÁNDEZ-ARMESTO: So, you do hear me
 18 now in the interpretation?
 19 THE WITNESS: Da.
 20 PRESIDENT FERNÁNDEZ-ARMESTO: Because of the
 21 interpretation, it is important that there is--that we
 22 speak slowly and that, between question and answer, there
 23 is a short gap so that the Interpreters can follow the
 24 conversation.
 25 THE WITNESS: I understand.

09:05:02 1 PRESIDENT FERNÁNDEZ-ARMESTO: Very good.
 2 Mr. Dolgov, you are here as a witness. As a
 3 witness you have a duty to say the truth. If you were not
 4 to say the truth, you could incur liability, including
 5 criminal liability.
 6 Could I kindly ask that you confirm that you are
 7 aware of your duties?
 8 THE WITNESS: I am aware of not only of my duty,
 9 but also aware of my liability.
 10 PRESIDENT FERNÁNDEZ-ARMESTO: I hear you in
 11 Russian. We'll get some technical help with that.
 12 THE INTERPRETERS: We're now on Channel 2. Can
 13 you hear us on Channel 2?
 14 Thank you.
 15 PRESIDENT FERNÁNDEZ-ARMESTO: Very good.
 16 THE WITNESS: If you allow me, if you haven't
 17 heard the interpretation, I will repeat.
 18 I'm not only aware of the necessity to speak the
 19 truth, but I'm also aware of the liability in this
 20 situation.
 21 PRESIDENT FERNÁNDEZ-ARMESTO: Thank you. Thank
 22 you, Mr. Dolgov.
 23 On your left side you have the counsel to the
 24 Republic of Belarus. On your right side you have the
 25 counsel to Claimant. There will be some questions to you.

09:06:34 1 Most questions will be put to you in a manner that you can
 2 answer with a "yes," "no," or "I don't know."
 3 We would kindly ask you that you answer first
 4 with a "yes" or "no" or "I don't know," and then if you
 5 want to add any type of clarification, you are welcome to
 6 do so. But, first, "yes," "no," or "I don't know."
 7 PRESIDENT FERNÁNDEZ-ARMESTO: Very good.
 8 And then, please, second recommendation is to
 9 listen to the question and answer exactly the question
 10 which is being put to you.
 11 THE WITNESS: I understand.
 12 PRESIDENT FERNÁNDEZ-ARMESTO: Mr. Khvalei, do you
 13 want to introduce the Witness?
 14 MR. KHVALEI: Thank you very much, Mr. President.
 15 DIRECT EXAMINATION
 16 BY MR. KHVALEI:
 17 Q. Witness Andrey Dolgov, who was the General
 18 Director of Manolium-Engineering in Russia.
 19 Mr. Dolgov, you have--
 20 MR. KHVALEI: With your permission, Mr. Chairman,
 21 I'll switch to Russian, and then you'll hear the
 22 translation.
 23 PRESIDENT FERNÁNDEZ-ARMESTO: Perfect.
 24 BY MR. KHVALEI:
 25 Q. Mr. Dolgov, what you see here is your Witness

09:08:05 1 Statement, Number 1 and Number 4.
 2 Do you confirm that this is your Witness
 3 Statement, and do you still agree with what is stated in
 4 it?
 5 A. Yes, I confirm that this is my Witness Statement
 6 and what is stated in it is the reflection of what was
 7 happening when the Investment Project was implemented.
 8 Q. Before I give the chance of my colleagues from
 9 the Respondent's side to ask some questions, I would like
 10 to ask some clarifying questions myself, in light of what
 11 was discussed yesterday.
 12 Yesterday, during the Hearing, the presiding
 13 Arbitrator asked what could have been done in 2004, when
 14 the Courts terminated the Investment Contract, and the
 15 Respondent stated that you could have applied for the Land
 16 Permit, and that Land Permit could be quite probably be
 17 granted to you.
 18 Can you agree with that?
 19 A. No.
 20 Q. Can you explain, please?
 21 A. In order to obtain the Land Permit, you have to
 22 have at least the Contract with the owner of the land. In
 23 this situation, the owner of the land was the City of Minsk
 24 administration. And, in fact, in the absence of this
 25 Contract, we simply could not come with this request

09:10:10 1 because there was no grounds for that.
 2 Q. Thank you.
 3 Yesterday, we also heard an opinion regarding
 4 your son. Your son is managing a successful business in
 5 Belarus, and he doesn't have any problem in that respect.
 6 Do you agree with that?
 7 A. I categorically disagree.
 8 Q. Can you explain?
 9 A. The point is that the Belarus administrative and
 10 legal system, after I left Belarus, led, quite with
 11 intention, to the bankruptcy of my company. After that,
 12 they confronted my son's company with a claim, and after
 13 three years of legal battle, the Minsk court took a
 14 decision which de facto bankrupted my son's company, coming
 15 with a disproportionately high claim.
 16 My company owed \$400,000, and the company of my
 17 son received the Claim from my company for \$3 million. So,
 18 the bank accounts have been seized, the property has been
 19 seized, equipment has been seized, and the company is in
 20 the bankruptcy procedure.
 21 Q. Thank you.
 22 My last question before my colleagues starts
 23 interviewing you is as follows: Do you recall your meeting
 24 at the KGB of Belarus in spring 2011?
 25 A. I do recall it quite clearly.

09:12:06 1 Q. Could you please tell us what the talk was about,
 2 and what did it regard?
 3 A. Well, the talk happened because of the follows:
 4 One of my neighbors, one, was somebody who knew Andrei
 5 Sannikov. He was one of the opposition leaders, and he was
 6 a competitor of the President. He invited me for a cup of
 7 coffee. So, I dropped by and then, there, I met the
 8 candidate for president. And, later, I was accused by KGB
 9 in having contacts and providing support to the opposition
 10 leaders.
 11 My first education was in the military, and the
 12 question I was asked were of such a nature that, in fact, I
 13 was requested to provide consultation on personal security,
 14 and that's what I did. It was kind of friendly advice.
 15 Later on--well, after the elections in spring
 16 2011, three employees of KGB of the Republic of Belarus
 17 visited my office. They provided some identification and
 18 they asked me to follow them.
 19 When we exited the building, there was a car.
 20 Their car was parked in front of the building. As their
 21 office is 300 feet from mine, I suggested we walk to the
 22 building of the KGB. They refused, saying, "Well,
 23 Mr. Dolgov, please follow us to the car."
 24 However, I was cautious. Why? Because in the
 25 previous years, a number of opposition activists had

09:14:13 1 disappeared in Belarus when entering the cars, and they are
 2 still not found.
 3 However, despite my protestations, I was put into
 4 the car and brought to the KGB. I was led to the interview
 5 room, and there were two officers there. One was major, if
 6 I'm not mistaken, and one captain. They threatened me in
 7 various ways.
 8 When they failed to reach the desired result, the
 9 leading investigator said, "You will face major problems,
 10 and you will regret multiple occasions that you dropped by
 11 your neighbor and talked to a candidate from the opposition
 12 for Presidency." And that's it.
 13 And after that, the major problems did start.
 14 And if--in the past, there had been written submissions and
 15 written statements. And after that, they were not just
 16 unsolved, but I got the impression that they were reluctant
 17 to communicate with us, and no matter in which way.
 18 Q. Thank you very much.
 19 MR. KHVALEI: These were my questions,
 20 Mr. Dolgov. The Witness is yours. Thank you.
 21 MS. ZAGONEK: We're just going to distribute the
 22 documents that we have--
 23 PRESIDENT FERNÁNDEZ-ARRESTO: Very good.
 24 MS. ZAGONEK: --been asked to provide. It
 25 contains--Mr. Dolgov will have paper files of the same

09:16:01 1 documents. He will have a copy of all the Witness
 2 Statements, and a bundle--two bundles of documents.
 3 PRESIDENT FERNÁNDEZ-ARRESTO: Mr. Dolgov, if you
 4 wish to take off your jacket, that is perfect--
 5 MS. ZAGONEK: Has everybody got all the
 6 documents, and I can start?
 7 PRESIDENT FERNÁNDEZ-ARRESTO: Yes.
 8 MS. ZAGONEK: Thank you.
 9 We will be putting the documents on the screens
 10 as well, but we thought it would be easier for the Witness
 11 to have the opportunity to look at both.
 12 PRESIDENT FERNÁNDEZ-ARRESTO: Yes.
 13 CROSS-EXAMINATION
 14 BY MS. ZAGONEK:
 15 Q. Good morning, Mr. Dolgov.
 16 A. Good morning.
 17 Q. My name is Julia Zagonek, and I represent the
 18 Republic of Belarus in these Proceedings.
 19 I will ask you a couple of questions in
 20 connection with the Witness evidence that you presented in
 21 these Proceedings. We will sometimes use technical
 22 language, and if somebody from my team will notice the
 23 translation is inaccurate, with the permission of the
 24 Tribunal, they will raise their hand and we will deal with
 25 that, so as to correct the translation.

09:17:58 1 So, you can see three bundles of documents in
 2 front of you, and one of them in the spine is called
 3 "Witness Statements." You have submitted four Witness
 4 Statements, and you have confirmed this morning that the
 5 signatures on those, or at least on the two that--is
 6 correct.
 7 And if you could confirm that all the other
 8 Witness Statements are also your Statements, and you agree
 9 with everything that is written in those Statements.
 10 A. Let's suggest I have a look in the bundles.
 11 Q. Would it be helpful if somebody from our team to
 12 set next to Mr. Dolgov and help with the documents?
 13 A. No, thanks. I'll open them myself.
 14 I provided four Witness Statements, and they are
 15 all here.
 16 (Overlapping interpretation and speakers.)
 17 Q. Do you speak English, Mr. Dolgov?
 18 A. No, I do not.
 19 (Comments off microphone.)
 20 Q. So, the Witness Statements were prepared in
 21 Russian, and you were using Russian original documents;
 22 correct?
 23 A. Yes, that is correct.
 24 Q. Because I'm only listening to the English
 25 translation; hence, I don't hear from or, rather, into

09:23:02 1 Q. And these included projects in Minsk?
 2 A. Yes.
 3 Q. They were completed before the Tender was
 4 announced; right?
 5 A. Exactly.
 6 Q. So, you had experience in doing business in
 7 Belarus?
 8 A. Yes. We have had this experience.
 9 Q. And this was the reasons why Mr. Ekavyan hired
 10 you for this Project; isn't that right?
 11 A. Not quite.
 12 Q. What would you say that was wrong with my
 13 statement?
 14 A. The thing is, Mr. Ekavyan and myself had been
 15 cooperating prior to 2003, but we worked in the area of
 16 energy resources. At about that time, in that period, a
 17 complete monopoly was established in the energy resources
 18 market in the Republic of Belarus. That is to say,
 19 processing and the sales of oil products were made either
 20 by the State-owned structures or the structures affiliated
 21 with--
 22 (Overlapping interpretation and speakers.)
 23 A. Yes, please.
 24 (Comments off microphone.)
 25 PRESIDENT FERNÁNDEZ-ARMESTO: Had you finished

09:21:25 1 Russian and not the other way around. But please stop me
 2 if I'm going too fast.
 3 (Comments off microphone.)
 4 PRESIDENT FERNÁNDEZ-ARMESTO: It's the lack of
 5 pause, which is even--requires even more discipline than
 6 speaking slowly. It happens to everyone.
 7 MS. ZAGONEK: I promise I shall do my best.
 8 BY MS. ZAGONEK:
 9 Q. Mr. Dolgov, you were born in the Soviet Union;
 10 right?
 11 A. Yes, correct.
 12 Q. And you started doing business in Belarus almost
 13 right after Belarus became an independent State in 1990,
 14 after Soviet Union collapsed; right?
 15 A. More exactly, in 1993.
 16 Q. And the Tender for this Investment Project was
 17 announced in 2003; right?
 18 A. Exactly. Correct.
 19 Q. So, by that time, you had already been doing
 20 business in Belarus for about 10 years; right?
 21 A. Yes.
 22 Q. And prior to 2003, so before the Tender, you have
 23 already implemented a number of real estate development
 24 projects in Belarus; correct?
 25 A. Yes.

09:24:53 1 with your answer?
 2 THE WITNESS: I believe it is enough.
 3 BY MS. ZAGONEK:
 4 Q. My question, Mr. Dolgov, was whether Mr. Ekavyan
 5 hired you because of your experience?
 6 A. Yes, you are right. Mr. Ekavyan involved me,
 7 given my experience, as a person who could do business.
 8 Q. And you were managing the day-to-day business for
 9 this Project and not Mr. Ekavyan; is that right?
 10 A. Not exactly. The thing is, Mr. Ekavyan and
 11 myself, with respect to any decision that would impact the
 12 course of things, I would not take without a conversation
 13 and the consultation with Mr. Ekavyan.
 14 Q. But you took charge of all the discussions with
 15 the City of Minsk and Minsktrans, and not Mr. Ekavyan?
 16 A. Could you clarify what you mean?
 17 Q. I believe the translation of City of Minsk--
 18 (Comments off microphone.)
 19 A. Yes. I was engaged in the negotiations, but it
 20 has not been that Mr. Ekavyan was not aware of the content
 21 of the conversations.
 22 Q. Yes. My question was whether it was you who led
 23 the discussions and not Mr. Ekavyan?
 24 A. In fact, I conducted the negotiations. However,
 25 the decisions that were taken by me as the head of the

09:27:09 1 Company were taken in consultation with Mr. Ekavyan.
 2 Q. Yes, thank you. I had understood that.
 3 But apart from discussing and agreeing with you
 4 the decisions that you talked about, Mr. Ekavyan was almost
 5 not involved in the Projects?
 6 He didn't come to Minsk very often, did he?
 7 A. Yes, however, I would like to clarify.
 8 Despite the fact that he did not come to Minsk
 9 often, it does not prevent me from visiting Moscow often
 10 and to agree all my actions with him.
 11 Q. Mr. Dolgov, you had other projects in Belarus; is
 12 that right?
 13 A. Yes, exactly right.
 14 Q. And you owned other Belarusian companies?
 15 A. Exactly right.
 16 Q. And in, not all your projects, you partnered with
 17 Mr. Ekavyan, did you?
 18 A. Yes.
 19 Q. For example, there was a company called
 20 Centrebeton, which was solely owned by your family, you and
 21 your wife, and now which it belongs to your son. It's not
 22 insolvent?
 23 A. If you heard to me carefully, Ms. Zagonek, I
 24 provided an answer about its fate when I replied to the
 25 question by our colleagues, Mr. Khvalei.

09:29:14 1 Q. I had understood--
 2 (Overlapping interpretation and speakers.)
 3 A. I could clarify one more time.
 4 The company is in the liquidation stage. Given
 5 the fact that the Belarusian authorities, by applying
 6 disproportionate measures and using the judicial system,
 7 brought this company to a bankruptcy. I have nothing to
 8 add on this issue.
 9 Q. Which company do you mean? Centrebeton or
 10 Manolium-Processing?
 11 A. Centrebeton. I'm sorry I interrupted you.
 12 Q. Not Manolium-Processing?
 13 A. No. It is not Manolium-Processing. However, the
 14 Claim presented to the son's company was presented by
 15 Manolium-Processing, which is also owned by me and my
 16 partner, Aram Ekavyan.
 17 Q. In that company, Manolium-Processing, the
 18 Application was made by a third-party commercial creditor
 19 who you owed money to; correct?
 20 A. What you're saying is correct, as a matter of
 21 fact. However, today I supplied an application to
 22 Belarusian competent authorities, with reference to this
 23 third party you're referring to, to initiate criminal
 24 proceedings against them because they stole \$700,000 from
 25 me. And the competent authorities are currently

09:31:20 1 investigating this Claim.
 2 Q. (No interpretation.)
 3 (Overlapping interpretation and speakers.)
 4 A. Yes, I'm referring to a private company.
 5 Q. I'm told that the translator hadn't heard my
 6 question, so I'll repeat the question, which you have
 7 already answered.
 8 You were talking about a private company--you
 9 don't need to answer.
 10 Mr. Dolgov, you reported to Mr. Ekavyan on how
 11 the money was spent and how the Project was doing.
 12 Is that the correct understanding?
 13 A. Yes. Not only did I tell him, I would agree with
 14 him the things we had to discuss.
 15 Q. By way of salary, what kind of cars you and your
 16 family drove, the Rolls-Royce, the Bentleys, the Maybach--
 17 A. It's a lie.
 18 PRESIDENT FERNÁNDEZ-ARRESTO: Why don't you start
 19 with the question again, and then we get to the whole
 20 answer.
 21 BY MS. ZAGONEK:
 22 Q. Mr. Ekavyan knew how much you were paying
 23 yourself and your wife by way of salary?
 24 A. I would like to ask you: How much did I pay
 25 myself?

09:33:37 1 Q. That's my job to ask you questions, and not
 2 yours.
 3 A. You know, frankly, I don't remember how much I
 4 paid, but they were insignificant amounts because I didn't
 5 need a salary. And, today, I'm not drawing any salary. My
 6 salary today in my company is USD 1 a month.
 7 Q. So, Mr. Ekavyan was aware that you were driving
 8 the Rolls-Royce, the Bentleys and Maybachs that may have
 9 been owned by your wife, your son, and other relatives?
 10 A. I'm sorry, I didn't understand.
 11 Which other relatives are you referring to?
 12 Q. Your wife, your son, your son's wife, any other
 13 relatives.
 14 MR. KHVALEI: Mr. President, I'm afraid I have to
 15 intervene. I don't think that we have anything on record
 16 related to what kind of cars were used by Mr. Dolgov or
 17 anything close to what he stated in his Witness Statement.
 18 I think we had an agreement that the scope of
 19 cross-examination will be related to Witness Statement.
 20 And I'm afraid Ms. Zagonek is now asking something which is
 21 highly irrelevant.
 22 PRESIDENT FERNÁNDEZ-ARRESTO: Why is the make of
 23 his car relevant to what we are discussing in this dispute?
 24 MS. ZAGONEK: Mr. President, the relevance was
 25 the amounts of money spent on the so-called "management

09:35:46 1 costs," by way of salaries and other expenses that were
 2 used. But I can drop that question.
 3 PRESIDENT FERNÁNDEZ-ARRESTO: No, no, no. This
 4 is perfectly legitimate that you ask about the--this is the
 5 90 million--50 million--I don't want to establish the
 6 figure, but this is the figure we were discussing
 7 yesterday, and what you are trying to do is to establish
 8 what was included in that figure. Is it that?
 9 MS. ZAGONEK: Correct.
 10 PRESIDENT FERNÁNDEZ-ARRESTO: Why don't we go to
 11 that figure? I mean, why don't you ask him if he--I think
 12 those are legitimate questions. Whether he personally
 13 drives one car make or the other is further away. Why
 14 don't we concentrate on that?
 15 MS. ZAGONEK: I'll drop that.
 16 MR. KHVALEI: Mr. President, as a way of
 17 clarification for future, because I think it is a common
 18 understanding that when asking the questions, new facts
 19 should not be introduced, because if Ms. Zagonek would
 20 abstain by introducing, by questions, new facts which are
 21 not on the record, then I'll have not any objections. But
 22 if she will be trying to introduce something which is not
 23 supported and contested, then I think I'll have objections.
 24 PRESIDENT FERNÁNDEZ-ARRESTO: Very good. Why
 25 don't you go on?

09:37:21 1 MS. ZAGONEK: Thank you.
 2 BY MS. ZAGONEK:
 3 Q. Mr. Dolgov, Manolium-Processing did not have any
 4 other business activities except for constructing the
 5 Communal Facilities; is that right?
 6 A. Yes.
 7 Q. And in order to construct those facilities,
 8 Manolium-Engineering borrowed monies from either foreign
 9 companies or from a Belarusian company called
 10 Manolium-Processing Foreign, LLC; is that right?
 11 A. Yes.
 12 Q. And then used all these monies for construction
 13 of the facilities; right?
 14 A. Exactly right.
 15 Q. Could you please look at Exhibit C-215? It will
 16 be in a minute on screen. It's Volume 2, Tab 35, if you
 17 want to look at it on paper.
 18 A. Yes, of course, I will take a look. Yes, I am
 19 ready.
 20 Q. This is a summary of Manolium-Engineering by
 21 various companies; is that right?
 22 (Overlapping interpretation and speakers.)
 23 A. Yes.
 24 Q. Did you prepare this document?
 25 A. Yes.

09:39:35 1 Q. So, does this table accurately reflect the Loans
 2 provided to Manolium-Engineering?
 3 A. Yes, exactly right.
 4 Q. And you say that all these monies were spent on
 5 construction of the New Communal Facilities; right?
 6 A. Not only I'm saying it, I'm asserting this,
 7 affirming this.
 8 Q. Manolium-Engineering abandoned construction in
 9 about mid-2012; is that right?
 10 A. Yes, exactly right.
 11 Q. So, after that time, after June, July 2012, there
 12 was no construction; right?
 13 A. Yes, exactly right.
 14 Q. Could you please look at the second page of this
 15 document?
 16 A. I have already taken a look.
 17 (Overlapping interpretation and speakers.)
 18 A. Yes, I see that.
 19 PRESIDENT FERNÁNDEZ-ARRESTO: Question.
 20 BY MS. ZAGONEK:
 21 Q. Please, could you look at page--second page of
 22 C-215, the Loans from Manolium-Processing for an LLC?
 23 A. I have taken a look.
 24 Q. There are a number of payments made after
 25 July 2012--

09:41:19 1 A. Exactly right.
 2 Q. --on 10th and 31st of August. Or even in 2013.
 3 A. Could you tell me what is the essence of the
 4 question? What is the point?
 5 Q. The construction was abandoned in mid-2012, and
 6 we see payments being made after that date, which couldn't
 7 have been spent on construction of the Communal Facilities,
 8 could they?
 9 A. This is not correct.
 10 Q. Please explain.
 11 PRESIDENT FERNÁNDEZ-ARRESTO: Can you explain
 12 that to us?
 13 THE WITNESS: Right. The point is, that at the
 14 end of 2012, and if I'm not mistaken, there was a payment
 15 in 2013. We were settling the payments with the
 16 contractors, because in 2012, almost to the end of 2012,
 17 the permits on construction which had been issue by the MCC
 18 were still valid, and the contractors were still working at
 19 the site. So, they were finishing and restituting the
 20 drawbacks. And there were also, by the end of 2013--2012
 21 and beginning of 2013, they were finishing work and they
 22 were doing the reconciliation and drawing the
 23 reconciliation acts. That's all I can say.
 24 BY MS. ZAGONEK:
 25 Q. But a number of the subcontractors as well as

09:43:30 1 your employees ended up not being paid; is that correct?
 2 A. That's correct. Because we first paid the
 3 contractors, and by the order, they were doing the work.
 4 So, the first were paid first until the money ran out,
 5 until the actual beginning of billing of the Company, so we
 6 used all that money for paying the people.
 7 Q. But the number of salaries which typically go
 8 first remain outstanding?
 9 A. I agree with you completely. However, once
 10 again, I would like to reiterate we were forced to do that
 11 by the Belarus authorities. They punished, in this manner,
 12 their own people.
 13 MS. ZAGONEK: I'm saying that this might be
 14 better if I switch channels and then listen to what is
 15 being translated to you, then I'll be more disciplined
 16 about.
 17 PRESIDENT FERNÁNDEZ-ARMESTO: Also, you are
 18 welcome to put the questions in Russian, if you want.
 19 Handle it the way is most efficient for you.
 20 (Comments off microphone.)
 21 MS. ZAGONEK: Thank you.
 22 BY MS. ZAGONEK:
 23 Q. Mr. Dolgov, was Mr. Ekavyan aware that
 24 Manolium-Engineering was transferring monies to other
 25 Belarusian companies not connected to this Project?

09:46:10 1 A. Yes, Mr. Ekavyan was aware of that because those
 2 were the money which were transferred under the Loan
 3 Agreements, and afterwards they reverted to the accounts of
 4 Manolium-Engineering, and everything presented at this
 5 table is in line with the reality, and the money was spent
 6 for the construction of Communal Facilities and for design
 7 and for some work regarding the Investment Object which
 8 we're planning to develop.
 9 Q. Mr. Dolgov, are you saying that Mr. Ekavyan was
 10 lending you money, sponsoring your own Project?
 11 A. That was Mr. Ekavyan's project.
 12 Q. The interest-free loans you're talking about;
 13 right?
 14 A. What I'm saying is that all the projects, all the
 15 companies affiliated to me, they, to the same degree, were
 16 affiliated to Mr. Ekavyan. Therefore, the question you're
 17 putting to me can be answered as, yes, Mr. Ekavyan was
 18 aware as this was our joint business. However, formally it
 19 is quite probable that I was the owner somewhere. I was
 20 responsible for each cent, and it was reporting regarding
 21 each cent spent to various projects to Mr. Ekavyan.
 22 Q. Mr. Dolgov, you are talking about companies such
 23 as OOO Manolium-Processing, Centrebeton, Stroitech Mantech
 24 (phonetic), Oktan-AZS-Servis, Tekstur; correct?
 25 A. Yes. Yes.

09:48:43 1 Q. And you are saying that they are affiliated with
 2 Mr. Ekavyan?
 3 A. That's correct.
 4 Q. And a company called Centrebeton?
 5 A. Yes, absolutely correct.
 6 Q. I see. So, Mr. Ekavyan was not afraid of
 7 investing into Belarusian entities; is that right?
 8 A. That is absolutely correct. And if you allow me,
 9 I would like to add something. Esteemed Court, Esteemed
 10 Counsel on both sides, when you see these figures, I see
 11 them on the screen, how can you attract such figures to the
 12 company with the statutory capital of USD 30,000? Of
 13 course, that was all guaranteed by Mr. Ekavyan himself.
 14 Q. So, Mr. Dolgov, could you just confirm my
 15 understanding that these companies, even those which were
 16 formally belonging to you or members of your family, are,
 17 in fact, co-owned by Mr. Ekavyan; is that right?
 18 A. Yes.
 19 (Overlapping interpretation and speakers.)
 20 A. Yes, of course those were Belarusian companies,
 21 and the co-owners of those companies were Mr. Ekavyan and
 22 myself and equal parts, irrespective of who they were
 23 formally registered to.
 24 Q. Thank you, Mr. Dolgov.
 25 Let me take you to the events of 2011. On 1st of

09:51:21 1 July 2011, contractual deadlines for commissioning of the
 2 New Communal Facilities expired; is that right?
 3 A. Yes.
 4 Q. And after the contractual deadlines expired, the
 5 Parties were discussing the extension of those deadlines;
 6 is that so?
 7 A. We did discuss. However, I did not go beyond the
 8 discussions. And to be more precise, they were not
 9 discussions. They were statements from the City authority,
 10 Andrey Vladimirovich will do everything, go ahead and
 11 build. That's it, nothing else. And our requests on
 12 extending the deadline for the land plot met the same
 13 answer: Go ahead and build, and we'll sort it out later
 14 because that's the way things were done.
 15 Q. Mr. Dolgov, I would like to ask you about the
 16 so-called "statutory" or "normative" construction term.
 17 A. What do you mean? What exactly do you mean?
 18 Q. That would be an incorrect translation. The
 19 statutory construction term in Russian--I will say it (in
 20 Russian).
 21 A. I understand what you meant by the statutory
 22 normative construction term, but what exactly do you mean?
 23 We had several. There were several communal objects.
 24 Q. First of all, the statutory construction term
 25 means the period within which an object is expected to be

09:53:31 1 constructed; right?
 2 A. Yes, that is absolutely correct.
 3 Q. And this term is calculated by a designer who
 4 prepares the Design Specification and Estimate
 5 Documentation?
 6 A. Yes, that is absolutely correct.
 7 Q. And so, the statutory construction term is set
 8 out in the Design Specification and Estimate Documentation
 9 for each facility; right?
 10 A. Yes, absolutely correct.
 11 Q. And so, your designers put 25 months as the
 12 statutory term for construction; right?
 13 A. 25 months for which object? For Depot, yes, that
 14 is absolutely correct.
 15 Q. But the State Expert who approved the Design
 16 Specification and Estimate Documentation allowed you two
 17 more months for construction, didn't he?
 18 A. He did.
 19 Q. Thank you. Let us turn to a slightly different
 20 point now.
 21 There was a deadline for construction and
 22 commissioning of the Investment Object under the Amended
 23 Investment Contract. That's right?
 24 A. Yes.
 25 Q. Do you remember what was the deadline?

09:57:47 1 A. Of course not.
 2 Q. The initial deadline for commissioning of the
 3 Communal Facilities was December of 2008; is that right?
 4 A. Yes.
 5 Q. And the initial deadline for Investment Object
 6 was December 2012.
 7 A. Absolutely correct.
 8 Q. So, that gives us four years to build?
 9 A. Absolutely agree with you. The math is correct.
 10 Q. In July 2011, the Road and the Depot were not yet
 11 commissioned; is that right?
 12 A. Well, in fact, the Road was ready, however, under
 13 various pretenses, the Experts of Minsktrans refused to
 14 accept it. However--I'm sorry, why? Because initially,
 15 when you have the Transfer and an Acceptance Act, we had
 16 all the signatures afterwards, after July, all that work
 17 came to a standstill and the authorities were not moving
 18 one way or another, with the exception of making
 19 statements, go ahead and construct or go ahead and invest.
 20 Keep investing.
 21 Q. But is it fair to say, Mr. Dolgov, that in
 22 July 2011, you haven't yet started construction of the
 23 Investment Object; is that right?
 24 A. That's fair, yes.
 25 Q. And in July of 2011, you haven't yet prepared the

09:55:30 1 A. Frankly speaking, no. I understand that it was
 2 supposed to exist, however, it was stipulated in the
 3 Investment Contract without the Design Specification and
 4 Estimate Documentation. Because of the big volume of the
 5 construction works, such deadline was not received from the
 6 designers on paper. And we couldn't receive that deadline
 7 because the construction project of the Investment Object
 8 had not been prepared.
 9 Q. I will remind you, Mr. Dolgov, the deadline was
 10 December 2012, and you can see that in Clause 6.2 of the
 11 Investment Contract. And if you'd like to look at it, it
 12 is C-66.
 13 A. If you allow me, there is no need to consult
 14 because I remember that very well. I believe I'm the only
 15 person in this room who started this Project and have
 16 failed to finish it because of the actions of the
 17 authorities of Belarus. What you're talking about is just
 18 the Contract term indicated in the Investment Contract. At
 19 the beginning of the Project and after signing of the First
 20 Draft of the Contract were violated, were breached on a
 21 number of occasions by the Belarus authority, and I'm aware
 22 of that. I know of that, and I can prove it.
 23 Q. But according to the Contract in July 2011, you
 24 were planning to construct the Investment Object by
 25 December 2012. Is that a fair assumption to make?

10:00:00 1 Design Specification and Estimate Documentation for the
 2 Investment Object; is that right?
 3 A. That's right.
 4 Q. And so, from July 2011 until the deadline of
 5 December 2012, you had less than 1.5 years to design and
 6 construct the Investment Object; is that right?
 7 A. Yes.
 8 Q. Are you saying you were able to prepare the
 9 Design Specification, Estimate Documentation and construct
 10 the Investment Objects and commission it in 1.5 years?
 11 A. No, this not what I'm trying to say. With your
 12 permission, I would like to clarify.
 13 To design and to build a communal object
 14 specified in the two Agreements dated February--in
 15 February, we have the Trolley Depot, part of the road of
 16 the Gorodetskaya Street in Minsk to the entrance and the
 17 Pull Station. The objects are considerably smaller than
 18 the planned Investment Object.
 19 Despite this fact, the better Russian side is to
 20 be blamed for the situation when we were designing, engaged
 21 in construction, and didn't hand over any object prior to
 22 July 2011. What completion in 2012 can we be talking about
 23 with reference to the Investment Object when a much smaller
 24 object, ten times as small in terms of construction size,
 25 we were not able to complete in eight years, with your

10:02:10 1 permission?
 2 Have I provided an answer to your question?
 3 Q. Thank you. Mr. Dolgov, in fact, you needed a
 4 full five years to design, construct, and commission the
 5 Investment Object. Would that be fair to say?
 6 A. Which object are you referring to? Could you
 7 clarify?
 8 Q. The Investment Object.
 9 A. Yes, then I would totally agree with you.
 10 Q. So, around 4th of July 2011, you proposed an
 11 additional agreement to the Amended Investment Contract; is
 12 that right?
 13 A. You said 4th of July; right?
 14 Q. Around that time. On or around.
 15 A. Could I take a look at what I proposed?
 16 Q. Yes, of course. You can look at Exhibit R-65.
 17 It is in Volume 1, Tab 26.
 18 A. I will find it. 18211 is the symbol of the
 19 document; no? I was somewhat disoriented. It is photo 26.
 20 Sorry, I'm a little confused.
 21 Q. You can also look at it on the screen.
 22 A. Can we blow it up a little bit? And it's in
 23 English, though.
 24 (Comments off microphone.)
 25 Q. Mr. Dolgov, would it be helpful if somebody would

10:07:17 1 A. Yes, 6.2. Yes, I see, "public facilities."
 2 After a decision by the City of Minsk for the construction
 3 of the facilities. I don't think I understand what is the
 4 issue here.
 5 Q. What does it say before "construction"--before
 6 the City of Minsk decision to authorize construction of the
 7 facilities? It says "in accordance with normative
 8 construction terms"; right?
 9 A. Yes, exactly right. I agree with you. The thing
 10 is that, by that time, despite the fact that the Belarusian
 11 authorities repeatedly scuttled the deadlines for the
 12 construction for various reason--and if there is need to
 13 explain them, I will provide an explanation--we continued
 14 to carry out work on our own because we had a plan for the
 15 land where the Investment Object had to be located. We had
 16 this land allocated to us for the construction purposes,
 17 and we were engaged in the design of the Object by
 18 ourselves. We did that in Russia. And by proposing this
 19 amended addition to the Investment Contract, we were, in
 20 fact, aware that, if it were to be signed, we would have to
 21 leave the time only to agree and to get approval from the
 22 Expert Commission in Belarus.
 23 It was prepared by the Turks, together with the
 24 Germans. There was a joint design group. And if this
 25 additional agreement was signed, then, of course, we would

10:05:02 1 sit next to you?
 2 A. With your permission, I will read it in Russian.
 3 Yes, I see the document. It is signed by three
 4 Parties, but not by the Mayor of the City.
 5 Q. I'm talking about your proposal that you
 6 suggested postponing the deadline for construction of the
 7 Investment Object; is that right?
 8 A. Yes. In this connection, I would like to clarify
 9 to the Tribunal. We had three permission for the
 10 construction in effect through the end of 2011. Two of
 11 them applied to the Trolley Depot and one to the Road
 12 because, at the time of the proposal, the Road was
 13 complete. It was used on a daily basis. Cars were
 14 traveling on it. The only thing, there was no network
 15 developed because it was produced in the Russian
 16 Federation. We had purchased it, but it was not delivered
 17 to the Object. And that's why, for different reasons, it
 18 was not mounted by Minsktrans. Thank you.
 19 Q. Could you please read out what you suggested
 20 changing in terms of the deadline for the construction of
 21 the Investment Object? This is Clause 1 of the
 22 Supplemental Agreement. It is the same document starting
 23 from 6.2.
 24 A. Yes, I see. November 2011.
 25 Q. No, 6.2, please, the next clause.

10:09:30 1 present immediately this Project to the State Expert
 2 Commission of the City of Minsk to get their approvals.
 3 Q. Mr. Dolgov, under your proposal, the term for
 4 constructing the Investment Object would start running
 5 after Minsk formally declares that it has authorized the
 6 construction of the Investment Object; is that right?
 7 A. Of course, naturally, and in accordance with the
 8 contractual terms, given the physical volume of the
 9 construction project. The State Expert Committee would
 10 calculate that because, if I'm not mistaken, about 350
 11 square meters was the size of the Project. And that's why
 12 in my Statement, I stated that it was something that was
 13 unique in Belarus, and still is.
 14 Q. And so, before making the Application--
 15 PRESIDENT FERNÁNDEZ-ARRESTO: Someone in your
 16 team is raising a hand.
 17 (Comments off microphone.)
 18 MS. ZAGONEK: It's a translation issue. The
 19 "normative terms" are continuously being translated as
 20 "contractual terms." They are nothing to do with contract.
 21 They are statutory and not contractual, if the translators
 22 can please be consistent--
 23 PRESIDENT FERNÁNDEZ-ARRESTO: This is in 6.2 of
 24 public facilities in accordance with normative construction
 25 terms. That is your reference. And "normative" is as the

10:11:22 1 translation shows, the proper word, not "contractual."
 2 MS. ZAGONEK: In English it's either "statutory"
 3 or "normative."
 4 BY MS. ZAGONEK:
 5 Q. So, I'll start with the question again.
 6 Mr. Dolgov, before making the application to the Minsk City
 7 for this declaration to authorize the construction of the
 8 Investment Object, Manolium-Engineering would need to have
 9 certain specific documents such as Design Specification,
 10 Estimate Documentation for the Investment Object and the
 11 detailed Draft Land Plan allocation; is that right?
 12 A. I understand that it is quite difficult for you
 13 because you're following this in English and in Russian,
 14 but could you formulate exactly what you want me to say,
 15 what we had to obtain?
 16 Q. You had agreed a little earlier that Minsk City
 17 had to formally declare that it has authorized the
 18 construction of the Investment Object.
 19 A. In order to make this statement, it had to accept
 20 the communal objects into its ownership. And only after
 21 that there could happen the beginning of the launch of the
 22 Project, of the Investment Project. As I mentioned
 23 earlier, for different reasons, sometimes thought-up
 24 reasons, the Minsk authorities did everything to disrupt
 25 the construction of the communal objects for their purposes

10:13:42 1 and consequently to put a stop in the implementation by us,
 2 the overall Investment Agreement.
 3 Q. Mr. Dolgov, I wasn't talking about the New
 4 Communal Facilities and the condition for you to have the
 5 right to construct. I was moving further along to talk
 6 about--if imagine if you had--
 7 A. Let's go further together.
 8 Q. In order for Minsk to issue the Declaration that
 9 it has authorized the construction of the Investment
 10 Object, it needed to receive an application from
 11 Manolium-Engineering; is that right?
 12 A. Now, I understand your question. With your
 13 permission, and I can tell you one thing only. As I
 14 understand it, to obtain a permission for the construction,
 15 it is necessary to have a relationship with the owner of
 16 the land. On July 1, 2011, as the Tribunal is aware and
 17 the people present in the hall are aware, our right to land
 18 lapsed, expired. I clarified that, despite my repeated
 19 appeals, the people at the Mayor's Office stated to me:
 20 "Continue to build the communal object. We will take care
 21 of the land afterwards."
 22 And in 2011 it worked because it was the
 23 established practice at the City of Minsk, when permissions
 24 for the land were issued or extended post-permission to
 25 build and the construction work at the objects. This is

10:16:15 1 what I can tell you by way of clarification, and that is
 2 why it could not be the issue what you are referring to
 3 here.
 4 Q. Mr. Dolgov, thank you. I keep asking you about
 5 the land in the center of Minsk for the build of your
 6 Investment Object, and you keep telling me about the land
 7 on which you were building the Communal Facilities.
 8 A. No, I am also talking about the land in the
 9 center of Minsk that we were, in fact, deprived of.
 10 Q. Which you never had any right to it until you
 11 finished constructing and commissioning the Communal
 12 Facilities; is that right?
 13 A. I totally agree with you. We had no right to it.
 14 We were, in fact, given the task to design, the permission
 15 to design the construction. The plot of land, as I
 16 explained, prior to my previous answer, had to be handed
 17 over to us only after the communal objects would be handed
 18 over to the ownership of the City of Minsk. But, despite
 19 this fact, we had a plan and a scheme for this plot of
 20 land. We knew and I believe everybody is aware because
 21 some people--everybody builds either a country cottage or
 22 something. We have a plot of land with the borders.
 23 We were given this plan by the City authorities,
 24 and subsequently it was annulled. And that's why having
 25 conducted the geological--geodesical and all the other work

10:18:13 1 that are required for a proper design, all this work had
 2 been conducted, and the management of the Trolley Depot did
 3 not get in the way, and we completed this work. However,
 4 this does not mean that we had the right to land, and that
 5 is why we provided a design for the Investment Object.
 6 However, we could move forward only after the
 7 plot of land would be handed over to us, but it was not
 8 handed over to us, as you are fully aware.
 9 This is what I can clarify.
 10 Q. So, if I understand you correctly, you needed the
 11 detailed draft land plot allocation plan and the Design
 12 Specification and Estimate Documentation for the Investment
 13 Project; is that right?
 14 A. You have a completely correct understanding. The
 15 detailed plan for this plan of land was completed in 2007.
 16 I had two huge volumes as a memory of the Project. We did
 17 everything. Everything was ready. We needed a physical
 18 transfer of this plot of land for the Investment Object.
 19 As soon as this happened, we would have given the ready
 20 Project for an Expert Opinion of the Belarusian
 21 authorities, and, given the volume, I believe it would take
 22 not more than half a year. It's a major Project,
 23 construction Project.
 24 Q. --but have you ever submitted the design?
 25 (Overlapping interpretation and speakers.)

10:20:39 1 A. Yes, we submitted to the Committee of
 2 Architecture the draft design for this object, which was
 3 agreed.
 4 Q. We are talking about different things. I'm
 5 asking about the Design Specification and Estimate
 6 Documentation, not what you just mentioned.
 7 A. Ms. Zagonek, I would totally agree that you're a
 8 great lawyer and represent a great Company, firm, but with
 9 your permission, I believe you don't quite understand
 10 what's happening in the construction, and this is not your
 11 business, in fact. The documentation, the draft comprises
 12 a draft and the working document, three kinds of document.
 13 At the first stage, we have to agree with the architectural
 14 office in the City and they, in fact, planned the image of
 15 the City. This happens here in Russia, in Belarus.
 16 They approve the design, the draft design, what
 17 things are going to look like, and this Project design
 18 contains all the technical and economic parameters. This
 19 area, air-conditioning, the layout of the trading centre,
 20 how the people will move, where--what kind of facilities
 21 would be located. I believe I provided an answer to your
 22 question.
 23 Q. Okay. But the--so, that I understand correctly,
 24 the Design Specification Estimate Documentation, which
 25 contains the normative construction term for the Investment

10:27:07 1 from the 1st of July 2011, we did not have the right to the
 2 land plot. This is number one.
 3 Number two. If we consider the fact that until
 4 the end of 2012, the authorities had issued us the permit
 5 to construct three, in fact, three Construction Permits,
 6 two regarding the Trolleybus Depot and one regarding the
 7 Road, then from the beginning of 2012, all our requests
 8 were met with a refusal, therefore, this is not contained
 9 in the minutes, but in my private talk with Ms. Birich.
 10 I said, "let's solve the issue with the land
 11 first, and when that is settled, can we move forward?"
 12 And, well, you understand that--even despite that--you
 13 know, the financing scheme you provided deals with 2012 and
 14 2013. There was one transaction, one payment in 2013.
 15 Why? Because despite the lack of the Land
 16 Permits and despite the lack of the Construction Permits,
 17 our contractors continued to work on those problems which
 18 were seen during the construction, and we see that in the
 19 movement of the money and we can talk about that because,
 20 during my talk with Ms. Birich, I said, "Listen, people
 21 keep working and they are solving problem on the
 22 construction site. Let's solve the issue with the land.
 23 As soon as we have the land we don't have any problems
 24 anymore." But as you understand, the land allocation did
 25 not happen.

10:22:52 1 Object wasn't submitted?
 2 A. No, it was not submitted.
 3 Q. Mr. Dolgov, I'm going to move to ask you about a
 4 meeting on 9th of January 2012 at the City of Minsk.
 5 A. Umm-hmm.
 6 Q. There are minutes of that meeting at C-125, which
 7 is Volume 2, Tab 23.
 8 A. Yes.
 9 Q. At that meeting on 9th of January, you said that
 10 it was difficult for the Claimant to finance three Projects
 11 in Belarus at the same time; is that right?
 12 A. Well, as follows from the minutes, yes, that's
 13 right.
 14 Q. And you said that you were ready to resume
 15 financing the construction of the New Communal Facilities
 16 by 23rd of January 2012; is that right?
 17 A. That's right.
 18 Q. And, as you can see from the minutes, a Decision
 19 was taken at that meeting that the Manolium-Engineering
 20 will resume financing the construction works by 25th of
 21 January; is that right?
 22 A. That's right, however, it requires explanation.
 23 Q. You agree to--
 24 A. So, well, that clarification is as follows: How
 25 can you talk about resuming financing when, as of July 2011

10:29:28 1 Q. Mr. Dolgov, in the minutes at 2.2, it states that
 2 Manolium-Engineering will, by 25th of January resume
 3 financing.
 4 Are you saying that you have never agreed to
 5 that?
 6 A. We did agree to that with a condition that Minsk
 7 City will allocate by its Decision the land for communal
 8 objects and then all the required documents and all the
 9 relevant permits could be obtained in the official manner.
 10 We had been promised those permits back in 2011 when the
 11 land plot use term ended after July 1.
 12 And, as you understand, six months, and if we
 13 look at the minutes of almost 10 months of January, so in
 14 that time nothing happened and the land plot allocation did
 15 not happen. Therefore, we did not have any lawful grounds
 16 to take any actions regarding both the communal objects and
 17 the Investment Object.
 18 Q. Mr. Dolgov, could you please open another
 19 document? It is R-75, and that's Volume 1, Tab 29.
 20 A. That's the other volume; right? I'm sorry, which
 21 one was it? What--which you were--
 22 Q. Volume 1. Are you in Volume 1? Mr. Dolgov, it
 23 would really be helpful for everybody if somebody sat next
 24 to you and helped you with the documents. And I would ask
 25 the Tribunal--

10:31:57 1 A. Thank you. Thank you. I have enough with me to
 2 turn pages. Thank you. Yes, I can see that.
 3 Q. So, on the same date as you had the meeting, you
 4 wrote a letter to Gosstroy stating that Manolium-
 5 Engineering is suspending the construction of the New
 6 Communal Facilities?
 7 A. Yes, I see that. However, it is not my signature
 8 underneath.
 9 Q. And whose signature is that?
 10 A. My Deputy who dealt with construction.
 11 Q. Are you saying he signed--sent that letter of his
 12 own volition?
 13 A. You know, frankly speaking, I just don't
 14 remember. However, what I believe could clarify the
 15 situation is that after the meeting ended and what we saw
 16 in the previous documents, those were the Decisions, what I
 17 don't see there is my conversation with the Deputy Mayor
 18 right after the meeting, and during that conversation we
 19 were directly refused the Decision regarding the land plot
 20 allocation.
 21 And right after this meeting I left for Moscow.
 22 I drove. And this is the signature of my Deputy, and
 23 before he joined our Company, he had been the Deputy of the
 24 Minsktrans General Director and he had his own connections,
 25 and sometimes it helped us, but sometimes it was the

10:34:26 1 opposite. And here I see that that employee signed the
 2 document to Gosstroy without my knowledge, and he quotes
 3 the lack of finance in that letter.
 4 Q. So, you're saying that you didn't authorize the
 5 letter which says that: "Due to investor's temporary lack
 6 of funds, Manolium-Engineering has to suspend
 7 construction?"
 8 A. I did not authorize him. However, in fact, it is
 9 quite logical.
 10 Q. Mr. Dolgov, are you aware of any other letters
 11 that have been sent without your authority that are in this
 12 case file?
 13 A. Excuse me. Yes, I consulted some document quite
 14 recently, and I found another letter, if I'm not mistaken,
 15 dated April 2012 saying that--and I'm sorry, I was quite
 16 rude at the meeting with the Chairman, and I quite rudely
 17 stated that we're not going to build at all and that I had
 18 no intention to present any Reports and that I didn't want
 19 to have any contacts with them. And that letter--well,
 20 first, there is no signature under those minutes.
 21 Then I found a letter addressed to Minsk City,
 22 and at that moment I was in Moscow, and the letter was also
 23 signed Mr. Karabanov and, of course, I cannot speak for
 24 your partners, but he, being a former employee of
 25 Minsktrans, was probably making attempt to do something

10:36:49 1 about that issue, and he was using his connections to talk
 2 about this and make some arrangements.
 3 So, I saw that April letter also saying that we
 4 did not have any money and we were not in the position to
 5 finance the municipal objects, and at the same time people
 6 were doing some work at the sites, and they are working
 7 trying to do something about the defects in their work.
 8 Well, yes, that.
 9 Q. So, Mr. Dolgov, you're saying that you wouldn't
 10 have sent all these letters yourself?
 11 A. Of course I wouldn't, no. No. Why would I say
 12 the evident lie? We're on the verge of development of the
 13 Project, which would require at least \$200 million, and I,
 14 on numerous occasions, say to the authorities that we're
 15 quite ready. But, Mr. Presiding Arbitrator, because we
 16 didn't have the permits, I came to Minsktrans and the
 17 authority of the City with a proposal of money and we
 18 calculate.
 19 We had some approximate estimate of 3 million,
 20 and we said, well, here is the money. You don't need the
 21 permit because this is your land. Please accept the
 22 Projects, and you can start commissioning that. We will
 23 give you the money.
 24 And we met with a categorical refusal, but at the
 25 same time, our request to provide--to allocate the plots of

10:38:45 1 lands also were refused. What we understood that they were
 2 not playing straight with us, and naturally we tried to
 3 have some kind of assurance for our risks, for our money,
 4 for our possibility to move forward, or not move forward if
 5 we're not allowed. And that's exactly what came about.
 6 Therefore, these letters are absolutely not in line with
 7 the logic of our work.
 8 Well, that's what I wanted to say.
 9 Q. Okay. We'll move on.
 10 A. Let's.
 11 Q. Do you remember a letter from the Minsk--
 12 MR. KHVALEI: Ms. Zagonek, sorry for
 13 interrupting, for planning purposes, when are you planning
 14 to have break?
 15 MS. ZAGONEK: Five minutes, quarter to, if that's
 16 all right with the Tribunal.
 17 PRESIDENT FERNÁNDEZ-ARRESTO: We should break at
 18 some stage. Five minutes is perfect.
 19 MS. ZAGONEK: Yeah. Five minutes. Thank you.
 20 BY MS. ZAGONEK:
 21 Q. Mr. Dolgov, you remember the letter from Minsk
 22 City of 6 of April, that's in R-80, which is in your
 23 Volume 2, Tab 32.
 24 A. Just a second, please. I have the English text
 25 here.

10:41:19 1 Q. So, what we have here is the--
 2 (Overlapping interpretation and speakers.)
 3 Q. Volume 2. Volume 2. Are you in Volume 2,
 4 Mr. Dolgov?
 5 A. Yes. So, I'm in Volume 2, so there is the
 6 English text on top, and behind it we have the unscheduled
 7 field Audit Report of industrial trade, that. Is it that?
 8 (Comments off microphone.)
 9 THE WITNESS: So, it's Volume 1. And you're
 10 saying that it's difficult. It is very difficult to look
 11 for a black cat in a dark room, especially if it is not
 12 there. So, 32. Yes, I can see that.
 13 BY MS. ZAGONEK:
 14 Q. In that letter, Ms. Birich of the Minsk City
 15 asked you to send the updated construction schedule for the
 16 Investment Object; is that right?
 17 A. Well, what I see here it is R-80; right? Is it
 18 the correct document? So, this is the draft of the
 19 Supplemental Agreement in June 6, 2003; is that correct?
 20 Q. Did you sign this Agreement?
 21 A. No, we did not sign that Agreement.
 22 PRESIDENT FERNÁNDEZ-ARMESTO: Now, it's correct.
 23 THE WITNESS: Could you give me a second to
 24 familiarize myself with the document.
 25 Yes, I'm happy to listen to the question, please.

10:44:23 1 BY MS. ZAGONEK:
 2 Q. Did you sign this additional Agreement?
 3 A. No, we did not sign this additional Agreement.
 4 Q. In fact, Mr. Dolgov, by that time you have
 5 already decided that you would not be completing the New
 6 Communal Facilities; is that right?
 7 A. I would like to clarify that a little bit.
 8 Esteemed Tribunal, Ms. Julia, have you read this additional
 9 Agreement, I mean, yourself? Have you?
 10 Q. Mr. Dolgov, could you answer a question?
 11 A. My apologies. I'm very sorry. I probably
 12 overstepped the Rules of Procedure here of the Hearing.
 13 Only somebody who is not quite sober and who is
 14 not psychologically stable could sign this document because
 15 what they are offering you here, that, if you do not live
 16 up to the deadline and the time is quite short, and in the
 17 situation when the whole mechanism of permit issuing is in
 18 the hands of your opponent, so can you sign this Agreement
 19 under those conditions? This is all I can clarify here.
 20 Q. Mr. Dolgov, but you were no longer intending to
 21 complete the New Communal Facilities by that time; is that
 22 right?
 23 A. Ms. Zagonek, please don't provoke me. Like I
 24 said, we did not have the lawful right to go on with the
 25 construction. Were we to obtain the document prolonging

10:46:34 1 the validity of the previous document, or a new document
 2 providing us with the right on the land, I would
 3 immediately continue the financing. However, the Minsk
 4 City was not okay with either proposed option. They were
 5 not agreeing to the money. They were not okay with their
 6 own effort, which were required for obtaining the Land
 7 Permit.
 8 But, generally speaking, the authorities of Minsk
 9 did not risk anything by accepting the money from us
 10 because allocating the land for five months and doing a lot
 11 of routine work to do the paperwork for the land and just
 12 to transfer it back to the City afterwards, there was no
 13 need for that. What they had to do is only to accept the
 14 investor's money. And that, most likely, would prevent us
 15 from coming to this Hearing, and that would have allowed us
 16 to develop the Project.
 17 Q. Mr. Dolgov, you didn't answer my question, but I
 18 propose we have a break.
 19 A. Yes. I would be quite happy to do that.
 20 PRESIDENT FERNÁNDEZ-ARMESTO: It is 10:47, and we
 21 will come back at 11:05.
 22 How long do you think you still have to go with
 23 Mr. Dolgov, Ms. Zagonek?
 24 MS. ZAGONEK: I am probably halfway through.
 25 PRESIDENT FERNÁNDEZ-ARMESTO: So, you,

10:48:33 1 reasonably, you will be through by lunch.
 2 MS. ZAGONEK: I certainly hope that I will be
 3 through by lunch for my own sake.
 4 PRESIDENT FERNÁNDEZ-ARMESTO: Okay. Thank you.
 5 MS. ZAGONEK: Mr. President, I should be grateful
 6 if you would instruct the Witness if you--
 7 PRESIDENT FERNÁNDEZ-ARMESTO: Yeah. Thank you.
 8 MR. KHVALEBI: Mr. President, unfortunately the
 9 Witness is a heavy smoker. I don't smoke myself, so I am
 10 afraid, you know, Witness will be communicated to--with
 11 someone, you could ask one of your associates to assist
 12 Mr. Dolgov in smoking. I don't mind.
 13 PRESIDENT FERNÁNDEZ-ARMESTO: Mr. Dolgov--
 14 MS. ZAGONEK: I have given up smoking, but I can
 15 make an exception for Mr. Dolgov on this occasion to stand
 16 next to him.
 17 PRESIDENT FERNÁNDEZ-ARMESTO: It's not necessary.
 18 Mr. Dolgov, during the break, please do not speak with
 19 counsel to Claimant.
 20 THE WITNESS: No problem.
 21 PRESIDENT FERNÁNDEZ-ARMESTO: But you are welcome
 22 to walk around and smoke and anything. There is coffee,
 23 anything you need. There should be coffee around, and you
 24 are welcome to go outside and smoke. Very good. Thank
 25 you.

10:49:44 1 THE WITNESS: You know, I would in the good old
2 times, I would have given you an answer, "yes, sir," and
3 officers never go back on their word.

4 PRESIDENT FERNÁNDEZ-ARMESTO: Okay. Very good.
5 Excellent.

6 (Brief recess.)

7 PRESIDENT FERNÁNDEZ-ARMESTO: We resume the
8 Hearing, and we continue with the examination of the
9 Witness.

10 And I give the floor to Respondent.

11 MS. ZAGONEK: Thank you, Mr. President.

12 BY MS. ZAGONEK:

13 Q. Mr. Dolgov, before the break, we were looking at
14 the letter from Ms. Birich of Minsk City to you.

15 And I had understood from your answers that you
16 were quite unhappy.

17 A. You're referring to the R-80 document, as I
18 understand. Please confirm.

19 Q. Correct.

20 A. Well, if my answer was not quite satisfactory to
21 you--and Distinguished Tribunal and Colleagues, I believe
22 you read the letter that was addressed to me.

23 Personally, I see a trick in this letter. What
24 kind of a trick? We are offered to sign an additional
25 agreement to the Contract. I would say that a man holds a

11:13:33 1 A. Yes, I agree with you.

2 Q. But you said earlier today that you were still
3 planning to continue with the Project at that time, so you
4 were not telling--what you were saying to me before, you
5 were not telling the truth to the City of Minsk and to the
6 President?

7 A. In fact, in both situations, I was telling the
8 truth. Why? Because the only person in the Republic of
9 Belarus--and I'm firmly convinced of that, and I know it
10 firsthand and not from hearsay--who is capable of taking
11 decisions and, given the fact that our Investment Project,
12 in fact, involved the heart of the country, the Victory
13 Square--the victory in the Second World War in 1945.

14 And from the very beginning, the President was
15 monitoring this square from the moment the results of the
16 auction were approved. And that is why I addressed him
17 personally because he was able to resolve any issue, any
18 problem just by giving an instruction. And that is why I
19 turned to him.

20 And in my address to him, I complained about the
21 unconstructive position of the Mayor of the City. As the
22 Distinguished Tribunal and Colleagues will see, I mention
23 here Mr. Ladutko, the Mayor of the City. When the
24 Investment Project got underway, the Mayor of the City was
25 a gentleman called Mikhail Pavlov. May he rest in peace.

11:11:22 1 grenade in his hand, and he's told to draw the pin and to
2 continue holding the grenade in his hand and it will
3 explode in 4 to 5 seconds.

4 In the second half of the letter addressed to me,
5 to pacify the impression created by the first half of the
6 letter, we are proposed to submit a schedule for the
7 construction of our Investment Project. This is a kind of
8 a sweet that, in their opinion, could qualify the
9 impression created by the first half of the letter.

10 And this document, in this language proposed by
11 the City of Minsk, after consultations with Mr. Ekavyan and
12 based on my conviction, I could not possibly sign, but two
13 signatures were required for this letter: His signature
14 and my signature.

15 Are you satisfied with my answer?

16 Q. Yes, Mr. Dolgov.

17 A. Thank you.

18 Q. Mr. Dolgov, you were upset and, in fact, you
19 wrote a letter to the President; is that right?

20 A. Yes.

21 Q. May I ask you to look at Document R-86, which is
22 in Volume 1, Tab 37?

23 In that letter you informed the President that
24 you are terminating all investment programs in Belarus and
25 complain about the policy of City of Minsk?

11:16:08 1 I apologize for this.

2 We had business relations that went beyond that,
3 but I am convinced and I can confirm everything that I'm
4 saying, that only that person at the Head of the City of
5 Minsk Administration could independently take decisions and
6 would not be afraid for taking those decisions.

7 Under Mikhail Yakovlevich, Mr. Ladutko mentioned
8 in this letter, was his deputy for construction. Given the
9 fact that the Investment Contract was signed under Mikhail
10 Pavlov, he took that Contract very seriously because it was
11 an important contract for the City. And, perhaps, it was
12 the first Investment Contract of that type, not only in the
13 City of Minsk, but in the entire Republic.

14 And all my appeals, both in written form and
15 oral, Mikhail Yakovlevich tried to address the situation
16 promptly and to provide every assistance to the Investor.
17 After the early demise of Mikhail Yakovlevich, I would put
18 it this way: Mr. Ladutko declared to my face, "Well,
19 Mr. Dolgov, it is over. Good times are over for you. Now,
20 you will work in rather difficult and complex
21 circumstances."

22 I link this to the fact that when Mr. Pavlov was
23 mayor, Ladutko, responsible for construction, repeatedly
24 heard very bad things addressed to him. When the
25 negotiations for the implementation of this Project stalled

11:18:30 1 and the authorities were to blame--were to be blamed for
 2 it. That was the situation.
 3 Q. Mr. Dolgov, after your letter to the Minsk City
 4 and to the President, the Minsk City wrote directly to
 5 Mr. Ekavyan.
 6 You remember that?
 7 A. Yes, I do.
 8 Q. And I would ask you to look at that letter. It
 9 is Exhibit R-89, and that is in your--89, and that is in
 10 your--
 11 A. What folder is it, please?
 12 Q. Volume 1.
 13 A. I have found it for you.
 14 Q. So, the City of Minsk wrote that there are
 15 grounds to terminate the Investment Agreement.
 16 Can you see that?
 17 A. Could you please give me some time to refresh
 18 this in my memory? Thank you.
 19 Yes, I'm listening to you.
 20 Q. Minsk City asked Mr. Ekavyan to resume financing
 21 for this Project; is that right?
 22 A. Yes, your understanding is correct.
 23 Q. And Minsk City also invited Mr. Ekavyan to Minsk,
 24 to come for a meeting to discuss the disagreement and
 25 dispute; is that right?

11:21:17 1 A. Yes, that is correct, if this follows from their
 2 letter.
 3 Q. And, effectively, the City of Minsk was asking
 4 Mr. Ekavyan to bring you to your senses?
 5 A. With your permission, in what sense I had to come
 6 to my senses? What was it that was not to the liking of
 7 the City of Minsk?
 8 By asking this question, you are forcing me to
 9 ask a question in return. In what sense to bring me to my
 10 senses?
 11 Q. You can look at the last page of that letter.
 12 A. Yes, I see it.
 13 Q. Which starts "given the uninstrutive position of
 14 Mr. Dolgov" and continues.
 15 A. Yes, I have read it.
 16 Q. Would you please read that paragraph?
 17 A. "In connection with the unconstructed position of
 18 the Director of a foreign company, Manolium-Engineering
 19 Dolgov, Andrey Vladimirovich, we ask you, distinguished
 20 Aram Aleksandrovich, to interfere into the situation and to
 21 take the necessary measures to address it, to resolve it.
 22 Based on the agreement of the Parties, of the sides,
 23 without legal proceedings."
 24 Is this the paragraph you have in mind? Is that
 25 enough?

11:23:37 1 Q. Yes, that's the paragraph I mean, in response to
 2 your question, "What I do mean by saying that Minsk City
 3 wrote to Mr. Ekavyan, asking to bring you to your senses?"
 4 But you were not in the mood to be brought to
 5 your senses; is that right, Mr. Dolgov?
 6 A. With your permission, I never thought I was
 7 crazy. I even have a note to certify that. From my point
 8 of view, you are asking a very difficult question. This
 9 question should not be addressed to a person judging that
 10 he is crazy--with your question.
 11 What kind of an answer do you expect from me by
 12 asking a question to somebody who is mad or insane.
 13 PRESIDENT FERNÁNDEZ-ARMESTO: Can we move on to
 14 the next question?
 15 BY MS. ZAGONEK:
 16 Q. Mr. Dolgov, I put it to you that the last thing
 17 you wanted was for Mr. Ekavyan to come and spoil your plan.
 18 A. I can say responsibly, to God and to the people,
 19 that we had identical plan with Mr. Ekavyan, and I hope
 20 that they will be identical going forward.
 21 Q. Mr. Dolgov, your plan, I put it to you, was to
 22 try and exert influence over Minsk officials. And that's
 23 why you wrote to the President. You were aghast that these
 24 "little people from the Minsk City" dare to raise
 25 objections to such an important businessman that you

11:25:37 1 considered yourself to be.
 2 A. I apologize. I would like to ask you not to
 3 denigrate the Belarusian side, the people who are paying
 4 you. They are not little people. The question is not
 5 about a big businessman but about a responsible and honest
 6 relationship with each other, and to your duties,
 7 responsibilities.
 8 In my life, I'm used to keeping my promise. I
 9 don't have to sign papers, put stamps. I just do what I
 10 ought to do, what I promise to do. And we had to do it,
 11 and we did it, if you looked at the financing schedule for
 12 the object, the volume of work that we carried out.
 13 However, unfortunately, you cannot win at cards
 14 against a trickster when you can play just a simple game
 15 and you are asked to play a game of poker. And for some
 16 reason, in your question, on the one hand, you are
 17 provoking me. On the other hand, you are insulting your
 18 employer, and you are describing to me what, in fact,
 19 essentially could not have happened.
 20 And this letter by the City of Minsk and
 21 Mr. Ekavyan has only one purpose, given the fact that--with
 22 respect to a number of questions, I was more informed. In
 23 some question, I probably didn't want to disappointed him
 24 because we came up against lies from the City of Minsk with
 25 respect to our other object. And I didn't believe the

11:27:32 1 Minsk authorities, to be frank.
 2 Why I wrote to the President? I wrote to the
 3 President always. And I state this with full
 4 responsibility: From the time of the launch of this
 5 Contract, and in order, somehow, to minimize the appetites
 6 of the City of Minsk, to bring them down to earth, finally,
 7 so that they would not use this piece of paper--I can't
 8 find another word to describe it--would not offer this to
 9 their partners--this is what they call themselves--and they
 10 want an inflow of investments that the President of the
 11 country, "I follow what is happening in Belarus," is
 12 calling upon, on a weekly basis, the Head of the
 13 Government.
 14 And they offered these things to us. The
 15 authorities of the City want to raise investments. The
 16 fact that they turn to an investor, Ekavyan, this is their
 17 right. However, Aram Aleksandrovich, believe me,
 18 repeatedly was there. And the fact that he didn't come, I
 19 believe that the--regarding the reasons for his decision, I
 20 think he's the best person to provide an answer--but I
 21 believe he didn't see a reason for it.
 22 Because, if I'm not mistaken, in the winter of
 23 2012, we met at the Mayor's Office, and we discussed the
 24 question of compensation for losses--or maybe it was later.
 25 Probably later--I'm sorry, I apologize. That was not

11:29:37 1 correct.
 2 And he probably didn't come because he knew me,
 3 probably, better than the authorities of the City of Minsk,
 4 including my physical and psychological state. And I
 5 believe he had trust in me.
 6 That is all I have to say. Thank you.
 7 Q. Mr. Dolgov, you remember at some point you asked
 8 Minsk City to compensate Manolium \$30 million for the
 9 incomplete New Communal Facilities?
 10 A. Yes, that is absolutely correct.
 11 Q. And you also suggested that, in return, the City
 12 accepts the incomplete Communal Facilities into municipal
 13 ownership; is that right?
 14 A. Counsel, if you allow. Following the logic of
 15 Belarus laws, then three days after the Land Permit, the
 16 land plot that had been allocated to us for the Communal
 17 Facilities, for the municipal facilities, had to be by the
 18 dedicated land service be returned on its own to the land
 19 belonging to the municipality. Therefore, we understood
 20 that, in reality, despite the fact that the Contract was
 21 terminated in 2015, we did not own the land from 1st of
 22 July 2011. You understand what I'm saying; right?
 23 Q. Are you saying you owned land before 2011?
 24 A. The land was in temporary use. So, in fact, we
 25 had a contract with authorities regarding this plot

11:31:52 1 stipulating that until July the 1st, we are the
 2 so-called "nominal" owners of this plot, as we're building
 3 the municipal facilities on it in order to transfer them
 4 afterwards, so to the municipal service of the City. On
 5 July 1, you add three days in accordance with the law, so,
 6 in fact, was as of July the 4th, we lost that right, and we
 7 did not have the land.
 8 Q. Mr. Dolgov, let's go back to that proposal in
 9 which you asked for 30 million for the incomplete
 10 facilities and, as I understand, although you haven't
 11 confirmed expressly, that under that Agreement, the City of
 12 Minsk would accept the incomplete Communal Facilities into
 13 municipal ownership. Did you also ask the City to provide
 14 Manolium with the land plot for the construction of
 15 Investment Object at that time?
 16 A. You know, quite frankly, I don't remember. The
 17 figure, 30 million, which you have quoted, it is quite
 18 fair. The volume of financing and the Esteemed Tribunal
 19 and everyone in the room have seen it, both on the screens
 20 and in hard copy, that the approximate figure stated there
 21 was 26 million. Quoting the figure of 30 million, I meant
 22 the following: It would include all costs and would it not
 23 take the rate of refinancing of the Central Bank of Belarus
 24 which, during the development of the Project from time to
 25 time, went up as high as 25 percent annually.

11:34:01 1 It would follow that logic--and, believe me, this
 2 figure would have been, using my calculations, because, you
 3 know, this is the simple math which I did. I just did the
 4 calculation of the lost profits. So, the figure I came up
 5 with was \$1 billion if we were to use the rate of
 6 refinancing of the National Bank of Belarus.
 7 So, this is what I'm talking about regarding the
 8 invested amount. So, you understand what I'm talking
 9 about? So, the 30 million was the correct figure.
 10 However, you know, I'm not a banker, and I'm not the
 11 representative of City of Minsk.
 12 Q. Mr. Dolgov, could you please take a look at
 13 Paragraph 146 of your Fourth Witness Statement, just to
 14 refresh your memory?
 15 A. Yes, yes, absolutely. Yes. 146; correct?
 16 Q. Correct.
 17 A. Yes, I see that.
 18 Q. Could you read it out, please?
 19 PRESIDENT FERNÁNDEZ-ARMESTO: No, no. Read it
 20 for yourself because otherwise we have to interpret it.
 21 Read it just for yourself and then counsel will make
 22 questions.
 23 THE WITNESS: Mr. Chairman, I understand what the
 24 question would be that has already been voiced, in fact.
 25 So, Counsel, I'm listening.

11:35:40 1 BY MS. ZAGONEK:
 2 Q. Mr. Dolgov, under the Amended Investment
 3 Contract, Manolium had to transfer the completed Communal
 4 Facilities and make 1 million payment in exchange for the
 5 right to build the Investment Object; is that right?
 6 A. No.
 7 Q. In order to receive the right to build in the
 8 Investment Object, my--
 9 A. I understood your question, but it was not the
 10 way you described it. \$1 million based on the decision of
 11 the President what's paid for the construction of the
 12 National Library. It was not meant as a payment for the
 13 right of the site for the Investment Object, and we did not
 14 talk about anything else with regard to this 1 million. In
 15 the Initial Draft and in the Draft of February 2007, it
 16 stipulated that the investment amount should include all
 17 the costs of Manolium-Processing including the engineering
 18 and infrastructure, including the buyout of the buildings
 19 situated and on the Investment Object site. So, that was
 20 all included into that.
 21 Q. But it was Manolium which had to give something
 22 of value to the City in exchange for the right to build the
 23 Investment Object, and that was the Communal Facilities;
 24 correct?
 25 A. That's right.

11:37:42 1 Q. But if your proposal, as formulated in
 2 Paragraph 146, you wanted the City to pay 30 million and
 3 grant you the right to develop the investment project; is
 4 that right?
 5 A. That's right. But I need to explain the
 6 situation to the Tribunal.
 7 The point is that, if the authorities paid
 8 30 million to us, accepted the municipal facility, then the
 9 30 million would be paid to the authority of the City for
 10 the right to sign the Lease Agreement of the investment
 11 site for the Investment Object. So, it was the same scheme
 12 with slight deviations.
 13 But the sum remained unchanged, and because, as
 14 you know in math, no matter where you put the components,
 15 the result of the sum would be the same.
 16 Q. Mr. Dolgov, according to Paragraph 147, following
 17 that, you state that this proposal was--you didn't think it
 18 was not justified, which means it was justified. I read
 19 it. But I see nowhere in your witness evidence what you've
 20 just told me about this 30 million paid and then 30 million
 21 gone.
 22 Do you mention that anywhere?
 23 A. Well, I don't want to seem imprecise, so if you
 24 allow, I voiced what is not on paper. I also described
 25 what I talked about with the City authorities. That's what

11:39:45 1 I allowed myself to do, but please allow me to show you
 2 that I'm not going to do that going forward so to avoid any
 3 misleading impressions you might have.
 4 Q. Mr. Dolgov, could you look at the letter you
 5 actually sent and which you describe in this paragraph? It
 6 is Volume 2, Tab 15, and that's C-83.
 7 A. Which tab? I'm sorry. C-838? Which is the tab?
 8 Q. 15.
 9 A. I'm listening.
 10 Q. This is your letter. Have you signed it?
 11 A. Which one? Addressed to Birich or addressed to
 12 Ladutko?
 13 Q. Birich.
 14 A. Birich. Yes, this is my signature.
 15 Q. Could you please read the last point? Can you
 16 repeat your answer, please?
 17 A. Could you repeat the question first, and then I
 18 can repeat the answer?
 19 Q. It doesn't matter. I'm going to read the Russian
 20 original.
 21 A. Please.
 22 Q. It says: "Minsk City Executive Committee, to use
 23 the territory of the former Trolley Bus Depot, the right to
 24 use to which was won by our company at the investment
 25 project center at its own discretion and for its own

11:42:48 1 purposes."
 2 A. Absolutely correct. After we received the
 3 payment of \$30 million.
 4 Q. You say in that letter that as long as Minsk pays
 5 you \$30 million, they can have--you no longer want the
 6 right to the Investment Object. That's what you say in the
 7 Russian version. This is not what is stated in the English
 8 translation prepared by the Claimant, and on the basis of
 9 which was prepared your Witness Statement. And I put it to
 10 you that you have no idea what your Witness Statement
 11 actually says because it was written by an English speaker,
 12 not looking at the original documents. And now you're
 13 making it up as you go along from the Witness Statement and
 14 not from the documents that you, yourself, have written.
 15 A. Dear Counsel, I would be very grateful if you
 16 would keep your own inventions to yourself. What I'm
 17 saying here is the truth, so please try not to accuse
 18 myself here. This is not the criminal proceedings, and I'm
 19 not the accused and I'm not your client. Thank you.
 20 MS. ZAGONEK: Members of the Tribunal, with your
 21 permission, I will distribute the correct English
 22 translation of that document to yourselves and to the
 23 Claimant.
 24 PRESIDENT FERNÁNDEZ-ARRESTO: So, since this is a
 25 document from Claimant and this is a new translation, I

11:44:39 1 understand, we must give it a number. We will call it H-4?
 2 5? H-4.
 3 THE INTERPRETER: The interpreters also request a
 4 copy of the document.
 5 PRESIDENT FERNÁNDEZ-ARMESTO: Yes, the
 6 interpreters would like. Do you have one copy for the
 7 interpreters?
 8 (Comments off microphone.)
 9 MS. ZAGONEK: We've given too many to the
 10 Claimant. So, Members of the Tribunal, the only correction
 11 is to the third point, that's the very bottom of the
 12 letter, because the Russian original uses passive. I must
 13 admit it is very difficult to comprehend and to translate
 14 effectively, and you don't know what is going to whom. So,
 15 it is possible when you translate to assume, as was
 16 translated by the Claimant, that Minsk City Executive
 17 Committee will provide the right to the territory that was
 18 won by Manolium-Engineering, and not that, in fact, the
 19 right to that land is proposed to be going back to the
 20 City.
 21 THE WITNESS: Could you please repeat the last
 22 sentence regarding the rights, the City, and so on?
 23 BY MS. ZAGONEK:
 24 Q. Mr. Dolgov, I was commenting on the translation,
 25 giving the impression just as was written in your Witness

11:48:37 1 clarity about the sequence, and I'm interested in your
 2 opinion, sequence in how you obtained the permits, what
 3 needs to be done first, second, and third.
 4 Do I understand you correctly that if you want to
 5 do construction work on a plot of land, you require a
 6 permit?
 7 A. Yes, of course, naturally. But in order to
 8 obtain a permit, you need to have a contract with the owner
 9 of the land.
 10 Q. Mr. Dolgov, it will save everybody's time if you
 11 listen carefully to my questions and answer them.
 12 In order to obtain the Construction Permit, you
 13 require the Land Permit, the land where the construction
 14 work would be done, so it would be a temporary Land Permit.
 15 In order to obtain the Land Permit, if the land belongs to
 16 the City, you need to have a contract, an agreement with
 17 the City, and based on which, you would obtain the permit?
 18 A. I have a correction. You need to have a decision
 19 of the municipality. You need a contract, and only after
 20 that can you allocate the land for the construction.
 21 Q. Clear. It makes sense, at least for me.
 22 When answering Ms. Zagonek's question, you
 23 pointed out that the Land Permit expired on July 1, 2011.
 24 A. Yes.
 25 Q. And you said that the Land Permit expired on

11:46:51 1 Statement, that it would be the Minsk City Executive
 2 Committee that would be giving the right to use the
 3 territory of the former Trolley Bus Depot, which is the
 4 land plot for the Investment Object which
 5 Manolium-Engineering won in the Tender of investment
 6 projects, to use at its discretion. So, it's Minsk City
 7 giving it to you to use at your discretion. Your letter
 8 says the exact opposite.
 9 A. Well, obviously I think this is a technical
 10 error. You do understand that when we provided these
 11 documents to you, we had them in our possession. It was
 12 impossible for me to use one wording in the text and
 13 another--in the letter, and another in my Witness Statement
 14 that could be a typo.
 15 MS. ZAGONEK: Members of the Tribunal. These are
 16 all my questions.
 17 PRESIDENT FERNÁNDEZ-ARMESTO: Very good. Thank
 18 you very much.
 19 Do you need five minutes' break?
 20 MR. KHVALEI: No, I don't need any break. I
 21 think we can conclude and have lunch.
 22 REDIRECT EXAMINATION
 23 BY MR. KHVALEI:
 24 Q. Right. Mr. Dolgov, I'd like to ask you some
 25 clarifying questions. It seems that we need to get some

11:50:11 1 December 31 of 2012?
 2 A. No. December 31, no. Wait a second. I
 3 said--excuse me.
 4 Q. Could you just recall the date.
 5 A. The Land Permit expired on July 1, 2011. On
 6 December 31, 2011, the Construction Permits which were had
 7 expired.
 8 Q. Exactly. But you said 2012 somewhere.
 9 A. Excuse me, I misspoke.
 10 Q. So, there was a period of time when you had the
 11 Construction Permit but not the Land Permit?
 12 A. Right.
 13 Q. In 2012 when you were conducting negotiations and
 14 in 2012 you did not have the--either the Land Permit or
 15 Construction Permit?
 16 A. We had nothing but the will to work.
 17 Q. That's wonderful. However, when negotiating with
 18 City authorities, what did you request? The Construction
 19 Permit, the Land Permit or both?
 20 A. It is impossible to request the permit. Well,
 21 just like in 2011, when the Land Permit expired, we are
 22 addressed to Gosstroy Nadzor for the Construction Permit
 23 because we needed to do some work and we requested that
 24 permit. So, like I pointed out twice, people could set
 25 straight the defects in their construction.

11:52:01 1 They needed to stay within the law, and our
 2 request was refused because of what? Well, and I've
 3 repeated so many times, they kept saying invest, invest,
 4 put your money into that and we'll set this straight
 5 afterwards. And I said to Ms. Birich, I don't believe you.
 6 Because you promised us to prepare a Decision by the
 7 municipality back in 2011.
 8 Q. Remember, you turned to Gosstroy and you were
 9 refused the permission to build because not a full set of
 10 documents was provided.
 11 A. Yes, that is correct.
 12 Q. And the set could not be complete because there
 13 was no Decision from the City to allocate land?
 14 A. No plot of land was allocated in accordance with
 15 this Decision, and the claims to the Gosstroy Nadzor were
 16 justified. The documents will provide you the permission.
 17 Q. Also, in the course of your answers to
 18 Ms. Zagonek, you recalled a meeting which you attended with
 19 Mr. Ekavyan in Minyuriskbrom (phonetic), City of Minsk.
 20 You said it took place in winter?
 21 A. Yes, that is correct.
 22 Q. It was the meeting where Mr. Akhramenko
 23 participated?
 24 A. Yes. He attended after 2010 almost at every
 25 meeting, and at that meeting the amount of compensation was

11:53:41 1 discussed that the City would probably pay Manolium.
 2 PRESIDENT FERNÁNDEZ-ARRESTO: You have to go
 3 slower and you do have to make breaks because otherwise for
 4 the interpreters it becomes very, very difficult to follow.
 5 MR. KHVALEI: Thank you, Mr. President. Yeah.
 6 PRESIDENT FERNÁNDEZ-ARRESTO: Don't forget that
 7 it is important that we get a good Transcript.
 8 MR. KHVALEI: Of course.
 9 BY MR. KHVALEI:
 10 Q. At that meeting between you with the
 11 participation of Mr. Akhramenko and Ekavyan, the question
 12 was discussed regarding a possible compensation for
 13 Manolium-Engineering. You recall this meeting; right?
 14 A. Yes, I do. I recall this meeting.
 15 Q. What was it that Mr. Akhramenko offered as
 16 compensation?
 17 A. Mr. Akhramenko made two statements. One was by
 18 way of a proposal, offer, and the second one by way of an
 19 assertion, statement. In his proposal Mr. Akhramenko
 20 offered to us to give the communal objects to the City as a
 21 gift, justifying that we had a lot of money. And, on the
 22 other hand, when I believe I objected to that, and when I
 23 started saying about a high level of overpayment for the
 24 financing, for the communal object, Mr. Akhramenko stated,
 25 and this can be confirmed by Mr. Ekavyan. It does not

11:55:50 1 matter how much you invest, be it a billion. You have the
 2 money. This was the conversation we had.
 3 Q. And when was that?
 4 A. That was in the Office of the Deputy Chairman of
 5 the City of Minsk, Ms. Zhanna Eduarda Birich.
 6 Q. When?
 7 A. In the winter. Let me think for a second. I
 8 believe either 2013 or '14.
 9 Q. Very well.
 10 MR. KHVALEI: Thank you. These are all my
 11 questions.
 12 A. I just don't recall. I'm sorry.
 13 PRESIDENT FERNÁNDEZ-ARRESTO: Very good. I have
 14 only one question.
 15 QUESTIONS FROM THE TRIBUNAL
 16 PRESIDENT FERNÁNDEZ-ARRESTO: And this is--can we
 17 go to document C-215.
 18 THE WITNESS: Which volume and folder, please?
 19 PRESIDENT FERNÁNDEZ-ARRESTO: Mrs. Zagonek, can
 20 you help him. Oh, he has it.
 21 These are the Loans, and let me ask you a couple
 22 of questions.
 23 First, how were these Loans formalized?
 24 THE WITNESS: Mr. President, all the amounts in
 25 this table were formalized by loan Agreements of a

11:57:54 1 subsidiary Company of the Manolium-Processing Moscow and
 2 Manolium-Engineering of the City of Minsk and were properly
 3 reflected in the books of the Company.
 4 (Interruption.)
 5 PRESIDENT FERNÁNDEZ-ARRESTO: And did--I have to
 6 read--
 7 THE WITNESS: Excuse me. Excuse me.
 8 (Overlapping speakers.)
 9 PRESIDENT FERNÁNDEZ-ARRESTO: And did these loans
 10 accrue interest?
 11 THE WITNESS: No, the Loans did not accrue
 12 interest.
 13 PRESIDENT FERNÁNDEZ-ARRESTO: And what was the
 14 term of the Loan, how were they to be repaid?
 15 THE WITNESS: Given the facts, as I already
 16 mentioned, Manolium-Engineering, a 100 percent affiliate of
 17 the Manolium-Processing Moscow had a charter capital in the
 18 amount of USD 30,000. Consequently, all these amounts were
 19 credited to the account against the guarantees provided by
 20 Mr. Ekavyan. The interest did not accrue on those amounts
 21 and, in fact, the guarantor of the repayment of these
 22 amounts was Mr. Ekavyan.
 23 However, as you would understand, the idea to get
 24 involved in this Project was provided for the construction
 25 of an object that was unparalleled and unique and

12:00:09 1 unprecedented in the Republic's history. I was engaged in
 2 negotiations, and I met the owners of the Asham Group, a
 3 number of other partners who expressed readiness to join us
 4 in this Project as it was being implemented.
 5 And, in fact, the conditions that we offered to
 6 them and that they were ready to accept were, on the other
 7 hand, a 100 percent guarantee for the repayment of the
 8 these amounts loaned to us that we would be getting as the
 9 Project would be implemented and as the Investment Object
 10 would be put into operation.
 11 PRESIDENT FERNÁNDEZ-ARMESTO: Last question.
 12 There are a number of lenders. The first one is Bradley
 13 Enterprises, and then it is Lascker Ltd., NOMAL Oil
 14 Limited, Manolium Trading Ltd. and it goes on. Are these
 15 companies--do these companies belong to Mr. Ekavyan?
 16 THE WITNESS: Except NOMAL Oil, which is owned by
 17 me and my former spouse.
 18 PRESIDENT FERNÁNDEZ-ARMESTO: Okay.
 19 THE WITNESS: And, of course, on Page 2. I
 20 apologize. To provide a full answer, Manolium-Processing
 21 Belarus on a parity basis, it was owned by me and
 22 Mr. Ekavyan. 50/50 split.
 23 PRESIDENT FERNÁNDEZ-ARMESTO: Very good. But all
 24 the lenders belonged either to Mr. Ekavyan or to you?
 25 THE WITNESS: Correct.

12:04:31 1 of view, from an architectural point of view, and so on,
 2 even though the architectural design had already been
 3 approved.
 4 ARBITRATOR ALEXANDROV: I will have to interrupt
 5 you. Maybe my Russian is not good enough. So, I'll ask
 6 the question in English. My question was simple. Where
 7 would Manolium-Engineering get the money to repay those
 8 loans? I don't need a description of the Project. I just
 9 need to understand what was the idea?
 10 THE WITNESS: Sir, this is the idea. We would
 11 build a construction, an Investment Object. Part of the
 12 object would be implemented and handed over the interested
 13 persons. Some would be rented out. We had no shortage of
 14 companies that would want to get involved in the Project as
 15 renters and we would generate income by providing these
 16 services. We were planning to pay out Loans, and we were
 17 hoping that the annual income of Manolium-Engineering
 18 would--this was our estimate. In the amount of about
 19 USD 200 million. That is why we didn't see a problem where
 20 we would get the money to pay out those Loans.
 21 ARBITRATOR ALEXANDROV: So, if I understand the
 22 answer, the answer is those loans would have been repaid
 23 from revenues generated by the Investment Object?
 24 THE WITNESS: Of future periods, yes. Thank you
 25 for your questions, sir.

12:02:28 1 PRESIDENT FERNÁNDEZ-ARMESTO: Very well. Yes, of
 2 course.
 3 ARBITRATOR ALEXANDROV: Mr. Dolgov--
 4 THE WITNESS: I'm listening to you, sir.
 5 ARBITRATOR ALEXANDROV: You said that the
 6 guarantor for the repayment was Mr. Ekavyan.
 7 THE WITNESS: Exactly.
 8 ARBITRATOR ALEXANDROV: And where would the
 9 resources come from for Manolium-Engineering Minsk for the
 10 repayment?
 11 THE WITNESS: As I just mentioned, sir, it is
 12 difficult to interpret, but given the fact that our Project
 13 was as if it were a car in front of the railway station,
 14 there is a red light and it gets the message. You have to
 15 wait for the red light to change, and then you will
 16 approach the station and unload the passengers. We had the
 17 Project ready for our Investment Object. The only thing
 18 required was to reach agreement in the Belarusian
 19 authorities regarding the area for construction.
 20 We were planning after the land plot would be
 21 allocated to us for the construction of our Investment
 22 Object to hand over the entire set of documentation to this
 23 State Building oversight and the State Expert Commission.
 24 As a matter of principle, we had agreement that this
 25 Project would be evaluated quickly from a technical point

12:06:17 1 PRESIDENT FERNÁNDEZ-ARMESTO: Thank you very
 2 much, Mr. Dolgov. I think- thank you for having come to
 3 explain to us the situation and, with that, we finalize
 4 your examination. Very good. Thank you very much. You
 5 can stay with us if you want or you can leave. Whatever
 6 you prefer. So, we will--
 7 THE WITNESS: If you do not object, I would stay.
 8 PRESIDENT FERNÁNDEZ-ARMESTO: Of course. Yeah.
 9 THE WITNESS: Thank you very much.
 10 PRESIDENT FERNÁNDEZ-ARMESTO: Take a seat
 11 wherever you want.
 12 (Witness steps down.)
 13 PRESIDENT FERNÁNDEZ-ARMESTO: So--it is now 6
 14 past 12:00. Shall we start? I think we have some time to
 15 go before lunch.
 16 (Comments off microphone.)
 17 PRESIDENT FERNÁNDEZ-ARMESTO: So, I look at my
 18 colleagues and I look at counsel, would you prefer that we
 19 have lunch now and we start with the Witnesses after lunch,
 20 or would you like to start now with the first of
 21 Respondent's Witness?
 22 MR. KHVALEI: I would prefer to have lunch,
 23 frankly.
 24 PRESIDENT FERNÁNDEZ-ARMESTO: Sorry?
 25 MR. KHVALEI: I would prefer to have lunch.

12:07:34 1 MS. ZAGONEK: We are happy to allow Mr. Khvalei
 2 to have lunch.
 3 MR. KHVALEI: Thanks a lot.
 4 PRESIDENT FERNÁNDEZ-ARRESTO: Thank you very
 5 much.
 6 MR. KHVALEI: And after lunch we would like to
 7 start with Mr. Antonenko and Mr. Akhramenko.
 8 PRESIDENT FERNÁNDEZ-ARRESTO: Very good. So, it
 9 is now 12:07. Shall we come back at 13:30. 13:30? Very
 10 good. You can have a smoke, Mr. Dolgov.
 11 (Whereupon, at 12:08 p.m., the Hearing was
 12 adjourned until at 1:30 p.m., the same day.)
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01:42:22 1 in a way which permits you to answer with a "yes," a "no"
 2 or, simply, "I don't know."
 3 So, I would kindly ask you to first say "yes,"
 4 "no," "I don't know," and then if you would like to add any
 5 explanation, any additional information, you are welcome to
 6 do so.
 7 THE WITNESS: Very well.
 8 PRESIDENT FERNÁNDEZ-ARRESTO: And, with that, I
 9 turn the Witness over to Respondent.
 10 (Comments off microphone.)
 11 PRESIDENT FERNÁNDEZ-ARRESTO: Ms. Zagonek, you
 12 have the floor.
 13 MS. ZAGONEK: Thank you.
 14 DIRECT EXAMINATION
 15 BY MS. ZAGONEK:
 16 Q. Good afternoon, Mr. Antonenko.
 17 I understand and I know that you have given one
 18 Witness Statement in these Proceedings.
 19 Could I ask you to take a look at your Witness
 20 Statement, dated 30th of May 2019? And could you please go
 21 to Page 13, where there is your signature?
 22 Could you please confirm that this is your
 23 signature?
 24 A. Yes, I have read them. This is my Statement, and
 25 this is my signature.

1 AFTERNOON SESSION
 2 ALEKSANDR IVANOVICH ANTONENKO, RESPONDENT'S WITNESS, CALLED
 3 PRESIDENT FERNÁNDEZ-ARRESTO: Good afternoon to
 4 everyone. Thank you for waiting, and my apologies for the
 5 slight delay.
 6 We are here now to examine Mr. Alexander
 7 Antonenko.
 8 Mr. Antonenko, good afternoon to you. Thank you
 9 for being here with us as a witness.
 10 As a witness, you have a duty to say the truth,
 11 and you can incur liabilities, including criminal
 12 liabilities, if you do not adhere to your duty.
 13 Could you--I kindly ask you that you confirm that
 14 you are aware of your duties.
 15 THE WITNESS: Yes, I do.
 16 PRESIDENT FERNÁNDEZ-ARRESTO: Thank you. Thank
 17 you very much, Mr. Antonenko.
 18 You have on your right side, this is counsel to
 19 Claimant; on the left is counsel to the Respondent, to the
 20 Republic of Belarus. There will be some questions to you,
 21 and I have a couple recommendations.
 22 The first is, please, do listen exactly to what
 23 is being asked from you, and please answer exactly what is
 24 being asked.
 25 The second is, most questions will be put to you

01:44:46 1 Q. Is there anything you would like to change,
 2 Mr. Antonenko, to your Statement?
 3 A. No.
 4 Q. Thank you.
 5 PRESIDENT FERNÁNDEZ-ARRESTO: Any additional
 6 questions?
 7 MS. ZAGONEK: No.
 8 PRESIDENT FERNÁNDEZ-ARRESTO: So, I turn him over
 9 to Claimant, Mr. Khvalei.
 10 MR. KHVALEI: Thank you, Mr. President. I will
 11 continue in Russian, to words difficult in translation.
 12 PRESIDENT FERNÁNDEZ-ARRESTO: Could I kindly
 13 remind you--that goes also to Mr. Antonenko--that after
 14 your question--because you make a pause, and you also pause
 15 a little bit between the question and the answer so that
 16 the Interpreters can follow who is speaking.
 17 There is a natural tendency, since both of you
 18 are speaking Russian, that you get into a fluid dialogue.
 19 And that makes it, then, very difficult to interpret and to
 20 transcribe.
 21 Mr. Khvalei.
 22 MR. KHVALEI: Yes, I'll try my best.
 23 PRESIDENT FERNÁNDEZ-ARRESTO: Thank you.
 24 CROSS-EXAMINATION
 25 BY MR. KHVALEI:

01:46:01 1 Q. Mr. Antonenko, my name is Vladimir Khvalei. I
 2 would like to talk to you about your Statement.
 3 How long did you work in the City of Minsk?
 4 A. Very nice to meet you.
 5 A little less than five years.
 6 THE INTERPRETER: Could you ask the Witness to
 7 speak into the microphone or turn the microphone on,
 8 please?
 9 PRESIDENT FERNÁNDEZ-ARMESTO: Mr. Antonenko, can
 10 you take the microphone and just turn, it, yeah, in front
 11 of you. Exactly.
 12 Thank you.
 13 THE WITNESS: I worked there a little less than
 14 five years.
 15 BY MR. KHVALEI:
 16 Q. From 2004 to 2008; correct?
 17 A. Yes, correct.
 18 Q. And what was your position?
 19 A. At first I was Deputy Head of the Department,
 20 Head of Office, and then Head of the Department of
 21 Management and Investment of the Executive Committee.
 22 Q. That is to say, you coordinated the investment
 23 projects?
 24 A. Yes, I was involved in the coordination of
 25 projects, specifically with respect to Manolium-Processing.

01:47:51 1 What should I call it?
 2 Q. We're trying with the Tribunal, and we've been
 3 doing it for a couple of days now, to understand the
 4 sequence for handing out Land Permits in the City of Minsk.
 5 I don't know if it is appropriate to ask you these
 6 questions. Perhaps you can clarify.
 7 What is the normal procedure in the City of
 8 Minsk?
 9 A. You can ask questions, but I believe that there
 10 are more qualified experts who could address these
 11 questions.
 12 Q. Let's put it this way: If you are not able to
 13 answer, then don't.
 14 If we take a look at the example of Manolium, the
 15 sequence was as follows: At first, a Tender for a land
 16 plot is held. Subsequently, an Investment Contract is
 17 signed. After that, Mingarspoka (phonetic) gives the
 18 right to use the land, if there was a plan to build some
 19 kind of project or object. Then the permission is granted
 20 by the Land Committee, and, subsequently, the permission to
 21 build is granted.
 22 Please correct me if I changed or made a mistake
 23 with regard to the sequence.
 24 PRESIDENT FERNÁNDEZ-ARMESTO: Let's go. You will
 25 have to repeat it. Let's get your question, first, very

01:49:27 1 clear so that the answer is clear.
 2 Tender, Contract, permit to use the land, the
 3 fourth?
 4 MR. KHVALEI: Well, my understanding is
 5 that--well, yeah. I have to repeat in Russian.
 6 PRESIDENT FERNÁNDEZ-ARMESTO: Russian is better.
 7 BY MR. KHVALEI:
 8 Q. I will speak in Russian slowly, asking you my
 9 question so that the Interpreter could interpret for the
 10 Tribunal.
 11 The first stage is Tender. The second stage, an
 12 Investment Contract is signed with the winner of the
 13 Tender. The third stage is the City Executive Committee
 14 takes a decision to allocate land to the investor for the
 15 time of the construction. This is the third stage.
 16 The fourth--
 17 PRESIDENT FERNÁNDEZ-ARMESTO: Let's go slowly.
 18 Allocation of land by the City Committee. Very good.
 19 And then the fourth?
 20 BY MR. KHVALEI:
 21 Q. The fourth stage, the land service provides a
 22 permit for the land, for the use of the land on a temporary
 23 basis.
 24 A. I could clarify a little bit. Not the land
 25 service, but the MCEC.

01:50:57 1 Q. Perhaps I just made this correction.
 2 A. It is not the land service who gives this
 3 permission. It's the Executive Committee.
 4 Q. And the fourth stage, the investor applies for a
 5 permission to build, to construct on that land plot.
 6 Do I understand the sequence correctly?
 7 A. As I understand it, yes.
 8 PRESIDENT FERNÁNDEZ-ARMESTO: Tender, Contract,
 9 then the City Committee gives a permit for the use of the
 10 land on a temporary basis, and then there is a permission
 11 to build. These are the four steps.
 12 Is your question the four steps?
 13 MR. KHVALEI: Yes, correct.
 14 PRESIDENT FERNÁNDEZ-ARMESTO: Okay. So, now, let
 15 us get from the Witness a confirmation that these are the
 16 four steps.
 17 THE WITNESS: In a simplified manner, this is so.
 18 PRESIDENT FERNÁNDEZ-ARMESTO: It is a simplified
 19 manner.
 20 THE WITNESS: You can say, in a generalized
 21 manner.
 22 BY MR. KHVALEI:
 23 Q. And in order to get the permission to build, the
 24 set of document has to contain a temporary permission to
 25 land; correct?

01:52:36 1 A. Yes, I believe it is so.
 2 Q. If the construction is delayed--we're not talking
 3 about Manolium now. I'm just speaking in actual terms,
 4 trying to understand the procedure.
 5 For instance, there was an agreement to build in
 6 a matter of five years, the land was granted for
 7 five years, and the permission to build for five years, but
 8 they didn't meet the deadline, and the investor wants to
 9 extend by one year.
 10 So, what would be the usual procedure to extend
 11 the deadline, the period?
 12 A. Usually the land is given with an overlap for
 13 building--that is to say, it is not necessary to extend the
 14 land, but you have to go to Gosstroy Nadzor to extend the
 15 construction based on my experience, and you get the
 16 permission there.
 17 (Comments off microphone.)
 18 PRESIDENT FERNÁNDEZ-ARMESTO: Slowly.
 19 THE WITNESS: First of all, when a land is
 20 allocated for the construction, it is allocated for a
 21 longer period of time than is provided for by the Design
 22 Specification and Estimate Documentation. Yes, in this
 23 documentation. And the permission to build given by
 24 Gosstroy Nadzor is given for the period provided for in the
 25 Design Specification and Estimate Documentation. That is

01:54:26 1 to say five years in the example, the permission for
 2 five years, then to extend the five years, the
 3 commissioning body turns to the Gosstroy Nadzor to get an
 4 extension and indicates the work that has to be completed.
 5 Q. If in theory, in my example, the Land Permit was
 6 five years and the build permit was also five years, and in
 7 the five years the Investor did not meet the deadline,
 8 first it has to go get a permit to build or a permit to
 9 land or both.
 10 How is this done?
 11 A. First, the land is not even land. When the land
 12 is allocated, it is already for construction, and there is
 13 a project, a design project. When Manolium-Processing was
 14 engaged in the construction, at that time they didn't have
 15 to get permission from the City Council. They only had to
 16 go to Gosstroy Nadzor and it would extend the permit. The
 17 Land Permit is given, as I said, for a longer period of
 18 time.
 19 Q. Let me repeat my question.
 20 A. Very well.
 21 Q. It does not apply to Manolium. We're trying to
 22 speak in abstract terms.
 23 The Land Permit for five years, the build permit
 24 is five years. They expire. But the construction is not
 25 finished. The Investor has to go first to get a permission

01:56:06 1 to build or a Land Permit or a Land Permit first or at the
 2 same time. How does this work?
 3 A. In order to get a build permit, of course, land
 4 has to be allocated. If this is your interest.
 5 Q. Yes.
 6 PRESIDENT FERNÁNDEZ-ARMESTO: It's a question of
 7 chronology. When the Investor says he has a permission to
 8 build in five years and he has an allocation of land, say,
 9 for six years, but then he sees that to build, he needs
 10 seven years because it's a very complicated construction.
 11 So, he first asks for permission to build for two
 12 more years, and then he goes to get authorization for the
 13 use of land. Is that the order? That was, I think,
 14 Mr. Khvalei's question.
 15 MR. KHVALEI: Almost.
 16 PRESIDENT FERNÁNDEZ-ARMESTO: Okay.
 17 THE WITNESS: I maybe simplified this question.
 18 I explained that first you have to have land. This is one
 19 thing. That is why the Land Permit is obtained first, and
 20 then you have to get the permit to build, an extension in
 21 this case.
 22 PRESIDENT FERNÁNDEZ-ARMESTO: But then the build
 23 permit is too short and you need a longer period to build.
 24 Okay. So, you go and say, "the building is not finished.
 25 I need two more years." But then your Land Permit has

01:58:07 1 expired.
 2 So, the question from council is: Which of the
 3 two permits you ask for first? You go first for the
 4 permission to build and then you go to the permission to
 5 land or you go first to the permission to land and then to
 6 the permission to build? That is his question.
 7 MR. KHVALEI: Almost.
 8 PRESIDENT FERNÁNDEZ-ARMESTO: Almost. I'm
 9 getting closer. Otherwise Professor Stern will make the
 10 question because she says she can get it 100 percent right.
 11 THE WITNESS: As a matter of principle, I gave an
 12 answer. First you have to get the Land Permit.
 13 PRESIDENT FERNÁNDEZ-ARMESTO: Okay.
 14 THE WITNESS: After that the build permit.
 15 PRESIDENT FERNÁNDEZ-ARMESTO: Perfect. Thank
 16 you. It's clear.
 17 BY MR. KHVALEI:
 18 Q. However, in our example, we have to turn for--to
 19 extend the Land Permit, the investor goes to the Executive
 20 Committee, and the Minsk Executive Committee says, "We have
 21 a deadline for five years to build, you want another year.
 22 We don't agree."
 23 In that case, is it still possible to get a Land
 24 Permit for another year from the City Executive Committee?
 25 A. I haven't heard that an Executive Committee would

01:59:43 1 say something like this, that they just don't agree. But,
 2 in theory, to build without a land plot allocated, it is
 3 not possible.
 4 Q. Yes, but still I turn to my question.
 5 A. I cannot answer for the Minsk Executive
 6 Committee.
 7 Q. But you work there?
 8 A. Yes.
 9 Q. But, as you recall, there was an instance when
 10 the Minsk Committee would not extend a Land Permit when an
 11 investor would not meet the deadline in time?
 12 A. No, I didn't have such instances in my
 13 experience.
 14 Q. Okay. Please tell me what happens with the land
 15 tax if this is, in your purview, in your competence. No,
 16 this is not your competence. Okay. Very well. Then we
 17 will not address these questions to you.
 18 Q. Could you take a look at Para 356 of your Witness
 19 Statement? We will project it on the screen. Para 35.
 20 Para 35, you were saying, to get the Agreement of the
 21 President on the main terms, this consent was needed as the
 22 President had previously approved the Tender. The Parties
 23 continue to discuss the text of the Amended Investment
 24 Contract.
 25 Q. I have a question. The Contract was signed by

02:03:55 1 implementation of the Project, the Claimant, on its own
 2 initiative, approximately once a month, submitted a report
 3 to the Executive Council stating the amounts." You can see
 4 that?
 5 Q. Do I understand it correctly that during the
 6 period of time when you're employed by the Executive
 7 Council, you receive those reports on a monthly basis?
 8 A. Yes, that's correct.
 9 Q. Did you read those reports, or did you put them
 10 somewhere on the shelf? With how much attention did you
 11 have a look at them?
 12 A. Initially I studied them with great attention.
 13 Later I just put them to one side.
 14 Q. I understand that you were supposed to somehow
 15 monitor the progress of the Project. If you said that you
 16 just put them in a drawer, as you say, how did you monitor
 17 the progress of the Project?
 18 A. The thing is that the reports contained the data
 19 which is of the least interest to us. It was not a report
 20 regarding the progress of the Project, but it was the
 21 report on how the money was spent.
 22 Q. Thank you very much. So, you were not interested
 23 how much money the investor spent for the Project?
 24 A. No, what we were interested--but the figures
 25 which were in there which we did not agree to, we didn't

02:01:52 1 the Minsk Executive Committee; correct?
 2 A. Correct.
 3 Q. However, you had to, as you write, get the
 4 consent of the President on the main terms of the Contract.
 5 The question is: Why? The President was not part of the
 6 Contract.
 7 A. The President was not part of the Contract, a
 8 Party to the Contract, but I would like to mention that at
 9 that time the Investment Project as such with the private
 10 capital was something that was totally new. At least I
 11 believe that that was a first of its kind, an Investment
 12 Project with a private investor who signed Investment
 13 Contract with the Executive Committee.
 14 Q. Perhaps I'm wrong. And at the time when the
 15 Tender was organized by the City Executive Committee, based
 16 on the results, they were reported to the President, and
 17 the President of the Republic approved the results of the
 18 Tender. And any major changes in the Contract, in the
 19 components of the Contract, we thought it was necessary to
 20 report to the President saying that the President is
 21 unaware of subsequent significant changes.
 22 Q. And he approved the changes; right?
 23 A. Yes. Correct.
 24 Q. Very well. Please have a look at Paragraph 13 of
 25 your Witness Statement. It says that "During the

02:05:48 1 even want to discuss them because it wouldn't bring--it
 2 wouldn't bring any result.
 3 Q. Well, under the initial Investment Contract which
 4 was signed in 2003, the investor was obliged to invest not
 5 more than USD 15 million?
 6 A. Yes, that's correct.
 7 Q. In this manner the investor's position was as
 8 follows: I pay the bills regarding the construction up to
 9 USD 15 million and, as soon as I reach the limit, I
 10 consider my responsibilities fulfilled. So, whether the
 11 municipal facilities have been built or not, I do not care
 12 under the Agreement. I'm not interested. However,
 13 following this logic, it was supposed to be a point of
 14 interest to the executive council of the City.
 15 Q. That's why when you say that you did not even
 16 check how much was spent, how could you keep control on
 17 what is going to be built spending these 15 million?
 18 A. I can repeat that, in the beginning, I carefully
 19 studied all those Reports, but as I didn't meet any
 20 understanding regarding my questions about the amounts
 21 quoted in the Reports, I just stopped paying any attention
 22 to the figures. So, the control on how the money was
 23 spent, well, that is part of the functions of the Executive
 24 Committee because they were Party to the Contract, and they
 25 included the amount which shouldn't be higher than what was

02:07:53 1 stated in the Tender documentations.
 2 But the correctness of the figures include it and
 3 which figures can be used and which can't, at that moment I
 4 was not in the position to exercise any influence. It was
 5 not that I just didn't look. My belief was that the
 6 figures would be checked when the time comes, when we come
 7 closer to the 15 million. And then we would insist on
 8 excluding certain figures.
 9 Q. Following your logic, a Day X would come,
 10 Mr. Dolgov will turn up with a binder and say, well, these
 11 are the 15 million accounted for. We are not going to
 12 invest in anything else. You would look into that folder
 13 and say for 10 million we accept, but we can't accept the
 14 amount of 5 million.
 15 Do I understand your logic correctly?
 16 A. No. No. This is not the correct logic, not
 17 exactly correct. Day X arrives. Mr. Dolgov comes with a
 18 binder so, with a folder saying \$15 million, and he says
 19 I'm not going to keep building. And, like Mr. Dolgov's
 20 representative, Mr. Dolgov pointed out earlier and he said,
 21 when \$15 million run out, which we are investing in this
 22 Project, we are to receive the plot of land and then we can
 23 start building our own Project.
 24 My answer was the facility cannot be considered
 25 as finished until it has been commissioned, and that was at

02:09:51 1 the very initial stage, just after I became an employee of
 2 the Executive Committee. Nothing was being constructed
 3 where the early stages of design, however, at the Executive
 4 Committee's position was formulated straightaway. The
 5 facilities have to be finished, so they have to build until
 6 the end.
 7 Q. Yes, we have heard of this position. However,
 8 I'm still interested in the Contract because the Contract,
 9 as you correctly pointed out reads that "if the investor
 10 invests not more than 15 million," you were supposed to
 11 provide him with a plot of land for the new Investment
 12 Object. Legally speaking, how you were planning to solve
 13 this when the investor is saying I've spent 15 million, but
 14 the facilities are not finished. Nevertheless, they are
 15 not finished.
 16 How would you find a way out of this situation?
 17 A. Well, it is difficult to say what kind of way out
 18 we'll find, and thank God the situation did not come about
 19 because we agreed and we introduced some amendments to the
 20 Contract excluding this particular limitation. And that's
 21 why we avoided the major slide in this situation.
 22 Q. All right. You said that in the beginning you
 23 studied the Reports carefully. I'd like to point out a
 24 point at Paragraph 13 in your Witness Statement.
 25 It reads that from these reports, amongst other

02:11:51 1 things, it was clear the Claimant expenses for
 2 planning--and so the expenses for the design and planning
 3 of the Communal Facilities which had nothing to do with the
 4 design and construction of the Communal Facilities. For
 5 example, the Claimant put down its employees' frequent
 6 business trips as such expenses. It stuck in my memory of
 7 that, at least, in connection with one such business trip,
 8 the employees put down around 4,000 to USD 5,000 as a
 9 Project implementation expense.
 10 I have a question regarding this statement. You
 11 believe that the business trip's expenses are not
 12 attributable to the construction costs as a matter of
 13 principle?
 14 A. Of course not.
 15 Q. But you know that Manolium-Engineering, a
 16 Belarusian company, attracted financing from the Russian
 17 investor, and when developing an Investment Project, you
 18 all are supposed to travel to meet the investor in order to
 19 discuss how much money would be provided and in which
 20 period of time. And if employees travel to Moscow to
 21 discuss those issues, is it your belief that it cannot be
 22 attributable to the construction costs?
 23 A. My Opinion at the moment when I was employed was
 24 that these demands were very high and they were not in
 25 proportion to the amount of investments provided by the

02:13:34 1 investor for this Project. Possibly these business trips
 2 had something to do with the design of their own Project.
 3 That could be they could require trips abroad, consultation
 4 with the designers. But when the facilities built in
 5 Belarus, and if a designer company is in Belarus, and the
 6 construction companies were planned to also be from
 7 Belarus, then 4 or \$5,000 for a business trip to bring in
 8 \$100,000, well, my Opinion was that that was wrong.
 9 Q. So, you think that, theoretically speaking,
 10 business trip expenses are--could be attributable to the
 11 construction costs but not in those amounts?
 12 A. If I understand you correctly. In any area of
 13 business, business trips could take place, also in
 14 construction, but some things can be explained and some
 15 things cannot be explained. For example, business trips
 16 are declared by Manolium. Well, nobody could explain them
 17 to me.
 18 Q. And besides business trips, did you see anything
 19 else in those Reports which, in your Opinion, was not
 20 attributable to the construction of the new municipal
 21 facilities?
 22 A. I cannot recall right now.
 23 Q. Did you see any receipts for cars, you know,
 24 buying Rolls-Royce or Maybach?
 25 A. No, I didn't. If I did, I would have said.

02:15:32 1 Q. These are my questions, I believe, Mr. Antonenko.
 2 Thank you very much.
 3 PRESIDENT FERNÁNDEZ-ARRESTO: Very good. Thank
 4 you, Mr. Khvalei.
 5 Mrs. Zagonek, is there any redirect.
 6 MS. ZAGONEK: No, I don't. Thank you.
 7 PRESIDENT FERNÁNDEZ-ARRESTO: Any question?
 8 Mr. Antonenko, thank you very much. You have come from
 9 Minsk to be here with us.
 10 THE WITNESS: Yes.
 11 PRESIDENT FERNÁNDEZ-ARRESTO: So, you are welcome
 12 to stay with us or to go back to Minsk. And thank you very
 13 much for having helped us to better understand the case.
 14 THE WITNESS: Thank you.
 15 (Witness steps down.)
 16 PRESIDENT FERNÁNDEZ-ARRESTO: Very good. Thank
 17 you, Mr. Antonenko.
 18 So, let us break for 10 minutes. We have now one
 19 further Witness, so let's--we break for--it is now
 20 14:16 and 14:25? Yeah? Is that okay?
 21 MR. KHVALEI: Yes, absolutely.
 22 PRESIDENT FERNÁNDEZ-ARRESTO: "Kasparg Julia"?
 23 Is that correct?
 24 MS. ZAGONEK: Julia, yes. Yes, thank you.
 25 PRESIDENT FERNÁNDEZ-ARRESTO: Very good.

02:17:02 1 (Brief recess.)
 2 PRESIDENT FERNÁNDEZ-ARRESTO: We resume the
 3 Hearing, and we do so in order to examine the Witness,
 4 Mr. Nikolay Akhramenko.
 5 NIKOLAY AKHRAMENKO, RESPONDENT WITNESS, CALLED
 6 PRESIDENT FERNÁNDEZ-ARRESTO: Mr. Akhramenko,
 7 good afternoon. Thank you very much for being here with
 8 us.
 9 THE WITNESS: Good afternoon.
 10 PRESIDENT FERNÁNDEZ-ARRESTO: Good afternoon.
 11 Mr. Akhramenko, you are here as a witness. As a
 12 witness, you have a duty to say the truth. If you do not
 13 adhere to your duty, you could incur a liability, including
 14 criminal liability.
 15 Could I kindly ask you that you confirm that you
 16 are aware of your duties?
 17 THE WITNESS: I honestly say, on my honor and
 18 conscience, that I'm going to say the truth, the whole
 19 truth, and nothing but the truth, and that my statement
 20 will be in line with my sincere convictions.
 21 PRESIDENT FERNÁNDEZ-ARRESTO: Very good. Thank
 22 you.
 23 Mr. Akhramenko, you have on your right side--that
 24 is counsel to Claimant. And on your left side, this is
 25 counsel to Respondent, for the Republic of Belarus. And

02:30:17 1 there will be some questions to you.
 2 Could I kindly ask that you listen to the
 3 questions, and you answer precisely what is being asked
 4 from you? And the second recommendation I would have for
 5 you is that, if the questions can be answered with a "yes"
 6 or a "no" or "I don't know," could you please first say
 7 "yes," "no," or "I don't know" and then add whatever
 8 explanation you would like to add.
 9 THE WITNESS: I understand.
 10 PRESIDENT FERNÁNDEZ-ARRESTO: Very good.
 11 So, I give the floor to Mrs. Zagonek, on behalf
 12 of the Republic of Belarus.
 13 MS. ZAGONEK: Thank you, Mr. President.
 14 DIRECT EXAMINATION
 15 BY MS. ZAGONEK:
 16 Q. Mr. Akhramenko, you have given two Witness
 17 Statements in these Proceedings. They are in front of you.
 18 Could I ask you to go to your First Witness
 19 Statement and to go to Page 43. This is a Witness
 20 Statement dated 19th November 2018.
 21 Is this your signature, Mr. Akhramenko?
 22 A. Yes, this is my signature.
 23 Q. Could you also please look at your Second Witness
 24 Statement, dated 13th of May 2019, at Page 33? I give
 25 reference to the Russian language versions.

02:33:21 1 A. Yes, this is also my signature.
 2 Q. Mr. Akhramenko, is there anything that you would
 3 like to change in your Witness Statements?
 4 A. No. There is nothing.
 5 MS. ZAGONEK: Thank you. That is all for me.
 6 PRESIDENT FERNÁNDEZ-ARRESTO: Very good. So, we
 7 turn over the floor to Claimant's counsel.
 8 MR. KHVALEI: Thank you, Mr. President.
 9 CROSS-EXAMINATION
 10 BY MR. KHVALEI:
 11 Q. Mr. Akhramenko, my name is Vladimir Khvalei. I
 12 will be asking you questions in Russian, and my questions
 13 and your answers will be interpreted into English.
 14 For the Members of the Tribunal and the record, I
 15 will try to speak slowly myself. Also, please follow the
 16 same rhythm.
 17 What position do you occupy in the Minsk
 18 Executive Committee?
 19 A. At present, I am Head of the Investment
 20 Department of the Economic Commission of the Minsk
 21 Executive Committee.
 22 Q. How long have you been in this job?
 23 A. Since 24 August 2010.
 24 Q. Do I understand it correctly that the Investment
 25 Committee of the Ministry of the Economy is handling the

02:35:01 1 investment projects in the City?
 2 A. The Investment Department, as I mentioned, of the
 3 Committee of the Economy of the Minsk City Executive
 4 Committee, yes, it does handle raising investments and
 5 coordinating work in this area.
 6 Q. And the Manolium Project was a part of your
 7 responsibilities?
 8 A. Yes, it was.
 9 Q. And would it be correct to say that at the City
 10 Executive Committee, you were the top person responsible
 11 for this Project with the exception, of course, of the
 12 Mayor and the President?
 13 A. I believe this is not quite accurate, not an
 14 accurate statement. In addition to the officials you
 15 mentioned, these questions were also handled by a number of
 16 managers. I can name them.
 17 Q. Please do.
 18 A. First of all, Chairman of the Economy Commission,
 19 my immediate superior, and also Deputy Mayor, Deputy Chair
 20 of the Minsk City Executive Committee at the time Zhanna
 21 Eduarda Birich was filling this position.
 22 Q. Would it be correct to say that all principle
 23 decisions taken at the City Executive Committee with regard
 24 to this Project were taken with your direct involvement?
 25 A. I believe this is true. Most of them at the time

02:38:46 1 Do we understand correctly the procedure, the
 2 sequence?
 3 A. The sequence is correct. I just have one note to
 4 make. You left out the stage for the development of the
 5 Design Specification and Estimate Documentation.
 6 Q. Between which stages would this be located?
 7 A. After the signing of the Contract, based on the
 8 results of the Tender, work to develop, design,
 9 documentation, project documentation begins, which has to
 10 go through the State Expert review. And after the review
 11 is made, the investor submits an application to obtain a
 12 plot of land and starts to build.
 13 After that, you were right, the Gosstroy Nadzor
 14 grants another build permission.
 15 Q. Let's suppose the deadline for the construction
 16 of a project is five years. The documentation has been
 17 agreed and the investor has retained the right for
 18 temporary use of land for five years, and the build permit
 19 also has been granted for five years. However, the
 20 investor did not meet the deadline, and he requests two
 21 more years.
 22 What would be the sequence for the investor, who
 23 he has to turn to first and then what comes first, what
 24 comes second, and what comes third?
 25 A. In this situation, the investor has to submit an

02:37:01 1 when I was actually on the job.
 2 Q. Very well.
 3 For a couple of years, what the Members of the
 4 Tribunal and the lawyers are trying to understand the
 5 sequence of obtaining the Land Permit in Belarus and the
 6 permission to build in Belarus.
 7 I would like to say right off that I'm speaking
 8 in abstract terms. It does not apply to the Manolium
 9 company. We're trying to understand the procedure.
 10 I will describe to you as I see it so
 11 far--perhaps, Mr. Chairman will correct me if he has a
 12 different understanding--and then you would confirm or not
 13 whether our understanding is correct or not.
 14 Again, simplifying things. Simplifying the
 15 process of granting a land lot and permission to build, we
 16 can separate them out into four stages. First of all, a
 17 Tender for land is organized, and the winner of the Tender
 18 is identified.
 19 The second stage, a contract is signed with the
 20 investor based on the results of the Tender.
 21 The third stage, the City Executive Committee
 22 allocates a piece of land, a plot of land, either to lease,
 23 or for temporary use, depending on the terms of the Tender.
 24 And the fourth stage, the investor gets the
 25 permission to build, to construct an object.

02:40:57 1 Application for an extension of the rights for a plot of
 2 land. After that, because the term for the construction
 3 has expired, he has to submit an application to extend the
 4 construction deadline.
 5 Q. Yes.
 6 A. And only after that he turns to the Gosstroy
 7 Nadzor authority to get the extension for the construction.
 8 Q. I understand.
 9 He has to turn, as you said, for a Land Permit to
 10 the City Executive Committee?
 11 A. Yes, that is correct.
 12 Q. And then the Application to extend the Land
 13 Permit, he has to extend the Application for the use of
 14 land. He has to provide a justification, a reason, a
 15 ground for an extension of two more years.
 16 If an agreement for five years has expired with
 17 the City Executive Committee, what does the investor has to
 18 provide as a justification to extend the right to the use
 19 of land?
 20 A. Despite the fact that the Contract has expired,
 21 under law, the investor has the right to complete the
 22 construction. And as a justification for an extension on
 23 the plot of land, he has to justify the need to complete
 24 the construction.
 25 These are issues that are a matter of public law,

02:42:51 1 they are not regulated by the Contract, by the terms of the
 2 Contract. But, in parallel, he can also try to extend the
 3 completion deadline if they have expired.
 4 Q. And can he just ask to request the construction
 5 completion deadline?
 6 A. He can request the construction completion
 7 deadline, but as we already discussed it, first he has to
 8 request the extension of the right to use the land.
 9 Q. In case of Manolium-Engineering, the time frame
 10 for the use of land, as you may remember, ended on July 21,
 11 2011. And the permission to build, for some objects,
 12 expired on December 31--I'm sorry, 30 December 2011. That
 13 is to say, for half a year, Manolium had the permission to
 14 build, in effect, even though it didn't have permission to
 15 use the land.
 16 Do I understand it correctly that there was a
 17 practice at the time when permission to build could be
 18 granted when there was no permission to use the land?
 19 A. Yes. I'm aware of such cases. However, they
 20 were an exception to the rule.
 21 Q. I don't know if you are competent in tax matters
 22 because we also would like to know how the land tax is paid
 23 in the process of construction, after the construction.
 24 Could you clarify the situation if I ask a couple
 25 of questions?

02:45:02 1 A. As a matter of principle, tax issues are not
 2 under my immediate purview.
 3 Q. That is to say, you don't even have a general
 4 idea as to how taxes have to be paid?
 5 A. I have a general idea. However, I believe that,
 6 perhaps, this is outside my competence, to provide comments
 7 on intricate issues of tax legislation.
 8 Q. And, in general, tax issues are within the
 9 mandate of the City Executive Committee?
 10 A. I don't think so. I don't believe so because
 11 there are tax authorities in the country, and they are
 12 dedicated to these matters.
 13 Q. Very well.
 14 Let's go back to your Statements, specifically
 15 Second Statement, Paragraph 96.
 16 In Para 96, you're commenting the statement by
 17 Mr. Dolgov that the Road Project was changed in order to
 18 create access to the garages that were apparently owned by
 19 the KGB employees.
 20 And in Para 97, you provide a comment on that,
 21 saying that you hadn't heard that there would be garages
 22 belonging to the KGB employees, and you checked that
 23 information.
 24 The garage is right next to the Depot.
 25 To avoid misunderstanding, we wanted to show you

02:47:26 1 a map.
 2 MS. SHMARKO: Please open Tab 21 of the white
 3 folder you have before you.
 4 BY MR. KHVALEI:
 5 Q. This is a Google Map photograph from a satellite,
 6 in blue, the lines in blue. This is C-321. In blue is the
 7 territory of the Depot. In red the Road along Gorodetskaya
 8 Street, as was originally written, right up to the entrance
 9 to the Depot.
 10 The entrance is not indicated here. It has to be
 11 somewhere close to an asterisk, star, perhaps a little to
 12 the left, but not much further than the territory of the
 13 Depot. And the lines in yellow indicate a road that was
 14 extended.
 15 You said that you disagree with the statement in
 16 that the KGB employees didn't have garages in the Svetofor
 17 garage.
 18 Can you comment on this?
 19 A. Yes. I can confirm what I said in my written
 20 statement. Specifically, that the part of the Road that is
 21 indicated in yellow is located in front of the Svetofor
 22 Garage Cooperative. This is its name.
 23 And as we were able to clarify during our
 24 investigation that, in 2007, the members--the employees of
 25 the KGB weren't really involved in setting up this

02:50:16 1 Cooperative, and they were not there.
 2 Q. And where were they?
 3 A. It is true to the right there is another
 4 cooperative called "Ritm." In that Cooperative, there were
 5 garages that belonged to the KGB employees.
 6 Q. And how did you find that out?
 7 A. We addressed the Committee on State Security and
 8 obtained an answer.
 9 Q. Did you ask them whether in this Svetofor
 10 Cooperative there were some garages of the relatives of the
 11 KGB employees?
 12 A. We didn't get this idea at the time because the
 13 relatives of the KGB employees, as we thought, are not
 14 members and employees of the KGB.
 15 Q. At the same time as you can see the lines in
 16 yellow, you instructed Manolium to extend the Road. Why?
 17 A. As far as I know, nobody never gave these
 18 instructions to Manolium.
 19 Q. That is what you believe?
 20 You believe that Manolium-Engineering, on its own
 21 initiative, cut down part of the park and built a road to
 22 the garage cooperative Svetofor?
 23 A. The cutting down of the trees and the part of the
 24 Road in yellow is the result of the design assignment that
 25 was developed by Manolium, and the designer, under contract

02:52:21 1 with Manolium, designed that stretch of road because this
 2 task was given to him by Manolium itself, that is, the
 3 commissioner for the design documentation.
 4 Q. So, you believe Manolium built this road for
 5 itself?
 6 A. We didn't even think who this road was built for.
 7 The assignment came from Manolium to the designer and from
 8 the Minsk City executive to plan. However, the Minsk City
 9 Executive Committee did not give instructions to build this
 10 part of the Road.
 11 Q. But, you know, from 2017, the Communal Objects,
 12 including the Road that was built all the way to the
 13 garages, the New Communal Objects were taken away on the
 14 order from the President.
 15 Did you hear about that?
 16 A. In accordance with existing legislation, this
 17 decision to take away is made by the City Executive
 18 Committee.
 19 Q. But let's take a look at the order of the
 20 President.
 21 (Comments off microphone.)
 22 Q. Let's take a look at the Order of the President.
 23 Tab 40. I think it is R-242.
 24 MR. KHVALEI: Please help Mr. Akhramenko find
 25 this document.

02:54:38 1 THE WITNESS: I see there is a list attached to
 2 this Order of the Property transferred to the communal, to
 3 the municipal property.
 4 BY MR. KHVALEI:
 5 Q. At the last page, the description of the last
 6 facility reads: "The section of Gorodetskaya Street, from
 7 Gintovta Street up to the entry to the Trolleybus Depot
 8 with engineering utilities and trolleybus line."
 9 Do you see that?
 10 A. Yes, I do.
 11 Q. Upon the Order of the President, if I understand
 12 it correctly, the Road which was seized or which was up to
 13 the entrance to the Trolleybus Depot.
 14 So, my question to you is the Road which is
 15 indicated in red, that was seized upon the Order of the
 16 President, and the stretch indicated in yellow, who got
 17 that?
 18 A. I don't know. I did not study this question.
 19 Q. But you've just said that you are one of the
 20 leading officials in the Executive Committee, dealing with
 21 Manolium, and you don't know what happened to the stretch
 22 of the Road?
 23 A. It was not part of my duties to define, in
 24 detail, which volumes which were transferred to the
 25 municipal property. And this Order--we call it

02:56:28 1 "Order"--was prepared by another state organization.
 2 Q. Which one?
 3 A. The Administration of the President.
 4 Q. So, this Order was prepared by the Administration
 5 of the President?
 6 A. Are we talking about Order Number 10RP?
 7 Q. Yes, that one.
 8 And the Executive Committee had nothing to do
 9 with that?
 10 A. Probably, those departments whose area of
 11 expertise it was had something to do with that.
 12 Q. Fine.
 13 Allow me to show you the letter. It is C-230.
 14 MS. SHMARKO: It is Tab 20. So, it is C-230.
 15 BY MR. KHVALEI:
 16 Q. Let's have a look. This is a letter from
 17 Manolium-Engineering to the Chairman of the Minsk District
 18 Executive Committee dated December the 15th, 2009. The
 19 letter says--and this is the last paragraph--that "The
 20 development of the section of Gorodetskaya Street ensuring
 21 passageway way to the Svetofor cooperative has been
 22 completed by now, so on and so forth, with the placement of
 23 the fertile topsoil."
 24 It reads that the City authorities, the District
 25 authorities in this case, knew that the Road was built up

02:59:15 1 to the covered Svetofor. I would like to point out that
 2 the letter is addressed not to the City authority
 3 whatsoever. It is addressed to the head of another
 4 administrative organization. Cooperative Svetofor is
 5 outside the municipality of Minsk. It is unclear to me why
 6 Mr. Dolgov addressed his letter providing the Report
 7 regarding this work. We do not expect this Report. We did
 8 not expect this report, and why it was sent to the
 9 Chairperson of the Committee is unclear.
 10 Q. Fine. Okay. Let's have a look at your Second
 11 Witness Statement. Let's go to Paragraph 29.
 12 You criticize Mr. Dolgov on this point for his
 13 Witness Statement regarding the interrogation at KGB. And
 14 you're saying that Mr. Dolgov attempts to create the
 15 impression as if he was interrogated by KGB employees. You
 16 proceed by saying that Mr. Dolgov also hints that after
 17 this examination he started experiencing difficulties with
 18 implementing the investment projects.
 19 Do I understand it correctly that you doubt the
 20 very fact that Mr. Dolgov had the meeting with the KGB
 21 officers?
 22 A. In my Witness Statement regarding this issue, I
 23 merely point out that we had not heard anything about it
 24 previously, and Mr. Dolgov himself had never informed us of
 25 that. We've learned about these circumstances only after

03:01:47 1 having read his Witness Statement. We heard about that for
 2 the first time.
 3 Q. Well, when Mr. Dolgov said that the Svetofor
 4 cooperative was the cooperative of the garages of the KGB
 5 offices, you sent a query to the KGB and you asked are
 6 there any garages there. When Mr. Dolgov said that he had
 7 had a meeting with the KGB employees, did you send a
 8 request to them? Did you ask them if that meeting had
 9 taken place? Did you try to obtain the minutes of the
 10 examination of Mr. Dolgov?
 11 A. We did not send such request.
 12 Q. Why not?
 13 A. We didn't think it relevant.
 14 Q. So, checking the information regarding the
 15 garages of the KGB offices as set up for seemed relevant to
 16 you, and the threats--the alleged threats of the KGB
 17 officers to Mr. Dolgov regarding the problems he might
 18 incur in Belarus. That you didn't think to be relevant.
 19 A. We believe this issue did not require any efforts
 20 on our part. It did not require our involvement. The
 21 question was put forward by Mr. Dolgov. It was mentioned
 22 by him during the arbitration proceedings.
 23 Q. Clear. Could you please open Paragraph 65 of
 24 your Witness Statement?
 25 PRESIDENT FERNÁNDEZ-ARRESTO: Second.

03:04:24 1 BY MR. KHVALEI:
 2 Q. Sorry, Second Witness Statement.
 3 Are you there?
 4 A. Yes.
 5 Q. You also criticize Mr. Dolgov for the fact that
 6 he did not have any illusions that he would win the case on
 7 the termination of the Amended Investment Contract.
 8 As the Chairman of Economic Court of Minsk still
 9 attended the meetings of MCC and also provided the
 10 recommendation to the Committee how to treat the cases in
 11 the correct manner. And in the end of this paragraph, he
 12 is saying that generally the supposition that the
 13 recommendation are given to the Economic Court to the
 14 Chairman of Economic Court in respect of specific matter
 15 sounds absurd to me.
 16 Do you confirm your point of view here?
 17 A. Yes, I do. I confirm this point of view.
 18 Q. I would like to specify. It sounds absurd to
 19 you. I mean, the fact that the Chairman of the Economic
 20 Court can be present at the Executive Committee meetings or
 21 that he can receive instructions at those meetings, or
 22 both? What exactly does sound absurd to you?
 23 A. This is the assessment of the construction
 24 described in Mr. Dolgov's statement. And those two points
 25 are joint.

03:06:11 1 Q. Well, let's separate them. The presence of the
 2 Chairman of Economic Court at the Executive Committee
 3 meetings, is that absurd or not?
 4 A. Well, we refute his presence, and I'm reluctant
 5 to give any assessments because we're talking about
 6 invented facts.
 7 Q. So, the Chairman of the City Court of Minsk never
 8 participated in the meetings of the Executive Committee?
 9 A. As a witness, I'm in the position to answer
 10 questions regarding only the circumstances which are
 11 witnessed firsthand. When I was attending, never.
 12 Q. Right. In the same paragraph, Paragraph 65, you
 13 are saying that "I have checked the available minutes of
 14 MCEC meetings at which the investment projects under
 15 implementation by Manolium-Engineering were discussed or by
 16 Tekstur for the period 2012 to 2015."
 17 A. Economic Court of the City of Minsk
 18 representatives were not present then, nor did Mr. Dolgov
 19 attend himself.
 20 Q. You know, the trouble I'm having with this
 21 statement is as follows: If I don't go to the casino, I
 22 don't need to check my calendar if I went to the casino
 23 last week. If you are absolutely sure that the Chairman of
 24 the Economic Court never attended the meetings of the
 25 Executive Committee of Minsk, why did you have to check the

03:08:21 1 minutes?
 2 A. I did that with a purpose to refute the
 3 Statements of Mr. Dolgov which are not in line with the
 4 reality. His statements concerned only his projects. So,
 5 it made sense it was reasonable to limit our queries only
 6 to the meetings which dealt with these projects.
 7 Q. You're a representative in this process. In his
 8 latest submission, this is the Paragraph 408, is saying
 9 that under Belarusian law, judges may attend meetings with
 10 members of the executive or legislative branches to discuss
 11 draft legislation. Therefore, they are saying that, well,
 12 it is quite normal. They don't see anything out of the
 13 ordinary here.
 14 So, my question is: Does it happen that Judges
 15 or representatives of the Court attend or take part in the
 16 meetings of the Minsk City Executive Committee?
 17 A. I have not studied those questions outside the
 18 meetings where Mr. Dolgov's questions were dealt, and the
 19 investment project under concentration.
 20 Q. Do you know what the Chairman of the Minsk Court
 21 looked like? Would you recognize him?
 22 A. Well, I did then, but he's probably not there
 23 anymore.
 24 Q. You don't know what the new chairperson looks
 25 like. So, if at that meeting of the Minsk City Executive

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03:10:31 1 Committee were to attend the meeting, you wouldn't
2 recognize him?
3 A. At that time, under the previous Chairman, well,
4 I would recognize him.
5 Q. But you never saw him there?
6 A. I didn't see him there, not one single time.
7 Q. Okay. Thank you.
8 Let's change the topic. Let's talk about the
9 terms of the Contract with Manolium. Let's go to
10 Paragraph 48 of your Second Witness Statement. You're
11 writing because of, due to the fact that the Claimant and
12 Manolium-Engineering had asked for contractual terms to be
13 extended, not for the first time, and as the construction
14 was done with large gaps, we, perfectly reasonably, wanted
15 to have some guarantees that in the event of the next
16 extension, the Project would be completed.
17 While we are talking about guarantees, what do
18 you mean? What did you mean?
19 A. We meant the following: Any extension of the
20 contractual deadline was considered by us based on the
21 arguments presented by the investor and based on the
22 situation at the update of this proposition. In this
23 situation, we're talking about some additional favors to
24 the investor because there were no limitations to the
25 extension of the deadline.

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03:13:18 1 So, it makes sense, and that was a widespread
2 practice that, from outside, we would offer something and
3 then demand that the responsibility of the investor for
4 living up to the extended deadline, that this would be
5 quite frugal.
6 MS. SHMARKO: So, excuse me, Mr. Akhramenko. And
7 Ms. Anna will comment.
8 MS. MALTSEVA: Little problem with translations.
9 Mr. Akhramenko said that there are no reasons for extension
10 of the deadline, not limitations of extension of the
11 deadline. Sorry for the interruption.
12 THE WITNESS: Objective, objective reasons, but
13 the main word was here "reasons."
14 BY MR. KHVALEI:
15 Q. No. There were no objective reasons. Allow me
16 to repeat my question anyway. Which guarantee exactly
17 would satisfy you?
18 A. When we say "guarantees," we mean the
19 requirements and the comments to the Draft Additional
20 Agreement, additional contract.
21 Q. One was to provide clear justification for
22 payment of charges--that is to say, all you wanted was
23 this. What you wanted was that Manolium would take your
24 proposals regarding penalties in case there was a delay in
25 the implementation?

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03:15:39 1 A. In different versions and at different stages of
2 the negotiations, these conditions, these terms differed.
3 It is true that at the early stage of the negotiations, we
4 agreed to extend the deadline provided clear justification
5 would be provided for any penalties.
6 Q. When you say "clear justification for a penalty,"
7 what do you mean?
8 A. In the first version that we were not happy with,
9 the penalty provided for was only provided for a
10 "mothballing" or a suspension of the construction--that is
11 to say, this would, in fact, make it possible for the
12 developer without formalizing the suspension or
13 "mothballing" would, in fact, evade these measures that
14 provided for accountability, and we could not enforce these
15 measures.
16 Q. That is to say, do we understand it correctly
17 that if Mr. Dolgov agreed to pay the penalty that provided
18 for a responsibility in case the Project was mothballed,
19 all other conditions were to your satisfaction, and that
20 was the only guarantee that you needed?
21 A. At the stage of the extension of the deadline by
22 signing an Additional Contract Number 6, in early 2011, it
23 is true, it is correct, these guarantees we considered as
24 additional guarantees. However, the penalty payment that
25 we were thinking of introducing, we wanted to tie it to the

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03:18:00 1 schedule for the completion of the work, which would make
2 it possible to apply it at the interim stages of the
3 completion of work. And so that this mechanism as a whole
4 would begin to function, we agreed to sign an Additional
5 Contract Number 6, alongside with the schedule. However,
6 by deceiving our expectations, Manolium-Engineering did not
7 sign the schedule, which resulted that we kept our position
8 with respect to the penalty payment.
9 Q. Let's follow the procedure. We have a proposal.
10 We have a document, C-076, additional contract. I would
11 like to ask to bring it up on the screen in English for the
12 Tribunal Members. C-076. Let's display it first in
13 Russian and then in English. Oh, we can split the screen.
14 Great. It's on the screen. We don't have it in
15 the binder.
16 This is the additional contract signed on
17 April 20, 2011. Para 18. If, due to mothballing in Para 1
18 and 2 and the deadline for performing the works, including
19 in respect to each facility set out in the schedules, were
20 due to the Investor, Manolium-Engineering, or foreign
21 company investor, would pay a fine of 0.1 percent of the
22 total estimated value for each day in violation of the
23 deadlines. That is to say, you agreed to the fine; right?
24 A. I believe that the document shown here is not the
25 Additional Contract Number 6, but as you can see, we have

03:20:48 1 signatures here. Minsk City Executive Committee, Ladutko
 2 on the title page, additional agreement to Contract 6
 3 June 2003. Perhaps this is not the Additional Contract
 4 Number 6, but this is an additional contract agreeing to
 5 find for delays in the construction process.
 6 Q. You see it?
 7 A. Yes, I do see it.
 8 Q. That is to say, we go back to the guarantees that
 9 you required. You just said that by way of guarantees, you
 10 wanted to define the responsibility clearly. We have an
 11 agreement where the responsibility is clearly defined.
 12 What other guarantees you required?
 13 A. As I explained, the responsibility was linked to
 14 the schedule. Let us take a look again at this document.
 15 Define in the amount of 0.1 percent for every object
 16 indicated in this schedule. And the schedule was not
 17 signed. And I already pointed out that we regarded it as a
 18 deception of our expectations even though we had agreed
 19 that the investor would sign the schedule.
 20 Q. That is to say, do I understand you correctly
 21 that, if at that time the investor signed the schedule, no
 22 other claims would be presented to him. You wouldn't have
 23 any further claims to Manolium?
 24 A. At that stage, so long as the deadline that we
 25 had agreed would not be passed, it is true. We would not

03:22:52 1 have them.
 2 Q. Let's take a look at Addendum R-63. We'll bring
 3 it out on the screen.
 4 PRESIDENT FERNÁNDEZ-ARMESTO: R-63.
 5 MR. KHVALEI: R-63. Can we split the screen
 6 again into two so the Members of the Tribunal will also see
 7 it.
 8 BY MR. KHVALEI:
 9 Q. This is a schedule.
 10 PRESIDENT FERNÁNDEZ-ARMESTO: The schedule is in
 11 Russian?
 12 MR. KHVALEI: It is on the screen, English and
 13 Russian.
 14 PRESIDENT FERNÁNDEZ-ARMESTO: Okay. But I must
 15 find it in English.
 16 MR. KHVALEI: It's on the screen, Mr. Chairman.
 17 PRESIDENT FERNÁNDEZ-ARMESTO: Yeah. Give me one
 18 second.
 19 MR. KHVALEI: R-63.
 20 PRESIDENT FERNÁNDEZ-ARMESTO: I must find it now
 21 in English.
 22 MR. KHVALEI: It's on the screen, sir, in both
 23 English and Russian.
 24 PRESIDENT FERNÁNDEZ-ARMESTO: Yeah, but I prefer
 25 to see it on my document. Thank you.

03:24:00 1 BY MR. KHVALEI:
 2 Q. As you can see, it says here schedule for
 3 completion of the construction of Trolley Bus Depot, top
 4 right-hand corner, addendum to the contract of 6 June. On
 5 the right-hand side we have a signature by Dolgov for
 6 Manolium. At left, Deputy Head of the Minsk City Executive
 7 Committee, Borisenko. You just said that you didn't have a
 8 schedule and you regarded absence of schedule as deception.
 9 A. This is not what I said.
 10 Q. So, what did you say? Please repeat.
 11 A. We regard it as deception, the not signing of the
 12 schedule by the investor. And the investor under the
 13 Contract is not Manolium-Engineering, but
 14 Manolium-Processing.
 15 Q. But Manolium-Engineering was conducting the
 16 construction work; correct?
 17 A. Now we are talking not who was doing the work,
 18 but who was authorized to sign any changes in the
 19 Investment Project, and the schedule we regard as such a
 20 change as an additional contract, as part of the additional
 21 contract.
 22 Q. That is to say, the only thing you're not happy
 23 about in the schedule, at that time you're unhappy with,
 24 was absence of a signature by Ekavyan representing
 25 Manolium-Processing in Russia?

03:25:57 1 A. Exactly so.
 2 Q. Have you ever mentioned this to him, Mr. Ekavyan,
 3 please sign the schedule and we will extend the
 4 construction deadline?
 5 A. Yes. This schedule was submitted for signature
 6 to the investor and at Manolium-Engineering, both. These
 7 are clear things from a legal point of view, and we
 8 repeatedly told Mr. Dolgov that legal formalities has to be
 9 complied with.
 10 Q. I will repeat so that I'm not accused that I
 11 didn't understand you correctly. When you spoke about
 12 guarantees that you needed on behalf of the Investor, as
 13 such guarantees, you regarded absence by the signature of
 14 Mr. Ekavyan on the part of Manolium-Engineering on the
 15 schedule for the completion of work; right?
 16 A. Presence of the signature. That is correct.
 17 However, I qualified my statement saying that that referred
 18 to that stage of our negotiation, an early stage.
 19 Q. Very well. At the subsequent stage, which
 20 guarantees you required?
 21 A. It is logical to believe that the more violations
 22 of the deadline for the completion of the objects are the
 23 stricter subsequent conditions and terms would be regarding
 24 any changes in the Contract. And that is why when in more
 25 than 1.5 years we discussed another version of changes to

03:27:49 1 the Contract. We were at the time also talking about
 2 handing over of the communal object as another form of a
 3 guarantee.
 4 Q. You mean handing over the communal objects free
 5 of charge?
 6 A. At the time different options were considered,
 7 depending on the stage of the negotiations.
 8 Q. Let's talk about early 2012. This is the most
 9 interesting stage for me because, at the end of 2011, the
 10 permission to build expired. Mr. Dolgov tried to obtain
 11 that permission. Gosstroy refused to grant it to him
 12 because Manolium did not provide a complete set of
 13 documents. A complete set of document had to include the
 14 Land Use Permit that had to be provided by Minsk City
 15 Executive Committee, but it was not granted by the City
 16 Committee because the terms were not agreed for the
 17 extension or termination of the Project.
 18 And let's talk about the period in early 2012,
 19 what guarantees you needed in early 2012 to grant Manolium
 20 a five-month extension to complete the Project?
 21 A. Every time those guarantees were expressed in a
 22 written form as comments to the Project that we discussed,
 23 a draft of the Additional Contract. We also proposed
 24 another option to sign a new Investment Contract based on
 25 the Decree on investment with the termination of the

03:33:03 1 months prior to this letter.
 2 Q. That is, you sent it in April? That is two
 3 months?
 4 A. Well, two months.
 5 Q. This is important. Still, when you sent to
 6 Mr. Ekavyan this letter, I draw your attention to the fact
 7 that you wrote in an accompanied letter--let's show the
 8 accompanied letter. Page 8 of the document. And you write
 9 in Para 2 from bottom.
 10 "To this end we ask you to resume the funding of
 11 the construction of the Trolley Bus Depot and ensure it's
 12 commissioned no later than July 10, 2012, and to sign by
 13 30 June 2012 the Supplemental Agreement proposed by
 14 MCEC"--that is to say, you proposed to Mr. Ekavyan to sign
 15 this Agreement by 30 June 2012, and I assume that the
 16 desired result for you would be if Mr. Ekavyan signed the
 17 Supplemental Agreement prior to 30 June 2012; correct?
 18 A. Interims of the time of signing, yes.
 19 Q. Let's suppose Mr. Ekavyan would sign the
 20 Agreement as you requested by 30 June 2012. Which would
 21 state that the communal objects had to be completed by
 22 1st July 2012--that is to say, next day after the signing
 23 of the Agreement.
 24 Would this be possible?
 25 A. In theory.

03:30:11 1 existing Contract. And in the Investment Contract under
 2 the Decree, it would also contain guarantees that would be
 3 sufficient for us at the time.
 4 Q. Well, since we are talking about documents, let's
 5 take a look at Exhibit R-89, Tab 35, in your folder, in
 6 your binder. This is a letter by the Minsk City Executive
 7 Committee to Mr. Ekavyan. And an additional Contract was
 8 attached to this letter, supplemental Agreement.
 9 This, Distinguished Members of the Tribunal, a
 10 letter that, as explained by the lawyer for the Respondent
 11 that Minsk City Executive Committee used trying to convince
 12 Mr. Ekavyan to bring Mr. Dolgov to his senses. We
 13 discussed that earlier in the morning. I wanted you to
 14 take a look at this Supplemental Agreement. Page 9 of the
 15 document in Russian. Paragraph 1 of the Supplemental
 16 Agreement.
 17 Now, let's start with Para 2, a little lower. It
 18 is stated here, Clause 6.1 and 6 should read as follows.
 19 6.1, "Communal Facilities in accordance with the statutory
 20 construction terms, but no later than July 1, 2012."
 21 Do I understand it correctly that this
 22 Supplemental Agreement was meant to extend the construction
 23 of the new objects through July 1, 2012?
 24 A. Correct, with one major qualification. It was
 25 the second time. The first time we sent that letter four

03:35:10 1 Q. How is it possible the very next day after the
 2 signing of the Supplemental Agreement to commission if
 3 Manolium-Engineering didn't have the Land Permit nor the
 4 permission to build, how was it possible in 24 hours to
 5 commission the object facility?
 6 A. First of all, we were thinking in terms of
 7 continuing the negotiations with regard to these deadlines.
 8 Q. Where is it written? If you take a look at the
 9 letter. Let us go back to the letter.
 10 A. You're right. Could you please call it up. Yes.
 11 Q. Therefore, the MCEC has all the reasons to
 12 terminate the Investment Contract in the Economic Court of
 13 Minsk.
 14 Have you found it? And below that you ask them
 15 to sign the Supplemental Agreement.
 16 In other words, if I were Mr. Ekavyan, I would
 17 read it as follows: We can go to the Economic Court and
 18 terminate the Agreement if you don't sign the Supplemental
 19 Agreement before June 30, and, under that Agreement, the
 20 facility should be commissioned on July 1.
 21 Where does this letter say that if you believed
 22 these terms to be too short we can negotiate them. Do you
 23 see that anywhere in this letter?
 24 A. The letter does not contain that. Based on the
 25 information which Mr. Ekavyan and Mr. Dolgov had at their

03:36:54 1 disposal, now, we expected them to start and shift this
 2 date and we, as State bodies, were not in the position to
 3 offer them another date ourselves. We were expecting their
 4 argumentation and we expected them to provide the grounds
 5 for the extension. That would be the beginning of the
 6 negotiations regarding the date.

7 Q. Why wasn't it possible to have the Supplemental
 8 Agreement read: "We are prepared to sign the Supplemental
 9 Agreement under the condition that the guarantees are
 10 provided." We'll talk about guarantees some more. So, if
 11 the construction of the facilities is completed in time and
 12 reasonable time, which would satisfy the Executive
 13 Committee, why couldn't you write it like that?

14 A. Because by writing that, we, on our initiative,
 15 would propose unacceptable--well, undefined time term, and
 16 one of the requirements of the Agreement was to define the
 17 time limit, and undefined time limit will bring us to the
 18 same problems which we are trying to solve before that.

19 Q. And just one day would solve the problem?

20 A. Once again, I would like to point out that we
 21 were discussing the negotiation position. We were ready to
 22 negotiate.

23 Q. Could I please point out Point 1 of the draft
 24 Supplemental Agreement? It says, "If the Contract is
 25 terminated through the fault of Manolium-Processing or

03:41:05 1 80 percent, and you say to the contractor, "Well, it did
 2 not meet the deadline of a year. I'll give you two weeks.
 3 If you cannot complete it in two weeks' time, I'll get the
 4 house free of charge."

5 Do you believe that this is a reasonable proposal
 6 to talk about with a contractor? This is, you know, an
 7 example from real life. Did it happen often to you?

8 A. No, not very often, but this is not a suitable
 9 analogy. You forget that the main responsibility here was
 10 not the municipal facilities, the main thing here was that
 11 because of the inactivity of the investor, the municipality
 12 was losing the main tools of influence regarding the
 13 commercial Project and the investor promised to invest
 14 \$80 million.

15 Q. Yes, but what is happening with that site where
 16 the investor promised to invest \$80 million in?
 17 Ms. Zagonek showed picks of cats running around. This is
 18 an empty plot of land?

19 A. This is not correct. This plot is being
 20 successfully developed. And, as you know, in 2017, an
 21 auction was conducted and the right for the design and
 22 construction was won by Astomaks.

23 Q. Well, has it built anything there?

24 A. And Astomaks has not violated any deadlines and
 25 their Design Specification, Estimate Documentation should

03:39:04 1 Manolium-Engineering, the Communal Facilities will be
 2 gratuitously transferred into the City of Minsk communal
 3 property as of date of the Contract termination."

4 Do I understand it correctly that the essence of
 5 your proposal--and you say just for the purposes of the
 6 negotiations was as follows: We will give you one day to
 7 complete the construction of the facilities. If you fail
 8 to do that, the facilities, free of charge, will be
 9 transferred to the municipal Property. And you saw that as
 10 the reasonable basis for negotiations.

11 A. No, this is not the correct understanding.

12 Q. Please explain.

13 A. I have already pointed out that proposing at a
 14 different date than in this Supplemental Agreement was
 15 without grounds, and the investor did not provide those
 16 grounds either. Therefore, these options seemed like the
 17 most effective. It will make the investor and the--will do
 18 their best and try, really try and present the argument.

19 Q. Why would this term--should be extended?

20 A. Well, free of charge, this is a different kind of
 21 condition.

22 Q. Why? Why is it a different condition? You know,
 23 I'm just curious. You start building a house. You have a
 24 plot of land and you have a contractor and he promised to
 25 build you a house in one year. He completed it to

03:43:05 1 be prepared in two years, and this time runs out in
 2 October/September.

3 Q. The trouble I'm having here is that, in
 4 July 2011, Mr. Dolgov requested just five months from you.
 5 If you were to facilitate him then, in 2012, he would
 6 complete everything for sure. It makes seven years from
 7 2012 to 2019, and during that time he would certainly build
 8 something there and, if not, he would terminate the
 9 Investment Contract.

10 Can you please explain to me what kind of
 11 financial benefit the City will have in terminating the
 12 Contract with the investor who only requires five months
 13 and to lose seven years?

14 A. Unfortunately, the investor was not requesting
 15 just five months. The Investor was putting forward the
 16 conditions which were unacceptable to the City.

17 Q. Which ones?

18 A. In the subsequent negotiation positions included
 19 such requirements as to include the forum requirement as
 20 the Eurasian Economic Court.

21 Q. But why? What was wrong with that?

22 A. It was not correct and it was a legally
 23 ungrounded. And there were a number of other conditions,
 24 and we gave written explanations for refusing them. So,
 25 these proposals do not answer our main worries. The

03:45:14 1 investor was reluctant to include into the Contract the
 2 exact dates for completing his responsibility.
 3 THE INTERPRETER: I'm sorry, the interpreter
 4 missed the counsel's question.
 5 MR. KHVALEI: Let's address R-65, and this is
 6 Tab 28.
 7 PRESIDENT FERNÁNDEZ-ARMESTO: Mr. Khvalei, how
 8 long do you have to go?
 9 (Overlapping speakers.)
 10 MR. KHVALEI: Yes. We need to--I will finish
 11 this line of questions and then we will make a break.
 12 PRESIDENT FERNÁNDEZ-ARMESTO: Very good.
 13 MR. KHVALEI: R-65.
 14 BY MR. KHVALEI:
 15 Q. This is the supplemental agreement dated
 16 July 4, 2011.
 17 Do you see that?
 18 A. Yes, I do.
 19 Q. The Agreement reads: "The municipal facilities
 20 not later than November 2011," so this is the obligation
 21 proposed by Manolium and the public facilities in
 22 accordance with the normative construction terms. This
 23 Agreement is signed by Mr. Dolgov. There is Mr. Ekavyan's
 24 signature. And there is Minsktrans' signature.
 25 There is no Article saying that the dispute

03:47:04 1 should be dealt with in the Court of EU. And there are no
 2 other disputable issues which arose later on. What is
 3 missing is the signature of the Minsk Executive Committee.
 4 What prevented you on July 1 of 2011 to sign this
 5 document, and the only condition from Manolium was to
 6 extend, to provide the five-month extension?
 7 A. I've already explained what the main drawback of
 8 this Supplemental Agreement is. I will say in Point 6.2,
 9 there are no deadlines, so the date of the beginning and
 10 the date of completion of the obligations regarding the
 11 construction. So, the normative terms, they only say how
 12 long it will take, but not the beginning, and that was the
 13 criticism voiced regarding Manolium-Engineering.
 14 So, they knew about that. They were aware of
 15 that, and they knew why the Supplementary Agreement was
 16 unacceptable, and the second reason, is that there
 17 were--they were reluctant to write down in the Agreement
 18 when the penalty would be charged.
 19 Q. But we've talked about penalty, about the fines
 20 before.
 21 A. But this is the same.
 22 Q. Let's talk about time limits. In 6.2 said that
 23 in accordance with normative construction, and we knew that
 24 the Company can say three months, 36 months, so the Company
 25 which is implementing the Project, under certain standards.

03:49:19 1 This time frame is calculated. So, we know how much time
 2 would be needed to construct this.
 3 As far as the beginning of construction is
 4 concerned, it reads: "After MCEC's Decision to authorize
 5 construction, after your Decision." So, the undefined
 6 construction term, well, it was undefined because at a
 7 certain point the Executive Committee was supposed to take
 8 a Decision authorizing the construction, and the sooner you
 9 take it, the sooner the clock starts ticking.
 10 So, could you please explain to me, once again,
 11 which terms you were not happy with in this agreement?
 12 A. Well, we were not happy with this wording which
 13 links everything to the date when the Decision by the MCEC
 14 is taken. It forgets the circumstance that the Executive
 15 Committee is not in the position to take the Decision
 16 regarding construction and the land plot allocation if the
 17 investor is dragging out this process.
 18 If it simply does not address the MCEC, like
 19 Mr. Dolgov did on several occasions, and we had large
 20 negative experience with that, and in order to avoid
 21 similar situations, what we pointed out is that such points
 22 are unacceptable in agreements. They prevented us from
 23 taking any measures against such situations.
 24 Q. Right, and if it were the other way around, if
 25 the Agreement included the starting date for the

03:51:23 1 construction, for example, January 1, 2012, and then you
 2 don't give out or provide the permit.
 3 Because it depends on you. That would put the
 4 investor in a much worse situation because it starts
 5 running on the date, and the investor cannot do anything
 6 about it.
 7 A. I'm trying to explain to the Tribunal the fact
 8 that when you start counting this time frame, it did not
 9 depend on the Executive Council. It depended exclusively
 10 on the investor. If the investor provides the relevant set
 11 of documents, the Executive Committee has nothing to do but
 12 issue the permit and allocate the land. Without violating
 13 the law we cannot refuse the permit if the investor has
 14 done everything. It depends on him.
 15 But the issue here is the investor has on
 16 numerous occasions demonstrated that he's unable to--was
 17 unable to prepare the set of documents. If you want to
 18 talk about the future, then we had to request, we had to
 19 demand the specified date and to specify the measures which
 20 could be applied if the responsibilities were not
 21 fulfilled.
 22 MR. KHVALEI: We can have a 15 minutes' break.
 23 After break I would need, I think, 40, 50 minutes to
 24 finish.
 25 PRESIDENT FERNÁNDEZ-ARMESTO: Very good.

03:52:59 1 (Interruption.)
 2 PRESIDENT FERNÁNDEZ-ARMESTO: So, it is now
 3 15:52. 16:10?
 4 MS. SHMARKO: Yes.
 5 (Brief recess.)
 6 PRESIDENT FERNÁNDEZ-ARMESTO: Very good. We will
 7 resume the Hearing, and we do so in order to continue with
 8 the examination of Mr. Akhramenko.
 9 And I give the floor to counsel to
 10 Manolium-Processing.
 11 MR. KHVALEI: Thank you, Mr. Chairman.
 12 BY MR. KHVALEI:
 13 Q. Mr. Akhramenko, please take a look at Tab 43.
 14 PRESIDENT FERNÁNDEZ-ARMESTO: Give us the number
 15 of the document.
 16 MS. SHMARKO: This is Slide 8 of Claimant's
 17 Opening Statement of 29 July 2019.
 18 PRESIDENT FERNÁNDEZ-ARMESTO: Thank you.
 19 BY MR. KHVALEI:
 20 Q. This is the table in English, however, the
 21 numbers--the columns and the numbers don't need to be
 22 translated. I will clarify.
 23 At the bottom, we have the years. At left, we
 24 have the amounts in million U.S. dollars. The green column
 25 are the total Loans raised by Manolium-Engineering for this

04:20:53 1 made attempts to show that the most important thing in the
 2 Contract was not to invest a certain amount. His
 3 obligations were to complete the construction, put all the
 4 facilities into commission in accordance with the
 5 legislation, and to hand the completed
 6 facilities--completed facilities, I would like to
 7 emphasize--to Minsktrans Communal Facility.
 8 Q. Before the break we looked at the Supplemental
 9 Agreement of July 4, 2011, a draft which was signed by
 10 three Parties, including Minsktrans. And Manolium assumed
 11 an obligation and then requested to extend through
 12 December 2011 to complete.
 13 And only your signature was absent in that
 14 Agreement. How come?
 15 You say that it was important for the facility to
 16 be completed. They offered to do it. You just had to sign
 17 the paper.
 18 Why you didn't sign it?
 19 A. The signing of the additional agreement in that
 20 form would not remove the problems that would make it
 21 possible for us to exert a pressure on the investor for
 22 violating the time frame. And I already explained that one
 23 of the reasons was a masterful nonprovision of specific
 24 justification regarding the fine for the violation of the
 25 time frame.

04:18:21 1 Project. The columns in blue are costs counted by the
 2 Ministry of Finance Oversight Committee in 2016. The
 3 orange column, costs counted by the Registration & Cadastre
 4 Agency in 2015.
 5 Of course, I don't want you to confirm the
 6 figures at this time. I just want you to take a look at
 7 the dynamics.
 8 As you can see in this chart, this pie chart, a
 9 considerable volume of construction was completed in 2008,
 10 2009, 2010. There was a decline, and in 2011, there is a
 11 considerable volume of work that was completed.
 12 You are aware that the Oversight Committee of the
 13 Ministry of Finance assessed the value at USD 19.4 million.
 14 I know that you're contesting this, but let's accept this
 15 figure as an approximation.
 16 In order to complete the construction, an
 17 additional investment of USD 3.5, roughly, were required.
 18 When you said that you needed guarantees that the
 19 New Communal Facilities would be completed, the fact that
 20 the investor invested almost USD 20 million, and most of it
 21 in 2011, that was not a guarantee that he would find
 22 3 million somewhere?
 23 A. First of all, we did not agree that he invested
 24 this amount, but this is not the point. The point is the
 25 investor constantly demonstrated lack of understanding or

04:22:50 1 Q. Very well.
 2 You didn't reach an agreement with the investor
 3 concerning the terms for the continuation of the
 4 construction. Perhaps, this was not the first time it
 5 happened in the City of Minsk.
 6 Tell me, please, under law, if a facility is
 7 being built for the City and it is not completed--a
 8 contractor does not have time, you don't like the way it
 9 does the work--you terminate the Contract.
 10 Normally--don't you normally take the facility
 11 of--uncompleted facility in the shape it is at the time of
 12 the termination of the treaty or contract?
 13 A. You cited an example that applies to construction
 14 subcontracting agreement. We have a totally different
 15 contract. This is an Investment Contract, which is
 16 significantly different from a construction subcontracting
 17 contract, in terms of the participants, in terms of its
 18 nature and commitments.
 19 Q. Well, the Depot was built for the City; right?
 20 A. Yes, that is correct.
 21 Q. I presume that the City needed the Depot.
 22 A. Well, Manolium didn't finish work on the Depot.
 23 Now, we don't care for what reason.
 24 Q. Well, you should have taken over and used your
 25 own resources to complete it. You would submit a claim

04:24:34 1 against Manolium for the delay in completion.
 2 Why did you not accept the Depot, even
 3 uncompleted, if you needed it?
 4 A. The main reason was that that was against the
 5 terms of the Contract that existed that was in effect at
 6 the time, an Investment Contract. And the first step to
 7 formalize our relations, from a legal point of view, we had
 8 to terminate the Investment Contract or--which we needed,
 9 probably, more--to try and find a compromise, including
 10 with the extension of the time frame.
 11 Q. It is clear that it is always better to find a
 12 compromise. However, we know that you failed to reach a
 13 compromise.
 14 You said that the obstacle was that the
 15 Investment Contract had to be terminated. The Contract was
 16 terminated at the end of 2014, by the Decision of the
 17 Court. The Supreme Court reaffirmed it in January 2015.
 18 Why did you not take the facilities over in
 19 January 2015?
 20 A. Because no decision was taken with regard to the
 21 title to this facility. It was owned by the investor, and
 22 for a very long time, it misled us with regard to its
 23 intention regarding the handover of the uncompleted
 24 facilities.
 25 Q. I'm still trying to see some logic.

04:26:34 1 A depot is being built for you. It was
 2 80--95 percent complete. Nobody else but the City needs
 3 the Depot. Manolium would not be able to operate the
 4 trolleybuses in the City. You need the Depot.
 5 Why did you not evaluate the cost of the
 6 construction and tell Manolium, "We will pay you the value
 7 of the Depot, and you will hand it over to our balance, and
 8 we will then complete it?"
 9 Why was not that procedure used?
 10 A. I wouldn't say no. I would say it was necessary
 11 and we had to, and the Minsk City Executive Committee
 12 really wanted it.
 13 We initiated a procedure for evaluating the
 14 facility. However, that valuation had to be completed in
 15 line with the existing procedure; whereas, Manolium was
 16 trying to get a valuation without the requirements and the
 17 procedures, even without reaching an agreement with the
 18 Minsk City Executive Committee regarding the choice of the
 19 valuation body.
 20 Q. As far as I understand, there were a number of
 21 valuations made; that is true. And the State Cadastre
 22 Agency--what kind of agency is it?
 23 The Registration & Cadastre Agency, in which
 24 structure it operates?
 25 A. This is a State organization subordinate to the

04:28:28 1 State Committee of the State Property in the Republic of
 2 Belarus. That is to say, a State body that is also
 3 involved in valuation activity. It has the right to do it.
 4 However, in terms of valuation, it normally acts as another
 5 legal person.
 6 Q. However, the Regulation Cadastre Agency made a
 7 valuation in 2015. It assessed the value of the
 8 construction.
 9 But why didn't you pay the value established by
 10 the agency and take the facility over?
 11 What was the problem?
 12 A. The problem was, first of all, that it was not a
 13 valuation in the full sense of the word. It was a
 14 construction investigation. This survey was done on the
 15 instructions from Manolium, and it presented the situation
 16 in a way that the valuation was higher. It did not--I
 17 would put it this way: It included some additional costs
 18 that shouldn't have been included, and the terms of the
 19 valuation, we discussed with Manolium prior to its
 20 completion.
 21 Q. Well, let's suppose you don't trust a State
 22 agency. As far as I remember, you turned to the
 23 Government, and the Government instructed the Ministry of
 24 Finance to conduct a survey.
 25 Do we understand it correctly?

04:30:29 1 A. Yes, that is true.
 2 Q. Based on your request, the Government instructed
 3 the Ministry of Finance to conduct a survey. And the
 4 Ministry of Finance conducted a survey and, first of all,
 5 reaffirmed the valuation of the Cadastre Agency and,
 6 secondly, provided its own valuation.
 7 Why not, at this stage, pay Manolium and take the
 8 facilities over?
 9 A. The Control and Revision Department of the
 10 Ministry of Finance, we don't think it conducted a survey
 11 and an investigation. And it based the results of its
 12 valuation based on the same documents that were given to
 13 them by the Cadastre Agency.
 14 The terms of the investigation were--let me
 15 remind you, the requirements agreed in the Government,
 16 providing for the exclusion of the unjustified costs,
 17 including with regard to the work that were a departure
 18 from the--with respect to the documentation, work that were
 19 not directly related to the construction. The work that
 20 were not duly formalized in line with the initial documents
 21 or that were completed in violation of certain
 22 requirements.
 23 We could not accept this as useful work for the
 24 City because they could not be included into the City
 25 balance.

04:32:10 1 Q. So, you're saying that the Ministry of Finance is
 2 not capable of valuating property, and the Minsk City
 3 Executive Committee can?
 4 A. I was not going to say for the whole Ministry,
 5 but the two people who signed the valuation, I would say
 6 no, not the valuation. They did not meet the tasks and the
 7 purposes of the valuation that they were given.
 8 First and foremost, they had to do the
 9 measurements--that is to say--to determine the actual work
 10 done. And they did the measurements with only a small
 11 amount of work, some floor area in one facility.
 12 Q. Is there some organization in the Republic of
 13 Belarus?
 14 In theory, in Belarus, is there somebody that can
 15 do a valuation that you would like, using a specific
 16 methodology?
 17 A. By way of an example, I can give you a valuation
 18 based on the request after the Decision of the Court.
 19 Then, again, the Cadastre Agency was hired that completed
 20 the valuation in due course.
 21 Q. Who was that?
 22 A. The Cadastre Agency that we spoke about earlier.
 23 However, the instruction was given, based on the
 24 conditions, that allowed to include the relevant costs into
 25 the City balance.

04:33:50 1 Q. Thank you.
 2 That agency conducted a valuation. Then you
 3 could have paid based on that valuation that you agreed
 4 with, and you could have taken the facilities over into
 5 your balance.
 6 Why didn't you do it at that time, when there was
 7 an valuation that was satisfactory to you?
 8 A. I would like to say that we did not do the
 9 valuation. An agency that was instructed to do it did not
 10 meet the conditions and the procedures that were--needed to
 11 be met.
 12 Q. But you said that there was one valuation that
 13 you agreed with.
 14 And when that valuation emerged, why not pay
 15 Manolium, at the time, the costs that you agreed with?
 16 A. As far as I know, at the time that last valuation
 17 emerged, Manolium incurred debts to the budget because it
 18 did not meet tax obligations, land tax obligations.
 19 Perhaps there was something else, not just land taxes.
 20 Q. This is something I wanted to speak to you about.
 21 Please tell me, under law, when the temporary
 22 permit to use the land expires--for instance, it was given
 23 till January 1 and it expired--what happens with the land
 24 after that?
 25 A. After that the user of the land either has to

04:35:40 1 restore the land to a condition suitable for further use or
 2 just vacate it or to raise the question of extending the
 3 right to use the land. As a rule, this has to be done
 4 prior to the expiration, but even when the deadline has
 5 passed, allows the ability to extend the right to use. And
 6 the third option, to "mothball" the facility--the land.
 7 Q. So, when the land-use term finishes, then is
 8 there some period of time while the land is empty?
 9 Are there any time limits when the City formally
 10 should take the land plot back?
 11 A. These are questions, sir, in the area of
 12 expertise of the land service of the Minsk City Executive
 13 Committee. I can only say that, in practice, the service
 14 would send a note to the land user who violated the
 15 deadline, asking him to bring the land in the original, in
 16 the usable state.
 17 Q. So, allow me to say the following: There is a
 18 field. I've got it for a year. There is nothing on it. A
 19 year passes. It doesn't need any work at all. It was a
 20 field. It is still a field.
 21 When should the City take the field back, and
 22 does it have to formally take it back? Maybe this an
 23 automatic step?
 24 A. The land service would, when the deadline lapsed,
 25 send a notification.

04:37:51 1 Q. What kind of notification?
 2 A. To vacate.
 3 Q. Well, I would say to turn back the land plot.
 4 But how do I give it back. It is land.
 5 A. Well, you need to write a letter.
 6 This is a legal procedure, and our investor did
 7 not follow this legal procedure.
 8 Q. Well, let's have a look. There are a number of
 9 letters we have here, in which Manolium-Engineering
 10 requested the land service to accept the land plots and the
 11 service, on multiple occasions, refused to take them back.
 12 Do you think that the service--well it's supposed
 13 to take them back or not.
 14 While my colleagues are looking for the document,
 15 I'll ask a simpler question.
 16 Does the land service report to you?
 17 A. They report to Minsk City Executive Committee.
 18 Q. So, that is one of your departments?
 19 A. Yes.
 20 Q. The document is dated June 11, 2012.
 21 MS. SHMARKO: That is Tab 24 and Document C-336.
 22 BY MR. KHVALEI:
 23 Q. So, June 11, 2012, Mr. Dolgov.
 24 Well, I believe this is his deputy's,
 25 Mr. Karabanov's signature--but it's irrelevant right

04:39:49 1 now--requesting the Minsk City Executive Council to accept
 2 the unused plots of land because they're investments.
 3 A. So, we gave them back. We returned them. He is
 4 writing that. He is writing the document.
 5 Q. And the Response to that, so, this document was
 6 C-336, and I'm going to C-337.
 7 A. Which tab is it?
 8 Q. Tab 25 in your binder.
 9 What we read here--this is the second
 10 paragraph--considering that the uncompleted construction
 11 facility is located on these land plots and it has neither
 12 been commissioned nor transferred as the communal property,
 13 return of the land plots is deemed impossible.
 14 At the same time, I'd like to inform you that the
 15 issue of the transfer of the land plots can be considered
 16 when the Investment Contract is terminated and the
 17 functions are assigned to a different agent.
 18 So, your service refused to accept the land plot,
 19 quoting the fact that the construction is not completed.
 20 My question is as follows: If Minsk City
 21 Executive Committee does not issue the permit, or the Land
 22 Permit, under the Construction Permit so you could not
 23 finish construction, how can you find the way out of this
 24 situation?
 25 A. I have given a partial response to this question.

04:41:50 1 I can repeat.
 2 You could complete the construction, and there
 3 was a possibility to extend the Land Permit, and
 4 mothballing was also an option.
 5 Q. I'm not worried about mothballing. And Manolium
 6 did apply for the Construction Permit, and he was refused.
 7 And, in April 2012, if I'm not mistaken, they requested
 8 such a permit, and they got the refusal.
 9 How can the company finish the construction or
 10 transfer the unfinished facilities if there is no permit?
 11 A. You can extend the permit. You can sign the
 12 supplementary agreement. All these options have been
 13 discussed.
 14 Q. You mean to prolong the use of the land so you
 15 need the--to receive the prolongation from the Executive
 16 Committee?
 17 A. First, you need to take the trouble to exercise
 18 their duties, which are stipulated by the public law.
 19 Q. So, Manolium never requested you to extend the
 20 land plot term?
 21 You do not recall, anyway?
 22 A. Based on the materials, we failed to locate any
 23 requests which were executed in the correct manner,
 24 containing all the necessary data for the prolongation.
 25 Q. I'm not talking about the materials of the case.

04:43:31 1 I'm asking, do you remember the cases when
 2 Manolium, in whatever form--in written form, in oral
 3 form--addressed the Minsk Executive Council with a request
 4 to prolong the permit?
 5 A. I don't remember them addressing us, you know,
 6 oral form, no.
 7 Q. I'm moving on to my Closing Questions, so we're
 8 nearing the end.
 9 I would like to point out at R-104, which is a
 10 letter--
 11 MS. SHMARKO: Tab 37 in the binder.
 12 BY MR. KHVALEI:
 13 Q. So, this is the Minsk City Executive Committee
 14 addressed to the Government of the Republic of Belarus.
 15 Do you remember this letter?
 16 A. Yes, I do.
 17 Q. Were you involved in drafting this letter?
 18 A. Yes.
 19 PRESIDENT FERNÁNDEZ-ARRESTO: R-100?
 20 MR. KHVALEI: 140. This is the famous document
 21 disputed yesterday.
 22 (Comments off microphone.)
 23 BY MR. KHVALEI:
 24 Q. Now, on Page 2 of this document, we'll read:
 25 "The MCEC established the fact that the investor had some

04:45:55 1 obligations--some obligations to state, outstanding
 2 liabilities to the budget, including BYR 111,511 billion
 3 and the tenfold amount of land tax for the unauthorized
 4 occupation of the land, penalties," et cetera.
 5 Who calculated that amount?
 6 A. So, the services whose area of expertise it was.
 7 So, the land service and tax authorities.
 8 Q. As far as the rent--so as the lease payments are
 9 concerned, there was a contract and 8,000 remained unpaid.
 10 So, Minsktrans is clear, we have been saying that
 11 the Minsk City Executive Council does not deal with taxes.
 12 This is the area of tax authorities.
 13 However, here, nevertheless, the Executive
 14 Committee has already calculated the tenfold amount of the
 15 land tax for the unauthorized occupation of the land plot.
 16 I repeat: If the City Executive Committee does
 17 not deal with taxes, how could they calculate the amount of
 18 taxes?
 19 A. It was not done by the Executive Committee. It
 20 was done by the tax inspection. We requested that data
 21 from them, and we received it from them.
 22 Q. Do you know when the tax inspection of
 23 Manolium-Engineering started?
 24 A. Approximately.
 25 Q. So, the Report of the tax authority regarding the

04:47:56 1 tax was issued in March--in May 2016, so four months after
2 this document was prepared. At the same time, tax
3 authorities come up with completely different figures.

4 I repeat: If the tax inspection was carried out
5 later than this document and the figures are different,
6 where do you get these figures from?

7 A. These are preliminary figures which were
8 calculated outside of the scope of the tax audit, and the
9 legislation does not prohibit the State authority
10 corresponding with the tax authority also requesting the
11 approximate figure. And this amount was not used for tax
12 collection.

13 Q. So, you're saying that, at that time, some kind
14 of tax audit was underway?

15 A. No, there was none.

16 Q. Then you lost me.

17 You said, as part of the preliminary tax audit,
18 you can determine the figure.

19 A. No. This is not the audit or inspection. These
20 were calculations which could be done without the tax
21 audit.

22 Q. Once again, but who did the calculations?

23 A. Tax authorities.

24 Q. Tax authorities. Let's assume that.

25 However, these calculations are not final?

04:51:19 1 possible price of such a buyout if we were that far, but at
2 that stage, we are far from a buyout. However, the
3 possibility of buying the facilities out was not excluded.

4 Q. Next page, if you turn it over.

5 "In view of the foregoing, we consider it
6 expedient to propose that the investor transfers the
7 Communal Facilities into municipal property free of
8 charge."

9 You did not say that, "We consider it necessary
10 to do the correct valuation and pay out a compensation."
11 It said that--you said you considered it expedient to
12 transfer it free of charge.

13 A. That was one of the options but not the only one.

14 Q. Right. There is another option right after that.
15 We'll come to that.

16 Did you offer to the investor to transfer,
17 gratuitously, the facilities, as written in the letter?

18 A. Yes. We made that proposal several times.

19 Q. There was a letter on February 29, 2016.

20 Did you offer the investor to transfer the
21 facilities free of charge after that?

22 A. I don't recall, but, you know, in accordance with
23 the larger debt--

24 Q. And then you're saying: "Should the investor
25 disagree with this proposal, the Committee will send to the

04:49:32 1 A. Exactly.

2 Q. And I believe that the real tax audit was needed.

3 A. And it was carried out.

4 Q. Nevertheless, the document reads--and you
5 write--well, the document reads: "I believe, in the view
6 of the foregoing, there were no grounds for compensating
7 the costs incurred by the investor, the acquisition of the
8 Communal Facilities located on the land plot, out of the
9 Minsk municipal budget."

10 The next paragraph: "As regards the instruction
11 of the Head of State to complete the construction of the
12 group of the buildings at the New Trolleybus Depot, we
13 advise that its fulfillment is prevented--its completion to
14 full extent is prevented by the investment refusal to
15 transfer incomplete facilities into municipal ownership
16 under acceptable conditions."

17 What are we talking about?

18 A. I wouldn't say "acceptable conditions." What we
19 are talking about, those are specific comments indicated in
20 our correspondence with the investor, and the major one is
21 the correct valuation taking into account all the
22 conditions we discussed with the investor.

23 Q. So, the only problem was that there was no
24 correct inspection or audit?

25 A. So, we have not reached agreement regarding the

04:53:01 1 investor the amount of tax for the unauthorized occupation
2 of the land plot."

3 So, as it turns out, the Executive Committee
4 deals with the land tax, or the tax authority?

5 A. Well, it is up to the tax authorities. What is
6 meant here is that the Minsk City Executive Committee,
7 after the joint actions, would bring this work to
8 completion.

9 So, what I mean is that the tax authority had
10 been doing calculations and preparing the documents.

11 Q. And if the buildings were to be transferred to
12 you free of charge, as written here, you wouldn't have done
13 that?

14 A. If the investor were to agree to hand over the
15 buildings free of charge, we were quite ready to exonerate
16 him from the payments, or would have been ready to
17 exonerate him from payments.

18 Q. "Oh, you know, and in that case, we would be
19 prepared to exonerate him from tax payments."

20 Who are "we" in this context?

21 A. The leadership or the Minsk City Executive
22 Committee did have the intention, if the Agreement were to
23 be reached, to send relevant requests to the Head of the
24 State. Such a situation did require his Decision. So, he
25 could be released from these sanctions for breaking the

04:55:00 1 deadline of tax payments.
 2 Q. You know, somehow I thought that if there is an
 3 obligation to pay tax then this is an objective obligation.
 4 The Tax Inspector cannot turn up and say, Vladimir, you
 5 didn't pay the income tax last year, but if you hand over
 6 your Mercedes to me, you will be released from that tax.
 7 And I think it is somehow a little bit illegal.
 8 Don't didn't you have that feeling?
 9 A. We had no intention to engage in any illegal
 10 activities. The Belarusian law provides for the
 11 possibility to release the investor from violations of the
 12 terms of Agreement. For this purpose, it is just necessary
 13 to adopt a legal act at a certain level. And the Minsk
 14 City Executive Committee was ready to send an appeal to the
 15 Head of State to take such an Act if the new facilities
 16 were handed over to you free of charge.
 17 MR. KHVALEI: I have no further questions, Your
 18 Honor.
 19 PRESIDENT FERNÁNDEZ-ARRESTO: Thank you. Thank
 20 you very much, Mr. Khvalei.
 21 Is there any redirect, Mrs. Zagonek?
 22 MS. ZAGONEK: No, thank you.
 23 QUESTIONS FROM THE TRIBUNAL
 24 PRESIDENT FERNÁNDEZ-ARRESTO: Any questions?
 25 I do have a couple of questions. This is just

04:56:57 1 clarifications.
 2 Can we go to C-76. C-76. I'm looking at it.
 3 Let me--because it was some time ago. So, here it was
 4 signed. This is a question to you. This Contract was
 5 signed by the Minsk City Executive Committee by Minsktrans,
 6 by Mr. Ekavyan for Manolium-Processing, by Mr. Dolgov for
 7 Manolium-Engineering. So, it seemed to have been signed by
 8 everyone, but it did not come into force because the
 9 schedule was not attached.
 10 Was that your statement?
 11 THE WITNESS: The Agreement went into effect, but
 12 it was not deliberately signed by Manolium-Processing. The
 13 schedule was not deliberately signed by
 14 Manolium-Processing.
 15 PRESIDENT FERNÁNDEZ-ARRESTO: I will come back to
 16 the schedule.
 17 Let's look first at the Contract.
 18 You agree that the Contract was signed by all the
 19 Parties, including Manolium-Processing?
 20 THE WITNESS: Yes, I do agree.
 21 PRESIDENT FERNÁNDEZ-ARRESTO: Okay. So, now we
 22 go to the schedule, which we have it already there. It is
 23 R-63. And this is R-63. Here, the first question, this is
 24 the schedule to the Contract we saw a minute ago.
 25 THE WITNESS: Yes.

05:00:20 1 PRESIDENT FERNÁNDEZ-ARRESTO: And here the
 2 problem is it has been signed. I see two problems. First
 3 of all, what is the date of the schedule?
 4 THE WITNESS: There is a problem with the date.
 5 The schedule was prepared by a representative of the
 6 Manolium-Engineering, and they didn't indicate the date,
 7 nor the information necessary for other signatures.
 8 PRESIDENT FERNÁNDEZ-ARRESTO: Okay. So, we agree
 9 that there is no date, and we agree it is the schedule to
 10 the document in C-76, which was dated April 20, 2011. And
 11 you say that this schedule, the problem is that it was not
 12 signed by Mr. Ekavyan.
 13 THE WITNESS: Correct.
 14 PRESIDENT FERNÁNDEZ-ARRESTO: And now- thank you.
 15 I now understand your statement. Thank you very much.
 16 Can we now go to R-89.
 17 MS. SHMARKO: (No interpretation.)
 18 PRESIDENT FERNÁNDEZ-ARRESTO: R-89. Tab 5,
 19 Photo 35.
 20 (Interruption.)
 21 PRESIDENT FERNÁNDEZ-ARRESTO: And I need one
 22 second to find it in English because the translations are
 23 separate tabs. Give me one second. There is a
 24 contradiction between the letter and the attached Contract,
 25 and I wanted to draw your attention to that.

05:03:08 1 If you go to the letter and you go to the
 2 penultimate paragraph, you say to this end "we ask you to
 3 resume the funding for the construction of the Depot,
 4 ensure that it is commissioned not later than 10 July."
 5 And the letter is 18th of June. If you go to the Contract,
 6 and you go to 6--you go now to Point 2 of the Contract, I
 7 see the Point 2, 6.1, "Communal Facilities in accordance
 8 with the statutory construction terms, but no later than
 9 1 July."
 10 So, I wanted to ask you, what is the date?
 11 1 July or 10 July? The date by which Manolium had to
 12 finalize the construction and commission the Depot?
 13 THE WITNESS: The time frame we proposed was
 14 July 1, and I said that that was our negotiating position.
 15 PRESIDENT FERNÁNDEZ-ARRESTO: Okay. So, it was
 16 July 1. That is what Mr. Khvalei was saying, and I just
 17 wanted to double check that.
 18 Mr. Akhramenko, thank you very much. You came
 19 all the way from Minsk to help us. Thank you very much for
 20 making the effort. You are relieved from your obligations
 21 to the Tribunal. You are welcome to stay with us, if you
 22 like, or you are welcome to leave and enjoy this summer day
 23 in The Hague. Thank you very much.
 24 THE WITNESS: Thank you.
 25 (Witness steps down.)

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05:05:25 1 PRESIDENT FERNÁNDEZ-ARMESTO: Very good. So,
2 that brings us to the end of the day. We then will meet
3 tomorrow at 9:30 to hear the two Experts and then after
4 that, I think we will be able to hear the two Experts
5 within the day. And so- thank you, Mr. Akhramenko. You
6 can stay with us, if you want. As you wish.

7 (Comments off microphone.)

8 So, we will then wrap up. So, in order to have a
9 good wrapping up of the Hearing, it would be advantageous
10 if you could speak to each other. You remember we had some
11 issues with the taxes which, some technical issues about
12 the taxes and how we wanted to solve that? Let's say the
13 not-totally-clear points about the land tax in Belarus.

14 So, you may wish to think how to solve that and
15 think about Post-Hearing Briefs, and extension and dates,
16 and things like that. It is also always nicer if you have
17 already given it some thought.

18 MR. KHVALEI: Yes. Mr. President, I have two
19 questions to you. For the planning purpose, assuming that
20 we are finished with Quantum Experts tomorrow, are we
21 planning anything for Thursday?

22 PRESIDENT FERNÁNDEZ-ARMESTO: I think the
23 Tribunal would, you know, to deliberate immediately after
24 the Hearing maximizes the efficiency of the Hearing, so we
25 had planned, if we needed to go into Thursday, we were

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05:09:26 1 seems relevant from reading 140, and there are a number of
2 other issues relating to the tax, exactly how it works and
3 the interface between the tax and the return of the plot,
4 of the use of the plot. Exactly all that seems to--on what
5 we have heard, seems to be areas on which some questions
6 from the Tribunal could be expected.

7 MR. KHVALEI: When?

8 PRESIDENT FERNÁNDEZ-ARMESTO: When? Beginning of
9 next week.

10 MR. KHVALEI: Okay.

11 PRESIDENT FERNÁNDEZ-ARMESTO: This is another
12 alternative. If you say "we" prefer to speak to each other
13 once we have the questions of the Tribunal, I mean,
14 very--we always have this issue. We prefer to have some
15 deadlines from you, but very often counsel come back and
16 say we wait for the questions and then we promise that we
17 will speak to each other.

18 MR. KHVALEI: Yes.

19 PRESIDENT FERNÁNDEZ-ARMESTO: My question, to us
20 it is the same if you speak to each other tonight or
21 tomorrow or in a week's time with the questions in front of
22 you. What is important, what is helpful to us if you reach
23 agreement because it is always easier, that you know your
24 schedules and you know your workloads, and you know the
25 deadlines which are good for you, and you can discuss

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05:07:45 1 ready to sit on Thursday, otherwise, we will use the
2 morning of Thursday for a first preliminary deliberation.

3 MR. KHVALEI: Yes. I fully appreciate. My
4 second question is related to the first one because you
5 mentioned Post-Hearing Briefs, and I think the Respondent's
6 counsel agrees with me, we normally find extremely useful
7 if Tribunal could give us an indication on issues on which
8 the Tribunal would like to hear from us on the Post-Hearing
9 Briefs.

10 PRESIDENT FERNÁNDEZ-ARMESTO: I couldn't agree
11 more, Mr. Khvalei, and this is precisely one of the
12 advantages of an early deliberation, is that we will come
13 up with a list of questions, some list of questions of
14 issues where we think some additional education would be
15 helpful. One of them I can already anticipate to you is
16 the tax issue, on which I still have some doubts.

17 MR. KHVALEI: Yeah. And for all discussion--

18 PRESIDENT FERNÁNDEZ-ARMESTO: How exactly it
19 works and there is a two-time--there are a number of
20 questions. One came up. Mr. Akhramenko said that it was
21 possible for the Chief of State, for the Head of State to
22 take away, he said the penalties of tax. I don't know if
23 it is the penalty only, if it is the penalty and the tax
24 base.

25 So, for example, that is already a question which

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05:10:47 1 whether you want to have one round, two rounds, because you
2 think that the additional confrontation is necessary.

3 So, I'm perfectly happy if you say we will wait
4 with our reaction until we get the questions from you. I
5 have no problem with that.

6 MR. KHVALEI: Mr. President, let us talk. We
7 know each other pretty well, so we can sort it out and let
8 you know tomorrow what is up.

9 PRESIDENT FERNÁNDEZ-ARMESTO: Yeah. Yeah. Very
10 good. Yes, of course.

11 ARBITRATOR ALEXANDROV: I wanted to ask
12 Respondent--I was asking for the instructions of the
13 Council of Ministry referred to in R-140. Would it be
14 possible to have them tomorrow, or is it logistically
15 difficult, which is fine, of course. I just want to see
16 what the status is.

17 PRESIDENT FERNÁNDEZ-ARMESTO: Yeah. We had--I
18 had taken the lead from you and I had gone through R-140
19 and I had identified a couple of other subsidiary
20 documents, and you said, well, that may be more difficult
21 because they come from other institutions. You may wish to
22 give us some insight, if you have it and.

23 MS. ZAGONEK: Yes. I'll tell you what I can now.
24 We have checked, and one of the documents which I believe
25 Mr. President has asked for is actually in the file.

05:12:15 1 PRESIDENT FERNÁNDEZ-ARMESTO: Good.
2 MS. ZAGONEK: One of them referred to. And
3 tomorrow we should be in a position to show you whatever we
4 were able to find so far.
5 PRESIDENT FERNÁNDEZ-ARMESTO: Very good.
6 MR. KHVALEI: Mr. President--
7 PRESIDENT FERNÁNDEZ-ARMESTO: If it takes some,
8 we are perfectly aware that State administrations are
9 complicated and sometimes it is difficult. So, if you need
10 some more time, that would be perfectly understandable.
11 MS. ZAGONEK: Sure. Sure.
12 PRESIDENT FERNÁNDEZ-ARMESTO: Yes.
13 MR. KHVALEI: Mr. President, you also asked for
14 balance sheet of Manolium-Engineering for 2011 and '12.
15 PRESIDENT FERNÁNDEZ-ARMESTO: Yes.
16 MR. KHVALEI: We--I hope today we will receive
17 certified copy from tax authorities for balance sheet for
18 2011, '12, and also submit it tomorrow.
19 PRESIDENT FERNÁNDEZ-ARMESTO: Okay. Very good.
20 Very good. Excellent. Thank you. Enjoy the evening.
21 MS. ZAGONEK: Thank you.
22 (Whereupon, at 5:13 p.m., the Hearing was
23 adjourned until 9:30 a.m. the following day.)
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CERTIFICATE OF REPORTER

I, Dawn K. Larson, RDR, CRR, CRC, Court Reporter,
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