

Croatian Prime Minister Andrej Plenkovic confirmed that Croatia has requested the nullification of the ruling of the United Nations Commission on International Trade Law (UNCITRAL) in Geneva, which dismissed Croatia's claims against Hungarian oil and gas company MOL regarding the managerial rights in INA.

PM Plenkovic said that the motion for nullification of the ruling is based on well-substantiated arguments, and the Government hopes that in the proceedings, which are expected to last several months, the Swiss Federal Court will consider those arguments in an appropriate way. He did not disclose any specific details regarding the appeal as proceedings before UNCITRAL between the Croatian state and MOL are confidential in accordance with the arbitration rules and an agreement reached between the involved parties.

In late 2016, UNCITRAL has ruled in favor of MOL in an arbitration proceeding brought by Croatia. PM Plenkovic said that the Arbitral Tribunal has ruled that the evidence presented is not sufficient to prove that the agreements signed in 2009 are the result of the corruption activities and refused to nullify them, adding that the Government is strongly opposed to the ruling and it is considering all legal options to contest it. In the meantime, Croatian Government announced its plans to buyout MOL's stake in INA, which should be financed by the initial public offering (IPO) of 25 % minus one share of state-owned power utility HEP. Hungarian oil and gas company MOL owns 49.08 % of INA's shares, while the Croatian state has 44.84 % stake in the company. Croatian Government and Hungarian MOL have long history of dispute regarding the managerial rights in oil company INA, and both parties have initiated arbitration proceedings regarding the dispute before the International Center for Settlement of Investment Disputes (ICSID) in Washington and the United Nation's Commission on International Trade Law (UNCITRAL) in Geneva.