



January 23, 2023

## **Update on International Arbitration Proceedings against the Government of Grenada**

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We write to provide you with an update on the international arbitration proceedings we instituted against the Government of Grenada in respect of its unlawful actions taken against the Kawana Bay hotel development. We also take this opportunity to extend to you our best wishes for 2023.

Since our update in March, there has been increased momentum in the case against the Government of Grenada before the World Bank's International Centre for Settlement of Investment Disputes (ICSID). On July 1, 2022, we filed our Memorial on the Merits, setting out the details of our claim with supporting expert reports. The Government of Grenada would have been required to file its response in the form of a Counter-Memorial by December 2022, but forstalled this on November 1, 2022 by making a preliminary application objecting to ICSID's jurisdiction and seeking to bifurcate those jurisdictional objections into a separate phase.

On December 28, 2022, we filed a comprehensive response rebutting the Government's objection. At this juncture, the tribunal may either make a ruling on the matter, or conduct a hearing on whether to bifurcate the dispute. If a hearing is scheduled, we anticipate it will be held on or about April 2023; however, if the Tribunal elects to make a ruling, the Government's preliminary application may be determined in the next few months (if not sooner).

A related development flows from the outcome of the General Elections held in Grenada on June 23, 2022, which saw a change in government. Since then, the new Prime Minister of Grenada has publicly expressed his Government's intention to negotiate with us with a view to seeing the Kawana Bay hotel development completed. Unfortunately, the extensive damage to the project caused by the actions of the former government administration in Grenada, has severely complicated and handicapped the efforts towards settlement.

We welcome the Prime Minister's statement and remain open to the possibility of an amicable settlement in the interest of all stakeholders. That said, we continue to take prudent steps to move the arbitration proceedings forward as efficiently as the circumstances permit.

We are cognizant that in the ordinary course, the international arbitration proceedings may span into 2024. However, we maintain a cautiously optimistic outlook that 2023 may bring a positive and final outcome.

Thank you to our purchasers and stakeholders who continue offer support throughout this process. We will continue to keep each of you informed of the developments in the arbitration, to the fullest extent permissible under the applicable ICSID Arbitration Rules. Further information is also available at [www.kawanabay.com](http://www.kawanabay.com) and on ICSID's website at <https://icsid.worldbank.org/cases/case-database/case-detail?CaseNo=ARB/21/37>. We encourage you to utilize these resources.

Thank you for your unwavering confidence in the Kimpton Kawana Bay project.