INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA



2012

Public sitting

held on Friday, 30 November 2012, at 9.30 a.m., at the International Tribunal for the Law of the Sea, Hamburg,

President Shunji Yanai presiding

THE "ARA LIBERTAD" CASE

(Argentina v. Ghana)

Verbatim Record

Present: President Shunji Yanai

Vice-President Albert J. Hoffmann

Judges P. Chandrasekhara Rao

Joseph Akl

Rüdiger Wolfrum

Tafsir Malick Ndiaye

José Luís Jesus

Jean-Pierre Cot

Anthony Amos Lucky

Stanislaw Pawlak

Helmut Tuerk

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Zhiguo Gao

Boualem Bouguetaia

Vladimir Golitsyn

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Elsa Kelly

David Attard

Markiyan Kulyk

Judge ad hoc Thomas A. Mensah

Registrar Philippe Gautier

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and

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Mr Gerhard Hafner. Professor of International Law.

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Mr Peter Owusu Manu, Minister Counsellor, Embassy of Ghana, Berlin, Germany.

THE PRESIDENT (Interpretation from French): Ladies and gentlemen, good morning. Today we shall hear the presentations by the Parties in a second round of pleadings in the ARA Libertad case between Argentina and Ghana. Argentina will first of all put forward its arguments and Ghana will speak at 12 noon.

I would now like to call on Mr Hafner to take the floor.

MR HAFNER: Mr President, Mr Vice-President, distinguished Members of the Tribunal, the Co-Agent and Counsel of Ghana yesterday presented this distinguished Tribunal with a number of arguments that cast serious doubts as to their relevance to the present case. I shall first address these points and then turn to the causes of action of Argentina under the Convention.

Let me first very briefly address the point raised by the Co-Agent of Ghana concerning the very sensitive issue of the rule of law. I had the opportunity to participate in some of the discussions on this matter within the United Nations. There, I gathered the impression that the relation between the rule of law principle and international law is undoubtedly of great theoretical interest; and my learned colleague Professor Sands quite rightly stressed the difference between the national and international dimensions of this rule of law principle in his intervention. In this context, the Co-Agent referred to the Resolution of the General Assembly 66/102 entitled "The rule of law at the national and international levels". This resolution contains a passage that is of particular relevance in this case, namely its paragraph 2. It "reaffirms further that States shall abide by all their obligations under international law [...]". This is precisely what we are discussing here. It is only in this respect that the principle of the rule of law is of relevance in this case.

 Mr President, Mr Vice-President, distinguished Members of the Tribunal, permit me to turn to the issue presented by Counsel Singh. Yesterday, she at length elaborated on the context of the cases brought by NML against Argentina before the courts of various States, in particular of the United States and the United Kingdom. However, this lengthy and detailed elaboration produced merely a lot of smoke that was only used as an attempt to hide the real issue at stake before this Tribunal. What is at stake? Only the fact that the Argentine frigate *ARA Libertad* is illegally detained in the Port of Tema and thereby denied a number of Argentina's rights under the Convention. What Counsel Singh explained did not relate, in any way, to this issue.

Nevertheless, permit me to say a few words on the content of this presentation as it calls for certain corrections. Counsel Singh presented in particular the UK Supreme Court's decision in *NML v. Argentina* as if it related to the warship *ARA Libertad*. This is clearly not the case. The judgment concerned only the State immunity of Argentina. It evidently did not relate to the immunity of the warship *ARA Libertad*. I have shown yesterday that the denial of the immunity to a warship requires a special waiver relating to enforcement measures and, moreover, a specified waiver indicating the particular warship subject to the waiver. The English High Court rendered a decision that is in stark contrast to the interpretation of the above judgment offered by Ghana's Counsel. In *A Company v. Republic of X*, the Court decided, with regard to diplomatic assets that enjoy a similar status to that of military property, that a general waiver of immunity did not amount to a waiver of diplomatic immunity but only of State immunity. In that case, the High Court found that an agreement, which

provided, *inter alia*, that the defence of sovereign immunity was waived, was ineffective as a matter of law to confer jurisdiction on the Court in respect of property protected by diplomatic immunities.

I have tried to make it crystal clear yesterday that doctrine and practice overwhelmingly accept that military property is to be equated with diplomatic property when it comes to the requirement of a special and specified waiver of immunity.

This is not only confirmed in the ILC's Commentary I referred to yesterday and the Convention on the Jurisdictional Immunities of States and their Property. It is also visible in the jurisprudence of various States, such as the United States, the United Kingdom as just shown, Switzerland, Germany, France; this jurisprudence clearly rejects such an interpretation. As to the cases in the United States, it is quite remarkable that the very same judge who determined that the waiver had legal effect declined any enforcement measure against property used for public purposes. Today I will refrain from repeating the abundant case law supporting this conclusion.

This conclusion is also confirmed by the legislative acts of various States, among them the United States and the United Kingdom.

Thus, the British State Immunity Act explicitly excludes from it "anything done by or in relation to the armed forces of a State while present in the United Kingdom [...]". Similar provisions can be found in the United States Foreign Sovereign Immunities Act, which also excludes the possibility of a waiver in respect of any such property. Another explicit rule to the same effect is included in the Australian Foreign States Immunities Act, whose definition of "military property" includes "ships of war". Its section 31(4) reads as follows: "A waiver does not apply in relation to property that is diplomatic property or military property unless a provision in the agreement expressly designates the property as property to which the waiver applies."

Can anyone earnestly deny that the wealth of jurisprudence and other State practice illustrates the existence of a relevant norm? If Ghana's Counsel has attempted to cast doubt on the existence of this norm, she has failed even at the outset. For, as I have shown, the United Kingdom's Supreme Court judgment that was conspicuously presented by Ghana in both its written submission and oral statements, with all due respect, is entirely immaterial to the present issue.

Taking the interpretation of the judgment offered by Ghana's Counsel seriously would, by implication, mean that the diplomatic buildings of any State could immediately be attached. Such a solution is fundamentally in contradiction to basic principles of international law and would never be accepted by the community of States.

Mr President, Mr Vice-President, distinguished Members of the Tribunal. Let me now turn to the very heart of the present case, namely the causes of action of Argentina under the Convention that are undeniably present.

Yesterday, my learned colleague Professor Sands expressed the view that "the Convention has no rule on the question of the immunity of a 'warship' in internal

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waters, or on waiver of immunity". In his view, article 32 of the Convention does not refer to any such immunity in internal waters.

Let me first go back to the text of article 32 of the Convention, if you permit. It reads as follows:

Article 32: Immunities of warships and other government ships operated for non-commercial purposes

With such exceptions as are contained in subsection A and in articles 30 and 31, nothing in this Convention affects the immunities of warships and other government ships operated for non-commercial purposes.

The reference in article 32 to "the Convention", instead of "the Part" was deliberately chosen by the drafters in order to extend the scope of this article beyond the territorial sea, so as to cover the entire geographical scope of the Convention, as also shown by Bernhard Oxman in his article on the regime of warships under the UNCLOS. This author is most certainly the leading authority regarding the interpretation of the Convention, as a number of the persons present here can surely attest.

The Convention itself also relates to internal waters, which include ports. This is clear not only from the provisions that I quoted yesterday, such as article 25, paragraph 2, of the Convention or more generally Part XII of the Convention that relates to the protection and preservation of the marine environment. It derives already from article 2, paragraph 1, of the Convention, which reads: "The sovereignty of a coastal State extends, beyond its land territory and internal waters and, in the case of an archipelagic State, its archipelagic waters, to an adjacent belt of sea, described as the territorial sea."

This provision obviously recognizes the existence of the sovereignty of a coastal State also over internal waters since without such sovereignty any sovereignty could not be "extended". This provision has to be interpreted in accordance with article 32 of the Convention, according to which such sovereignty must not affect the immunity of warships.

My learned colleague Professor Sands, when stating that the Convention does not accord immunity to warships in internal waters, entirely leaves out one provision that I had discussed vesterday, namely article 236 of the Convention. It reads, in its relevant part:

Article 236: Sovereign immunity

The provisions of this Convention regarding the protection and preservation of the marine environment do not apply to any warship, naval auxiliary, other vessels or aircraft owned or operated by a State and used, for the time being, only on government non-commercial service.

It has to be taken into account that the provisions of the Convention regarding the protection and preservation of the marine environment undoubtedly also apply to the ports of States, such as article 211, paragraph 3, of the Convention concerning the

entry of foreign vessels into ports or internal waters or article 218 of the Convention concerning the enforcement by port States. Accordingly, article 236 clearly applies to the legal regime of ports.

Another article of the Convention relating to internal waters is article 8, which is even entitled "Internal Waters". It is manifestly indefensible to argue that the Convention provides no guidance concerning warship immunity in internal waters.

The quotation presented by my learned colleague Professor Sands from the well-known textbook of Professors Lowe and Churchill, obviously misreads the relevant passage. Professor Sands reads into the authors' analysis that there is a difference between the immunity warships enjoy in internal waters and those they enjoy in the territorial sea, but this certainly cannot be read into the cited text.

In contrast, the only relevant passage in Professor Churchill and Professor Lowe's work that is pertinent in the present case is the following, I cite from page 99: "[...] warships [...] are not subject to the enforcement jurisdiction of the coastal State, because of the immunity that they enjoy under customary international law (TSC, art. 22(2): LOSC, art. 32)."

Professors Churchill and Lowe clearly construe article 32 as determining the immunity with respect to the entire geographical scope of the Convention. This understanding of article 32 is clearly established in all relevant works that have appropriately synthesized the law of the sea, such as, only to mention the most recent example, that by Tanaka.

Moreover, I have already referred yesterday to an extensive number of authorities contending that the immunity accorded to warships is identical in internal waters as it is in the territorial sea.

Moreover, article 32 explicitly refers to such immunity so that warship immunity is incorporated into the Convention. I could add that in quite a number of its provisions, the Convention refers to legal expressions that are undefined in the Convention and require a definition from outside the Convention. So, for instance, if the Convention refers to responsibility even though this legal expression has to be interpreted in the sense of the Articles on the Responsibility of States taken note of by the General Assembly.

My learned colleague Professor Sands made great efforts to demonstrate that neither article 18, paragraph 1(b), nor articles 87, paragraph 1(a), and 90 of the Convention contain any rule of immunity. This may be true as a matter of word count. Indeed, "immunity" is, I readily admit, not mentioned in any of these provisions. However, article 32 is comparable to a horizontal provision that produces effects for the entire Convention, as I have already explained. Thus, any relevant article of the Convention cannot but be read in connection with article 32. This is required in particular by the necessity of a contextual interpretation of a treaty according to the well-established rule of interpretation as codified in article 31 of the Vienna Convention on the Law of Treaties of 1969. It is impossible to state that an article of the Convention that does not mention immunity entitles a State to disrespect immunity. Article 32 together with

article 95 of the Convention puts it beyond any doubt that according to the Convention the immunity of warships is to be respected in all maritime areas.

Let me make it entirely clear again what Argentina's causes of action under the Convention are in this case. This is necessary because my learned colleague Professor Sands in his remarks to the Tribunal yesterday has either ignored or misinterpreted Argentina's arguments with respect to the causes of action under the Convention that it is bringing before this Tribunal.

 What is at issue in this case is the denial to Argentina of its rights under the Convention, which include, but are not limited to, immunity. The denial of immunity has the direct and foreseeable effect of denying other rights under the Convention, such as the ones invoked yesterday.

One of the rights under the Convention, and denied by Ghana, is the right of innocent passage. It was agreed, by an exchange of notes between Argentina and Ghana, that the frigate *ARA Libertad* was scheduled to leave the port of Tema on 4 October 2012. This meant that it was agreed between the two States that this vessel, by leaving the port, would enjoy the right of innocent passage, as defined in article 18, paragraph 1(b), of the Convention. However, the vessel was precluded from exercising this right. The attachment had a direct and foreseeable bearing on the exercise of this right that includes proceeding from the port.

Moreover, according to article 18, paragraph 1(b), of the Convention, innocent passage "means navigation through the territorial sea for the purpose of proceeding to or from internal waters or a call at such roadstead or port facility."

This article can only be interpreted to mean that the denying a vessel from "leaving" a port immediately amounts to a direct denial of the right of innocent passage.

According to the working schedule of the *ARA Libertad*, it was known and agreed by both States that after leaving the port of Tema, the frigate would make for the high seas in order to reach the next destination, Luanda in Angola. It was agreed that the frigate would leave the territorial sea of Ghana on 5 October 2012 at 1500 GMT at latitude 00°24' 80 (N) and longitude 000°00' 90 (W). So the relevant authorities of Ghana were aware that the *ARA Libertad* envisaged to proceed to the high seas. Even if the navigational route of the *ARA Libertad* would have led through only the Exclusive Economic Zone of Ghana and the neighbouring States it nevertheless would have enjoyed the freedom of navigation on the high seas according to article 58 of the Convention. Accordingly, the attachment of the frigate *ARA Libertad* in the port of Tema was the immediate cause that precluded this ship from enjoying this freedom.

Mr President, Mr Vice-President, distinguished Members of the Tribunal. Let me answer one question that was raised by my learned colleague Professor Sands yesterday, who asked that Argentina should "find two rules in UNCLOS" that establish *prima facie* jurisdiction.

The rules that Argentina is allegedly unable to find plainly exist and Argentina has found not only one, or two, rules in the Convention applicable to its case, but

several, as already mentioned. The rules that provide for the absolute immunity of warships are particularly based on article 32 of the Convention, as already explained by reference to numerous authoritative sources. For this reason it is hardly understandable that my learned colleague could come to the conclusion that the "coastal State enjoys full territorial sovereignty, and all foreign vessels – including a warship – are subject to the legislative, administrative, judicial and jurisdictional powers of the coastal State."

This is certainly not true; of course, the International Court of Justice has already decided that immunity can only be applied if jurisdiction exists: jurisdiction must be given before immunity is to be granted. But international law obliges States to respect the immunity of warships that is enshrined in the Convention, if they are within the jurisdiction of a State. Even the scholarly authority Professor Sands quotes reaches this conclusion, just as any work on point, as I already had the opportunity to explain.

There are also other rules of the Convention that are pertinent but which have been glossed over in Ghana's submission. They relate to the maritime navigational rights that I have already elaborated on in detail. As to the second rule my learned colleague Professor Sands is looking for, there is no need to look any further since it is already encompassed by the first one, on the absolute immunity of warships.

 Mr President, Mr Vice-President, distinguished Members of the Tribunal, let me now summarize the gist of my argument and Argentina's case as it relates to the causes of action under the Convention which require protection by this Tribunal: I have set out by observing that the "rule of law" that we are discussing here can only mean that States are to abide by their obligations under international law. I then found myself compelled to point out the error constituted by the reliance of Ghana's Counsel on jurisprudence of the United Kingdom Supreme Court that is entirely immaterial to the present case. After discussing these points I was able to turn to the real heart of the dispute. Contrary to the contentions of Ghana, the causes of action under the Convention, which require protection by this Tribunal, are based entirely on the Convention. Specifically, Argentina seeks the Tribunal to protect the immunity of its warship, the *ARA Libertad*, and its right to innocent passage and freedom of navigation on the high seas. As I have shown, the only arguable interpretation of the pertinent provisions places all of these rights squarely within the Convention.

Mr President, Mr Vice-President, distinguished Members of the Tribunal. I thank you for the attention you paid to my statement and ask you, Mr President, unless I can be of further assistance, to give now the floor to Professor Kohen.

THE PRESIDENT (Interpretation from French): Thank you very much. I now give the floor to Professor Kohen.

PROFESSOR KOHEN (Interpretation from French): Mr President, Mr Vice-President, Members of the Tribunal, my task this morning essentially consists in replying to the arguments put forward by the other Party regarding the conditions that must be met for the Tribunal to prescribe the provisional measure sought by Argentina. I shall address the three conditions in turn in order to demonstrate that those arguments have in no way invalidated the conclusion we came to yesterday morning, which was that these conditions are fully satisfied in this case.

ease with which counsel for Ghana dealt with the fact that a warship can be forced to remain in the port of a foreign State and that even force, albeit "moderate" or "non-excessive", can be used against it. No less surprising is the effort to provide legal justification for this alleged behaviour. We have heard arguments about the ordering of provisional measures, the interpretation of the 1982 Convention, the right of immunity, and the relationship between international and domestic law which, if correct, would not only render the presence of foreign warships in States' ports complex, to say the least, but would also constitute veritable challenges to the settled interpretations of the fundamental rules of international law.

Allow me to begin with two general points on Ghana's submissions vesterday

afternoon. My first comment is an expression of puzzlement. I am surprised at the

My second general comment concerns something wholly new that was said yesterday afternoon by Ms Butler. She warned you, Members of the Tribunal, that even if you were to find the three conditions for prescribing the provisional measure to be satisfied, you would have discretion not to order that measure. Counsel for Ghana seems to be applying here the interpretation given to article 65 of the Statute of the Court and article 138 of your Tribunal's Statute for the discretionary exercise of advisory jurisdiction. However, she reversed the role of what are called "compelling reasons": in the Court's case-law these "compelling reasons" may be invoked as reason for the Court to abstain from exercising its advisory jurisdiction, whereas according to Ms Butler there would need to be "compelling reasons" for the ordering of provisional measures. I do not think I need go any further. I shall confine myself to saying that neither your Tribunal nor the Hague Court have ever invoked – and I could probably say that they never even imagined – this discretionary power in relation to provisional measures.

I shall now move on to the arguments put forward by the Respondent in order to contest the *prima facie* existence of the arbitral tribunal's jurisdiction. Mr President, the Respondent relies on two principal arguments in arguing that the tribunal lacks jurisdiction: that the Convention articles invoked by Argentina are not relevant, and that the merits of the case are a matter for "New York law, and possibly also the law of Ghana".

My colleague Philippe Sands engaged in some very original interpretations of some of the Convention rules cited by Argentina. Of course, it was his absolute right to do so, except that he rather got ahead of himself. He went straight to the heart of the dispute which the arbitral tribunal would be asked to decide in order to establish whether or not Ghana has breached its international obligations under these articles. One thing is certain: in doing so, he provided the best possible proof of what he wanted to avoid, i.e. that there is a dispute over the interpretation and application of the rules of the Convention and that the Tribunal consequently has jurisdiction. In addition to your case-law cited yesterday, I would add the finding of The Hague Court in the case relating to the Convention on Genocide in Bosnia-Herzegovina. It found that the parties

are moreover in disagreement with respect to the meaning and legal scope of several of those provisions. [...] For the Court, there is accordingly no

doubt that there exists a dispute between them relating to "the interpretation, application or fulfilment of the Convention".

We are in exactly the same situation here with regard to the rules of the 1982 Convention, and Gerhard Hafner has shown you our *fumus boni iuris*.

I could say the same with regard to everything put forward by counsel for Ghana. Each member of the opposing team showed remarkable zeal in examining Argentina's alleged waiver of immunities, though no-one (I repeat, no-one) has yet explained how this waiver would apply to the *ARA Libertad*. That remarkable zeal was nonetheless fruitless, as Gerhard Hafner has just demonstrated.

 I have the impression, Mr President, that counsel for Ghana have a problem with the causal link or, to put it more prosaically, that they have put the cart before the horse. They seek to hide the dispute regarding Ghana's failure to meet its international obligations under the Convention behind the dispute between the NML vulture fund and Argentina. According to Ghana, the law that really should apply is that of New York or of Ghana.

Members of the Tribunal, let me draw your attention to a major defect in Ghana's line of argument: the question whether the warship *ARA Libertad* enjoys immunity is governed neither by New York law nor by the law of Ghana. Like any question relating to immunity, it is governed essentially by international law, and national courts, whether or not their States have legislation on immunity, are required to observe and apply international law when faced with proceedings against a foreign State.

In reality, Mr President, the Respondent's entire line of argument is based on a serious error not only over the interpretation of the scope of waivers of immunity but also over the way in which the actual concept of immunity works. If we follow the Ghanaian argument, international law has no role to play in the whole question of immunity, nor doubtless do the international courts or tribunals. Thus, in their view, it is a matter governed by domestic law and one for the domestic courts. Ultimately, Ghana seems to be saying more or less the following: "You should not have come to Hamburg; you should have gone to Accra, to the Ghanaian Court of Appeal, in order to resolve this matter, and that court would apply New York law and perhaps the law of Ghana". Opposing counsel then went on to make a great deal of the need to observe the rule of law, which implies respect for the separation of powers and the independence of the judiciary.

The real problem, Mr President, which Ghana seems to overlook despite its being so obvious, is that disputes concerning immunity from jurisdiction and execution arise precisely from the action of States' judicial organs. Need we recall the quite recent judgment by the Hague Court on *Jurisdictional Immunities of the State*, in a dispute between Germany and Italy? If a State could rely on the independence of its judiciary in order to avoid responsibility for violating the immunities enjoyed by protected property and persons, or to force a foreign State to pursue domestic remedies in order to get these immunities recognized, there would be nothing left of the institution. The Ghanaian argument is thus the most perfect way to demolish the very basis of immunity: *par in parem non habet imperium*.

2 My colleague Philippe Sands complicated his task by choosing the example of 3 4 5 6 7 8 9 10

General Pinochet, Instead of speculating about Chile's reasons for not instituting proceedings before an international court when he was arrested in London, he could have drawn on the case law of The Hague. He could have found, for instance, that in the Yerodia case the Court engaged the responsibility of Belgium for the acts of its judicial bodies, which had issued an arrest warrant, thereby violating the immunity of a Minister of Foreign Affairs. If Mr Yerodia had been arrested pursuant to this arrest warrant, the Democratic Republic of the Congo would have had its hands tied internationally because, if we are to accept Mr Sands' theory, it would have had to leave the matter to the domestic courts.

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I do not intend to dwell further on this matter. Article 4 of the articles on responsibility of States and article 6 of the United Nations Convention on the Jurisdictional Immunities of States and their Property are absolutely clear in this regard.

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Aside from the elementary point that the State is responsible for the acts of all its organs. I confess that I was astonished at the Respondent's insistence on sheltering behind the rule of law to justify its actions. Our adversaries even acknowledged that the rule of law encompasses respect for international law. On the one hand, Argentine rights flowing directly from international law are being flouted; on the other hand, the internal Ghanaian legal order was flouted by the events of 7 November without entailing any consequences. In other words, according to the Ghanaian Government, it cannot release the ARA Libertad because that would be contrary to an execution order from a Ghanaian court. By contrast, its Port Authority may forcibly relocate the ARA Libertad even though there is as yet no enforceable decision and notwithstanding the warning contained in an Argentine note dated 31 October urging Ghana to refrain from taking such action. It seems to me that the rule of law in question changes with the wind.

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38 39 Moreover, I note the significant silence on such a basic issue as the agreement between the two States that the warship would arrive in Tema on 1 October and leave the port on 4 October and Ghanaian jurisdictional waters on 5 October. It seems impossible to deny that this arrangement relates to law of the sea issues. And the evidence shows that the ARA Libertad was unable to leave Tema on 4 October as agreed between the parties and that it still unable to do so. Mr. President, I do not think that the question of the rule of law has any bearing whatsoever on the question which has brought us here, although generally speaking the rule of law implies respect for international law. Perhaps it is worth recalling the most elementary of all rules: pacta sunt servanda.

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I shall now turn to the pressing need to prescribe the provisional measure.

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49 50 The Respondent's efforts to downplay the gravity of the question that motivated this request for a provisional measure has not escaped the Tribunal's attention. Ghana's arguments in support of its claim that it is unnecessary to order the provisional measure may be summarized as follows: primo, all is well at the moment in Tema and there is no problem for either the warship or its crew. Secundo, as the training vessel was refurbished between 2004 and 2007, if it is not in use now, no irreparable damage will be sustained. Tertio, Argentina can at any moment post the

US \$20 million bond and the *ARA Libertad* can immediately set sail. Those are Ghana's three main arguments.

Ghana's efforts to demonstrate that the situation on the ground has improved somewhat has no bearing whatsoever on the need to prescribe a provisional measure to protect Argentina's rights that are at issue in the present case. Because the right at issue for Argentina is not that of ensuring that the frigate is held in the port of Tema under conditions that are more or less satisfactory (and they are not at all satisfactory at the moment). The right consists essentially in being able to leave Tema and in enabling the *ARA Libertad* to resume its normal activity.

Ghana is aware of the flimsiness of its arguments aimed at justifying the indefensible acts of its Port Authority on 7 November 2012. To compensate for this, the Respondent has gone to great lengths to present affidavits demonstrating that the forced presence of the *ARA Libertad* and its crew in Tema is a sort of holiday. I shall refrain from commenting on the putative concern of the Ghanaian Port Authority to protect the frigate from the alleged risks of contamination from cement, which was what supposedly motivated it to seek its relocation. Whether this would be undertaken by force is of little consequence because it seems at this stage that, as far as Ghana is concerned, it is the director of the Tema Port Authority who now issues orders to Captain Salonio.

Mr President, I would also like to draw your attention to the fact that the annex to Ghana's written pleading mentions a number of affidavits, photographs and videos, which Argentina has not received.

Members of the Tribunal, you will find in your folders the affidavits that we received a few hours ago from Captain Salonio of the ARA Libertad and the Argentine Ambassador accredited to Ghana, Susana Pataro. These affidavits refute the accounts presented by Ghana in the annex to its written pleading and in the judges' file submitted vesterday. We request you to take them into account in assessing the current situation of the ARA Libertad and the assertions of the opposing party. The affidavit of Captain Salonio illustrates the insecurity and tension of the situation that still prevails as well as his inability to go ashore. I would like to draw your attention, Mr. President, to the misleading nature of question 5 posed to the Port Authority by counsel for Ghana. Captain Salonio really is being subjected to proceedings for "contempt of court", as demonstrated by our document filed with your Tribunal on 27 November 2012. It is of no consequence whether or not the proceedings were instituted by the Port Authority. The affidavit of Ambassador Pataro sets out clearly what occurred on 7 November. Moreover, the treatment to which he was subjected triggered a protest note from Argentina to Ghana, which, like all the other notes, has remained unanswered.

Mr President, I argued yesterday morning that Ghana would suffer no damage if it were to order the release of the *ARA Libertad*. Yesterday afternoon our colleagues on the opposing side confirmed what I had stated. Counsel for Ghana presented you with an account of the problems that the presence of the *ARA Libertad* is allegedly creating in the port of Tema, and the losses thus incurred. Ms Butler pointed out that account must be taken of the rights of both Parties when prescribing provisional measures, but she failed to invoke any right. Apparently the only right that Mr Sands

could suggest as being perhaps at issue for Ghana is respect for the rule of law, a point that I have already addressed. In any event, Mr President, your Tribunal deals with States, which constitute a single subject of law at the international level. The prescription of the provisional measure must be applied by Ghana, and if Ghana is so concerned about international law, it should not harbour any doubts about the fact that the rule of law will require it to abide by your decision.

Mr President, faced with the demonstrated falsity of Ghana's claims regarding the promptness with which the Port Authority acted in supplying fuel to the *ARA Libertad*, Counsel for Ghana has provided the following explanation: (continued in English)

It is true that the order of Judge Frimpong (which is currently under appeal) appears to specify that the ship is prevented from refuelling, but the Port Authorities are willing to do all that they can to support any Argentinian application for variance of Judge Frimpong's order so as to allow the ship to refuel or at least to clarify if there is some degree of misunderstanding as to whether or not it can be refuelled – and we are told that it can already be refuelled.

(*Interpretation from French*) Leaving aside the kind invitation to apply to a court having no jurisdiction to alter a decision which is contested by Argentina *in toto*, I must once again confess I am perplexed by a statement, which is unfounded, that the warship could already have been resupplied. Not only is there nothing to bear out this assertion but it would also be contrary to Judge Frimpong's order. Again, this seems to be what is called the rule of law by the opposing side.

Members of the Tribunal, the application to authorize the *ARA Libertad* to refuel in order to leave Tema and Ghana's territorial seas remains entirely valid.

Just a word on the point that the training vessel has not been used for three years. It did indeed undergo substantial modernization, but that cannot be taken seriously as a reason for keeping the *ARA Libertad* in detention. Surely it is for the warship's flag State to decide how the vessel is to be employed and to make use of the vessel in its present modernized condition. Depriving the Argentine navy of its training ship causes irreparable harm.

Mr Sands has also claimed that we are demanding some "super kind of prompt release". I have already commented on the difference between prompt release and the situation of a warship that has not been accused of committing any offence. The opposing Party has not reacted to this distinction. There is no need to dwell on it here. I shall simply mention my curiosity as to how my colleague arrived at his manifestly exorbitant calculations in claiming that the cost of these proceedings equates to the \$20 million that NML sought as a bond, and which Judge Frimpong was in such a hurry to set.

Lastly, the Respondent claims that there is no urgency because the arbitral tribunal could act quickly and Ghana is giving every assurance that the *ARA Libertad* and its crew are being well treated pending the conclusion of the proceedings in the Ghanaian courts.

 I shall not go back over our comments yesterday regarding the alleged speed with which the arbitral tribunal could be in a position to address the request for provisional measures. I would simply add one observation. It has now been 30 days since Argentina gave notice that it was instituting arbitral proceedings. To date, we have received no news regarding Ghana's designation of an arbitrator as required under article 3 of Annex VII.

Nor shall I go back over all the reasons that demonstrate the urgency of the need for the prescription of provisional measures, both from the point of view of the security of the vessel and crew and the risk of tensions in the port. The fact that the harm to Argentina's rights is ongoing amply justifies this urgency.

There is another essential question on which Ghana has remained silent. That is the very real possibility that the country's judicial bodies will decide to execute the order – entirely unlawfully, of course – against the *ARA Libertad*. In other words, if we were to believe the opposing side, the fact that the proceedings in the domestic courts would, in their view, be completed by the end of January 2013 is surely an added element of urgency for the prescription of provisional measures. There is no basis for supposing that the arbitral tribunal would even be in a position to be operational by then. Nor is there any basis for forecasting when the proceedings in the domestic courts might end.

That brings me to the alleged assurances from Ghana. The case law of your Tribunal has considered the granting of assurances, as an element to be taken into account for determining whether or not provisional measures need to be prescribed, in circumstances which are quite different from those of this case. Moreover, what are these assurances? The assurance that the rights of Argentina with regard to the warship cannot be exercised for an indeterminate period. That seems more like saying, "We will keep the *Libertad* in detention, but it and its crew will be properly treated whilst they are being kept there". What Ghana is basically asking for is to allow it to judge and decide on the fate of the vessel. That is what lies hidden behind Ghana's request that no provisional measures be prescribed. Could your Tribunal truly "safeguard" this alleged right of Ghana's, which does not exist and which the Respondent has not even made an effort to show exists?

Mr President, Mr Vice-President, Members of the Tribunal, Ghana invites you to disregard the question of immunity in the area of international law and to make the presence of foreign warships in foreign ports subject to the ruling of a coastal State. But Argentina has come here to preserve three fundamental rights which are the essence of the co-existence of States at sea and which, moreover, are the result of a bilateral arrangement.

You will have noticed the quite exceptional nature of the situation that you are faced with. A warship visiting by agreement between the two States concerned is then prevented from leaving port to continue on its way and is subject to a measure of constraint. The only way to protect the rights of the flag State without causing harm to Ghana – which would in fact be to its benefit and that of the entire international community – would be to permit the *ARA Libertad* to leave the Port of Tema and the territorial waters of Ghana and permit it to be resupplied to that end.

 I thank the Members of the Tribunal for your attention. Mr President, I request you to give the floor to the Agent of the Argentine Republic.

THE PRESIDENT (*Interpretation from French*): Thank you, Mr Kohen. The Agent for Argentina, Ms Ruiz Cerruti, is now given the floor.

MS RUIZ CERRUTI (Interpretation from French): Mr President, Mr Vice-President, Members of the Tribunal, on this second day of pleading, Argentina finds that there are still some surprises left. The assertion by Counsel for Ghana whereby the immunity of warships is not covered in the United Nations Convention on the Law of the Sea is simply wrong. When the Convention states that nothing shall affect the immunities of warships and when a State – Ghana in this case – maintains that presence in one of the maritime areas covered by the Convention is sufficient to affect the immunities of a warship, what is clearly at stake is the interpretation and application of the Convention.

Yesterday I referred to the principle of good faith, which article 300 of the Convention sets out, not just as a principle of interpretation but also as a basic norm that creates obligations as to conduct. We do not think it is possible to interpret the Convention in good faith and at the same time deny that the Convention includes the immunity of warships. Only an interpretation contrary to good faith could enable a national court to decide that it has the right to exercise jurisdiction over a warship making an official visit to a port in its country with the agreement of its government.

Every year the General Assembly of the United Nations adopts a resolution on the oceans in which it proclaims "the universal and unified character of the Convention". In the preamble of the resolution, the Assembly reaffirms

that the Convention sets out the legal framework within which all activities in the oceans and seas must be carried out and is of strategic importance as the basis for national, regional and global action and cooperation in the marine sector.

In the operative part of the resolution, the General Assembly also "reaffirms equally the unified character of the Convention and the vital importance of preserving its integrity".

Mr President, to claim that the Convention does not regulate the immunities of a warship is not just to ignore the text of the Convention but also to deny that that instrument regulates all activities in the oceans and seas. Such a reading also denies the unified character and the integrity of the 1982 Convention. I wonder whether any warship would ever call at a foreign port if one were to declare that matters relating to the immunities of warships are excluded from the general regime of the law of the sea arising from that Convention.

Mr President, yesterday we heard the other party say that there was no dispute between Ghana and Argentina, but rather between Argentina and something called NML. In fact, by this point in the proceedings, everyone will have observed that there is indeed a dispute between Ghana and Argentina, which was referred to extensively by my learned colleague Ebenezer Appreku. If I understood him correctly, he indicated that the executive branch of government in his country maintains its official position to the effect that its judges do not have jurisdiction over Argentina and, more specifically, over the ship *ARA Libertad*. Moreover, Mr Appreku referred to the difficult situation that his country finds itself in because of the principle of the separation of powers.

Having listened to him, I get the impression that the Government of Ghana is not opposed to this Tribunal prescribing the provisional measure requested by Argentina; on the contrary, that decision would resolve the tension between the executive branch and the judicial authorities mentioned yesterday by Mr Appreku. Such a decision would at the same time be in accordance with the international law of the sea, the principles of international law and the rule of law. Moreover, a response from the Tribunal for the Law of the Sea would have the useful effect of preserving the immunity of the *ARA Libertad*.

With the exception of my learned colleague Mr Appreku, the rest of the statements by the other party seemed to refer to a different dispute, the one arising from the claims of a vulture fund against Argentina. The interests of a company are not the same as those of a State. Comparing a debt with accusations of crimes against humanity seems to us an inappropriate exercise in rhetoric, which introduces confusion and is fraught with risks that a State would normally not take. It may seem incomprehensible to a private company that a warship used for military purposes may have on board military personnel of various nationalities other than that of the flag State; fortunately, co-operation between States offers quite different possibilities.

Mr President, Mr Vice-President, Members of the Tribunal, throughout the present proceedings Ghana has referred on numerous occasions to the vulture fund NML and the numerous legal proceedings to which NML has tried to bring against Argentina. This seems to be a rather clumsy attempt to divert attention from the real dispute that sets Ghana against Argentina today concerning the embargo that has been placed on the *ARA Libertad* and also to avoid international responsibility.

This strategy on the part of the other party compels me to dwell for a little while on vulture funds and their practices, even though, as I must emphasize explicitly, this is outside the scope of the decision that this Tribunal will have to take. By the way, there are 44 references to vulture funds in the statements made by the other party.

Mr President, the Ghanaian court has certainly not been designated as a competent forum to deal with bonds issued by Argentina. Why, then, did a fund, one of those so-called vulture funds, with headquarters in the Cayman Islands, choose Ghana as a forum and the *ARA Libertad* as its prey?

Some of these "speculative investment funds", as they are called, buy up debts from countries that are about to default for a mere fraction of their value with a view to recovering the total value via legal actions before foreign courts. These strategies are frequently successful, obtaining financial ransoms extorted from the public purse, money that should normally be used to combat poverty and instability.

Although the activities of the vulture funds first emerged in South America, since the 1990s they have got their claws, as it were, on a number of countries in sub-Saharan

Africa, by acquiring their debts on the cheap. These funds then waited for financial aid and debt relief programmes to be offered by the World Bank, IMF and the developed countries before going on the attack, by presenting their bond certificates to American and European courts and seeking payment of the whole of the debt.

When it was clear that a large proportion of the aid given to Africa was falling into the clutches of these vulture funds, some organizations began to question the international financial system and they coordinated their efforts to put pressure on governments and the international financial institutions so that the necessary measures could be taken to deal with the situation.

Within this context, there is a sad irony in the fact that it is an African judge who seized the frigate *Libertad* in the port of Tema, following a request from a vulture fund. A key element of the Argentine national heritage is thus being held in clear violation of international law in order to obtain the payment of a speculative debt bought for a song because of a default in payment that occurred almost a decade ago.

 My country defaulted on its payments in 2001, right in the middle of an economic crisis of unprecedented gravity in recent Argentine history. In order to get out of that situation in 2005, and again in 2010, Argentina devised and carried out a complete restructuring of its debts, which was accepted by more than 92 per cent of its creditors - I emphasize, 92 per cent of its creditors. From that moment on, the message of the Argentine Government was clear: Argentina will abide by the restructuring plan for its debts. It has paid, and is still paying, fair compensation to all bond-holders who agreed to swap their claims, and this has contributed to its economic recovery.

 It must also be emphasized that the interest on the restructuring bonds was pegged to the movement of Argentina's GDP. After annual growth of more than 8 per cent since 2003, this has led to a significant gain for the bond-holders who participated in the restructuring process.

Mr President, we fully understand why a vulture fund such as NML decided to attack an emblematic symbol of Argentina. Being in the habit of speculating, it imagined that Argentina would be prepared to accept the price of posting a bond such as that which the Ghanaian court maintains it has imposed for the release of the *ARA Libertad*. But they made a big mistake: Argentina has never yielded and will never yield to such attempted extortion, nor could it do so because of the obligations it undertook when restructuring its debt. On the other hand, we have difficulty understanding why Ghana, a country that is friendly towards Argentina, has not reacted to the activity of the vulture fund.

 Mr President, Mr Vice-President, honourable Members of the Tribunal, I have the impression that the *ius privatista* view that prevailed yesterday in the pleadings by the other Party is intended to distort the content of the provisional measure requested by Argentina by attributing to it an emotional content which is to the detriment of its due rationality.

 Mr President, the immunity of warships is not based on sentiment. The protection of the function that characterizes diplomatic immunity, and immunity relating to warships, is based inexorably on common sense. You do not employ force against a warship except in a context of war. The use of force against a warship outside of that context, apart from being contrary to international law, is, moreover, an absurd act. To expose that folly before an international tribunal, Mr President, is the most rational conduct that Argentina could adopt in the current circumstances. I defy anyone to suggest a more rational approach than the one which we have chosen and which has led us here to this Tribunal in Hamburg.

While we are talking about rationality, Mr President, Members of the Tribunal, I must admit that I was surprised yesterday when my learned friend Mr Appreku stated: "We are pleased that, in keeping with its belief in the rule of law, Argentina chose to file an appeal in Ghana instead of resorting to the use of force."

If there is irrationality in this case, Argentina does not think that it comes from our side. The comment made by my learned friend leads me to a number of observations:

First, if Ghana is so convinced of the need to preserve its rule of law, it ought to avoid a repetition of the episode that took place on 7 November, where Ghana itself admitted that it used force against an Argentine warship.

A warship, according to the Convention, is "under the command of an officer duly commissioned by the government of the State"; that is to say, it is a ship in which only the law of the flag State applies through the authority of the commander. By stating that a foreign warship in its internal waters is "available for enforcement", Ghana is claiming that the definition of a warship has a limited scope, when in fact that restriction does not appear in the text of the Convention; otherwise, Ghana would not be trying to take coercive measures against the *ARA Libertad*.

If warships are to cease to be under the exclusive authority of the flag State when they are in the internal waters of a third country, the definition in the Convention would be subject to a condition which is not contained either expressly or implicitly in the rule. This conclusion is, moreover, fundamental to the jurisdiction of the arbitral tribunal that will be called upon to rule on the merits of the request made by Argentina against Ghana.

Whilst this dispute remains unresolved, the position of Argentina is that the definition of warship applies, as the Convention states, throughout all maritime areas, including internal waters when the warship is there with the consent of the coastal State. From the point of view of Argentina, if the commander of the *ARA Libertad* were to allow the Ghanaian authorities to take control of the ship, either to move it from one place to another or for any other reason, our country would cease to classify the *ARA Libertad* as a warship, and we have not taken any such decision.

The real urgency in this, Mr President, stems from the fact that Argentina does not know what parameters Ghana is using to measure the "rationality" with which it used force against an Argentine warship. I repeat, I do not know what Ghana considers "rational" when Ghana uses that adjective to describe the use of force against a

warship. Now Ghana is allowing the use of force against the captain of the ship because the captain is acting in accordance with the Convention, that is to say, by applying on board the warship exclusively the law of its flag State.

In such a context, the absence of essential items, such as fuel, the supply of which has been prohibited by the Ghanaian court which imposed the embargo, is an additional aggravating factor, adding to the psychological pressure to which the crew of the vessel is subjected. These observations I have just made, along with the affidavit from the captain of the *Libertad* which we have annexed to the Judge's folders this morning, are in response to the question which was put to us by the Tribunal on the subject of the current situation of the *ARA Libertad* and its crew.

Mr President, the presence with the consent of the coastal State, of a warship in its territorial waters in no way alters its status as a warship. Today Ghana has revealed some of the mystery that surrounds its position. We now know that this State is claiming the contrary, that is, that a warship loses that status when it is in the internal waters of a State which has consented to its presence.

Mr President, since it is an aspect of the substance of the dispute between Ghana and Argentina, I can only reject the claim made by my learned friend Mr Appreku when he said:

(Continued in English)

Ghana is not a party to the dispute between NML and Argentina. NML, a private company incorporated under the laws of the Cayman Islands has issued proceedings against Argentina in the United States, the United Kingdom and in France. It is this dispute which forms the subject matter of Argentina's Statement of Claim and Request for the prescription of provisional measures.

(Interpretation from French)

The subject-matter of the dispute between Argentina and Ghana relates to the respect for the immunity of the Argentine warship. The Respondent maintains that the immunity of that vessel has been waived because it is in internal waters. It is difficult to imagine a dispute which is more central to the structure of the Convention. The jurisdiction of the tribunal which is called upon to decide on the merits is something more than *prima facie*. Mr President, the other disputes to which my learned friend Mr Appreku referred, and I am talking about the disputes that NML has consistently lost against Argentina in one court after another, have nothing to do with this Tribunal or with the subject of the present matter, in which it must be determined whether the immunities of warships, which are inherent in the definition established by the Convention for those vessels, cease to exist, as does the very definition of a warship, when the warship is in the internal waters of a coastal State which has consented to its presence.

Another of the aspects of the comments made by Mr Appreku that I want to deal with is the consistency of his argument. He, representing the Ghanaian executive, has admitted that the court in his country lacked jurisdiction, both with regard to Argentina and with regard to the ARA Libertad. It is then inconceivable for him to

suggest the posting of a bond imposed by a court which has no jurisdiction. A demand for a sum money by a court which does not have jurisdiction cannot be called a bond. Mr President.

To conclude, Mr President, I am able to make a formal proposal to the Ghanaian side. Article 287, paragraph 5, of the Convention provides that "if the Parties to a dispute have not accepted the same procedure for the settlement of the dispute, it may be submitted only to arbitration in accordance with Annex VII, unless the Parties otherwise agree."

Argentina is proposing to Ghana to submit the merits of this dispute to your Tribunal, Mr President, in lieu of the arbitral tribunal which is still being constituted. This proposal, pending its acceptance by Ghana and implementation, does not exempt Ghana from all its obligations under Annex VII of the Convention.

I cannot conclude, Mr President, without expressing my thanks to all the Registry staff for the very valuable assistance they have given to the parties. I would also like to thank the interpreters, who have done very well to translate what we have been saving.

I believe I must now read the final submissions of the Argentine Republic, if you will allow me to do that, Mr President.

THE PRESIDENT (Interpretation from French): Thank you, Ms Ruiz Cerutti. That is therefore the last statement by Argentina. Article 75, paragraph 2, of the Rules of the Tribunal states that at the conclusion of the last statement made by a party at the hearing, its agent, without recapitulation of the arguments, shall read that party's final submissions. A copy of the written text of these, signed by the agent, shall be communicated to the Tribunal and transmitted to the other party. I therefore invite the Agent for Argentina, Ms Ruiz Cerutti, to read Argentina's final submissions.

MS RUIZ CERUTTI (Interpretation from French): Thank you very much, Mr President. I will read our final submissions and I shall do this in English.

(Continued in English)

For the reasons set out above, pending the constitution of the arbitral tribunal under Annex VII of the United Nations Convention on the Law of the Sea, Argentina requests that the Tribunal prescribes the following provisional measure:

that Ghana unconditionally enables the Argentine warship Frigate ARA Libertad to leave the Tema port and the jurisdictional waters of Ghana and to be resupplied to that end.

Equally Argentina requests that the Tribunal rejects all the submissions made by Ghana.

Thank you very much.

(Interpretation from French)

Thank you very much, Mr President, Mr Vice President and Members of the Tribunal.

THE PRESIDENT (Interpretation from French): Thank you, Ms Ruiz Cerutti. This brings us to the end of the second round of pleadings for Argentina. The hearing will resume at 12 o'clock when we will hear the pleadings of Ghana. The sitting is now closed.

(The sitting was closed at 11.55 a.m.)