

## INDEX

*Note 1:* This index focuses on legal issues and on the arbitral and judicial decisions under consideration. The summaries, parties' arguments, facts and ancillary documents are indexed only to the extent they are essential to an understanding of the legal issues. It has been designed in such a way as to be amenable to developing ICSID case law, so far as appropriate adopting the terminology of the index to C. H. Schreuer: *The ICSID Convention: A Commentary* (Cambridge University Press, 2009).

*Note 2:* For procedural points reference should be made to individual conventions by Article and the various Rules headings. References are included under subject headings only where the point at issue is the subject of debate.

*Note 3:* References to cases are to substantial discussion of those cases, not to the original report of the case.

*Note 4:* Dates of treaties normally refer to the date of signature, not entry into force.

**acquiescence:** *see* estoppel

### ADC–ATAA contractual arrangements

ADC & ADMC Management / ADC Affiliate

investment 557–62, 577

as 'nationals of another Contracting State' 597–9

source of investment funds, relevance 598–9

shareholders 51

Air Traffic Act (Act XCVII of 1995)

s 36/A (Budapest-Ferihegy International Airport as non-negotiable State asset) 552

s 45

contracts in violation of 610–12

extracts 610

s 45(5) (prohibition of transfer of ATT activities) 567–8

Air Traffic Act (Act XCVII of 1995), Amending Act (Act No. CIX of 2001) 566–7

justification 567

Air Traffic Act, Decree No. 45/2001 (XII.20) implementing

adoption 566–7

developments at Budapest Airport following 569–70

HungaroControl and BA Rt, creation 569

notification to Project Company 568

termination of payments to ADC Affiliate following 569, 578

termination of Project Contracts consequent on 568–9

ATAA (Air Traffic and Airport Administration)

as State agent 552, 566

transfer of airport responsibilities to BA Rt as deprivation / expropriation 599–609

transformation (Decree No. 45/2001) 566–9

developments subsequent to 569–70

ATAA–CCC (Canadian Commercial Corporation) turnkey contract 553, 562

BA Rt (Budapest Airport Rt)

ATAA's airport operations responsibilities, transfer to 569

establishment 566

**ADC-ATAA contractual arrangements** (*cont.*)

- Budapest-Ferihegy International Airport
  - developments following Decree No. 45/2001 570–1
  - privatization 570–2
  - status 551–2
- expropriation (BIT Art. 4) 599–626
  - compensation, failure to pay 609
  - due process and 608–9
  - non-discrimination and 609
  - public interest and 607–8
  - State's right to regulate domestic economic and legal affairs 606–7
- fair and equitable treatment (BIT Art. 3) 609
- Huang & Danczkay Properties Guarantee, conclusion 554
- investment by ADC 561–2, 577, 591–2
  - as direct investment 92–3
  - income under the Management Services Agreement as 591–2
- Master Agreement (31 March 1995)
  - conclusion and scope 554–5
  - financing arrangements, non-involvement of State 557
  - object and purpose (Art. 2) 554, 593
  - operating period agreement, proposal for 555
  - tender process 552–4
- Operating Period Lease, validity 610–11
  - Hungary's failure to challenge at appropriate time 611–12
- Project Agreements
  - description 555–6
  - non-performance as alleged ground for termination / Decree No. 45/2001 577–8
  - termination: *see* termination of contracts / Decree No. 45/2001 *below*
  - validity 612–13
- Project Company (FUF)
  - business plan 562–4
  - financial results (1995–2001) 564
  - incorporation 554–5
  - life-span 555
  - objects 555
  - operations (1999–2001) 564–6
- Promissory Note 556, 560, 564, 569
- Regulatory Framework 555
  - IRR (Internal Rate of Return) (s 4.1) 559–60
  - Target IRR (s 4.2) 555, 560
  - upper limit (s 7) 560
- restructuring at behest of Hungary 593
- Terminal Management Agreement as violation of Public Procurement Act 615
- termination of contracts / Decree No. 45/2001
  - as expropriation 587–8
  - justification / reasons for: *see also* expropriation (BIT Art. 4) *above*
    - EU Directive 96/97 (access to the groundhandling market at Community airports) 578–9
  - failure to provide 581
  - lack of operation licence 580

non-performance of contract 577–8, 579–80  
 strategic interests 579

**ADC–Hungary dispute, ICSID proceedings**

- award 629–30
- confidentiality, transcript of evidence for witness to check translation 549
- costs 626–9
- damages 617–26
- jurisdiction issues 583–99
  - breach of BIT as basis for claim 588
  - investment, existence of 591–2
  - legal dispute arising directly out of investment 592–3
- parties' arguments
  - basis for claim 586–8
  - claimants 572–3, 586, 593–4, 596, 599–602, 604–5, 611
  - expropriation 599–606
  - 'investment' under BIT 589–91
  - parties' standing 593–7
  - respondents 573–4, 587–8, 594–5, 602–4, 605–6, 610–11
  - validity of Operating Period Lease 610–11
- procedural history 542–50
  - short description of Project Company's claims against the Joint Stock Company (ATAA's successor) 572
- relief
  - award of damages 617–26
  - return of shares and promissory note 626
    - as sought by parties 574–6
  - witnesses, credibility 576–7
- admissibility:** *see also* jurisdiction (ICSID)
  - jurisdiction distinguished 16

**Algeria**

- law of, Public Procurement Code 13
- State agency / organ, Agence Nationale des Barrages (ANB) 24–6

**Algeria–Italy BIT (1991), extracts 26–8**

**Algeria–Italy BIT (1991) by article**

- Art. 1.1 ('every kind of asset and any contribution in cash, in kind or in services, invested or re-invested in any sector of economic activity') 30
- Art. 8.1 (amicable settlement obligation) 34
- Art. 8.2 (six-months rule) 32–5
- Art. 8.2(b) 13
- Art. 11 (investment in accordance with the applicable laws and regulations of Algeria) 13, 30

**applicable law<sup>1</sup>**

**applicable law (arbitration: general)**

- BIT, supplemented by relevant international or domestic law 582–3
- choice of law clause / as agreed by parties, in BIT 58, 582–3

<sup>1</sup> Entries under this heading relate principally to sources of applicable law or means of deciding what law is applicable in the context of an ICSID arbitration. For applicable law in the context of a particular subject area reference should be made to subject matter headings such as 'applicable law (compensation (expropriation / nationalization))' or 'interpretation (NAFTA), applicable law'.

- applicable law (arbitration: general) (cont.)**  
 domestic law of Contracting State  
   conflict of laws 172–3  
   hierarchy, absence 172–3  
   ‘supplemented if need be by any principles of international law’ 139, 144, 170–3  
 law or rules of law considered by tribunal to be most appropriate 582–3  
 procedure, law of place of arbitration 61
- applicable law (compensation (expropriation / nationalization)):** *see* compensation (expropriation / nationalization), applicable law
- arbitral award, binding nature,** waiver of right to review in domestic courts and 387–92
- arbitral award, interpretation:** *see* interpretation of arbitral award (ICSID), procedure / requirements
- arbitral award, publication,** right to refuse 548–9
- arbitral tribunal (UNCITRAL)**  
 place of arbitration 390–1  
 powers / role, factual findings in respect of third party 322
- arbitrary and discriminatory treatment:** *see also* non-discrimination obligation  
 banking crisis measures 346–8  
 prejudice / impairment, need for 368–70, 374  
 as unfair and inequitable treatment 340–6
- arbitration clause / agreement**  
 as consent to ICSID jurisdiction 123–39  
 Duke Energy LSA: *see* Duke Energy–Peru dispute, DEI Bermuda LSA
- arbitration clause / agreement, interpretation**  
 guidelines  
   fair solution 124  
   good faith 124  
   restrictive / broad 124  
 jurisprudence  
   *Amco* 124  
   *SOABI* 124
- arbitrator**  
 appointment, by Secretary General of ICSID 512  
 resignation 250 n. 2, 256
- bad faith,** standard of treatment of alien and 482
- Belgo-Luxembourg Economic Union–Egypt BIT (1977) by article**  
 I(1) (fair and equitable treatment), text 411  
 I(2) (protection and security), text 411, 500  
 I(3) (‘no less favourable’), text 411  
 II(1) (encouragement of investments) 500–1  
   text 501  
 III (‘investment’)  
   ‘in the field of . . . agriculture’ 428–9  
   text 411–12  
 IX (dispute settlement clause), text 411  
 XII (duration), text 412
- Belgo-Luxembourg Economic Union–Egypt BIT (2002),** entry into force, applicability to investment no longer in existence at time of 434–5

**Belgo-Luxembourg Economic Union–Egypt BIT (2002) by article**

- Art. 1 (definitions)
  - text 413–14
- Art. 1(1) ('Investment') 429
- Art. 2 (promotion of investment)
  - proactive obligation, whether 500–1
  - text 412, 502
- Art. 3(1) (fair and equitable treatment) 479–501
  - text 412
- Art. 3(2) (protection and security), text 412, 500
- Art. 3(3) ('no less favourable treatment'), text 412
- Art. 3(4) (regional economic organizations), text 412
- Art. 8 (dispute settlement clause)
  - 1977 BIT arbitration clause distinguished 470–1
  - as broad provision 470–1
  - 'in connection with an investment in the territory' 470–1
  - text 413
- Art. 12 (application *ratio temporis*), text 414

**Bermuda**, as party to ICSID 140

**BITs (bilateral investment treaties):** *see also* Belgo-Luxembourg Economic Union–Egypt BIT (1977); Belgo-Luxembourg Economic Union–Egypt BIT (2002); Cyprus–Hungary BIT (1989); Czech [and Slovak Federal] Republic–Netherlands BIT (1991); Moldova–Russian Federation BIT (1998); Moldova–US BIT (1993)

- applicability, third parties 384–5, 389, 390
- as applicable law, in absence of *lex specialis* provision 617
- breach
  - as basis for jurisdiction 588
  - characterization as breach by party, relevance 61–2
  - breach of investment contract as 30–1
- entry into force, requirements 53
- priority over other treaties 54
- procedure, six-months rule 53
- retroactive effect, applicability to disputes arising before entry into force, *Mondev* 486 n. 31
- standing under: *see* standing (BITs provision)

**Bogdanov–Moldova dispute:** *see also* Moldova–Russian Federation BIT (1998)

- applicable law
  - Minsk Convention (1997) 54, 64
  - Moldova–Russian Federation BIT (1998) 61–4
- background 49–51
- compensation for 'transferred assets', capping of eligibility for
  - arbitrary, whether 60
  - as breach of Moldova–Russian Federation BIT (1998) 61–2
  - fair and equitable treatment and 60–4
  - indirect expropriation, whether 64
  - market value of Bogdanov shares and 60–1
  - retroactive, whether 59–60
- institution of proceedings as consent to jurisdiction 53
- Moldova Government Decision No. 83-d of 17 August 2005, relevance 52

**burden/standard of proof**

- interpretation/implementation of law 184–5
- jurisdiction 263, 515

**compensation (expropriation / nationalization):** *see also* damages headings

- applicable law
  - customary international law, in absence of BIT provision 617
  - domestic law 583

**‘competence’ / ‘jurisdiction’, equivalence:** *see also* jurisdiction (ICSID); jurisdiction (NAFTA)**confidentiality of arbitral proceedings,** transcription of evidence for witness to check translation 548–9**consent to ICSID jurisdiction:** *see also* arbitration clause/agreement; jurisdiction (ICSID) BIT 26–31, 599

- ratification requirement 53
- institution of proceedings, as 53, 384–5
- jurisprudence, *Impregilo* 430
- requirements: *see also* ‘investment’ / foreign investment; legal dispute arising directly out of investment; national of another Contracting State; unity of the investment principle (multiple instruments / multiple parties) (consent to jurisdiction)
- written, need for, submission of dispute to ICSID as 429–30

**consideration as contractual requirement,** equality of parties and 613–15**contract, formation / requirements, consideration:** *see* consideration as contractual requirement**costs (domestic courts),** review of arbitral award 399**costs (ICSID arbitral tribunal: ICSID 61(2))** 235–8, 626–9

- arbitration / tribunal costs
  - equal division 99, 237, 501–2
  - unsuccessful party / loser pays principle 43
- by agreement of the parties 237
- discretion of tribunal 99, 501–2, 627–8
- merits, dependence on decision on 435
- parties’
  - parties to bear own 43, 99, 237–8, 501–2
  - unsuccessful party to pay 627–9
- relevant factors
  - complexity of issues 501, 628
  - discrepancy between parties’ costs 629
  - professional / unprofessional handling of proceedings 629
  - reasonableness, of expenditure 628–9
  - success, partial 237–8
- template for calculation of 235–6

**costs (SCC Institute),** unsuccessful party to pay 66**counterclaim**

- jurisdiction 256–73
  - ‘arising out of’ requirement 267–73
    - as general principle of law 271–2
    - treaty provisions providing for 271–2
  - effect of decision against on pleadings at merits stage 280
  - identity of parties with those in primary claim 265–7

jurisprudence

*Amco* 271

*American Bell* 269–70

*Harris International* 270

*Klöckner* 269, 272

*Morrison-Knudsen* 270

*Owens-Corning* 270

*Westinghouse* 270

**critical date**, jurisdiction (ICSID) 141–2

**Cyprus–Hungary BIT (1989)**

applicable law / choice of law clause (Art. 6(5))

alternative fora provisions (Art. 7(2)) compared 582–3

compensation in case of expropriation (Art. 4(3)) 582–3

‘present Agreement and other relevant agreements between the parties and the rules and principles of international law’ 582–3

consent to ICSID arbitration (Art. 7(2)(c)) 599

expropriation (Art. 4) 599–626

‘deprivation’ as ‘expropriation’ 607

deprivation standard 607

plain meaning 607

risk of, relevance 607

termination of ADC contracts as 588

‘investment’ (Art. 1(1)(b)) 584

‘income’ (Art. 1(2)) and 591–2

‘investor’ (Art. 1(3)) (‘legal person incorporated in compliance with the law’) 584, 598–9

protection of re-investments (Art. 2(2)) 584

**Cyprus–Hungary BIT (1989) by article**

Art. 1 text 583–4

Art. 1(1)(b) (‘investment’: rights derived from shares, bonds and other kinds of interests in companies) 584

Art. 1(2) (‘income’) 584, 591–2

Art. 1(3)(b) (‘investor’: legal person incorporated in compliance with the law) 584, 598–9

Art. 2(3) (re-investments) 584

Art. 3(1) (fair and equitable treatment) 609

‘shall not impair’ 584

Art. 4 (deprivation / expropriation) 599–626

text 600

Art. 4(1)(a) (deprivation / expropriation: requirements) 584, 588

just compensation 617

Art. 4(2) (compensation: amount) 584

Art. 4(3) (compensation: applicable law) 583, 584

Art. 4(4) (compensation without undue delay) 585

Art. 6(5) (applicable law) 582–3

text 582

Art. 7 (dispute settlement clause), text 542

Art. 7(2)(c) (consent to ICSID jurisdiction) 599

**Czech [and Slovak Federal] Republic–Netherlands BIT (1991)**

Czech Republic as successor State 256, 282

‘fair and equitable treatment’ 332–9

**Czech [and Slovak Federal] Republic–Netherlands BIT (1991)** (*cont.*)

final and binding nature of award / waiver of right to review in domestic courts and 387–92

‘investment’ 313–18, 367

motivation / purpose of investment, relevance 315, 319–21

‘investment dispute’ 260, 267–73, 312–18

place of arbitration 390–2

third parties, applicability to 384–5, 389, 390

**Czech [and Slovak Federal] Republic–Netherlands BIT (1991) by article**

Preamble (object and purpose) 336–7

Art. 1(a) (‘investment’) 313–19

Art. 1(a)(ii) (‘investment’: shares, bonds and other kinds of interests) 367

Art. 1(b)(ii) (‘investor shall comprise . . . legal persons . . .’) 312–13, 318–19

Art. 2 (‘Each country shall admit investments in accordance with the provisions of its law’) 314–17

Art. 3(1) (fair and equitable treatment) 332–66

‘enjoyment’ of investment 367–8

‘shall not impair’ 366–70, 374

text 380

unreasonable and discriminatory treatment 340–6

Art. 3(2) (full security and protection) 332, 370–3, 374–5

text 380

Art. 5 (expropriation) 322–31

customary international law and 324, 325

text 322–3, 380

Art. 8 (arbitration clause: concerning an investment) 250 n. 2, 256, 260, 267–73, 312–18

constitution of tribunal 256–7

counterclaims and 264–73

text (extracts) 380–1

Art. 8(2) (‘disputes between one Contracting Party and an investor . . . concerning an investment’), cooling off period 260, 312

Art. 8(5) (applicable law (procedure): UNCITRAL) 256, 260

Art. 8(6) (choice of law clause) 260

‘provisions of special agreements relating to the investment’ 267

text 260

Art. 8(7) (final and binding nature of award), waiver of right to review in domestic courts and 387–92

Art. 10(5) (arbitration clause: interpretation or application of the treaty: final and binding nature of award) 392

**Czech [and Slovak] Federal Republic–UK BIT (1992)**, State succession and 256, 282

**Czech Republic**

banking sector reorganization and privatization 250–2, 282–3, 291–4

bad debt problem 283–4, 291–4, 379–80

discriminatory response to 340–6

frustration of legitimate expectations, whether 346–8, 373–4

regulatory action/Revitalization Programme (1998) 284, 293, 342–3, 378–9

pre-1990 system 282

BITs, as aid to development of market economy 282



ICSID Convention, accession to 391–2  
 Vienna Convention on the Law of Treaties (1969), accession to 389

**damages for:** *see also* compensation (expropriation / nationalization); remedies  
 investment in subsidiary company 65

**damages, measure / valuation of company**

calculation 625–6  
 critical date 620–1, 625  
 discounted cash flow (DCF) 622–5  
 expert evidence 230–3  
   Tribunal's analysis of discrepancies 233–5  
 fair market value  
   legislation affecting 60–1  
   market value on date of award 620–2  
 jurisprudence  
   *Amoco* 619, 621  
   *Arrest Warrant* 619  
   *Avena* 619–20  
   *Chorzów Factory* 618, 619–22  
   *CMS* 618  
   *Construction of a Wall* 620  
   *Gabčíkovo–Nagyymaros Project* 619  
   *LaGrand* 619  
   *MTD* 619  
   *Myers* 618  
   *Papamichalopoulos* 621  
   *Petrobart* 618–19  
   *Texaco* 622  
 mitigation / offset, contributory fault 65  
 reasonable rate of return / legitimate expectations 63–4

**damages, procedural issues**

currency of payment 66, 235  
 exchange rate 235

**damages, as a remedy**

moral damages 66  
*restitutio in integrum*: *see restitutio in integrum*

**denial of justice, definitions / applicability**

brevity of judgment 485  
 delay / delaying tactics 485–6  
 exhaustion of local administrative or judicial remedies and 498–9  
 facts of case warranting impugned decision of court, effect 484–5, 486–97  
 fair and equitable treatment and 482–99  
 judicial review, exclusion of jurisdiction of domestic courts or application of the law  
   considerations 486  
 jurisprudence  
   *Loewen* 483  
   *Mondev* 483–4, 487  
   ‘shocking to sense of judicial propriety’ 483–4  
   State responsibility and 483–4

**disclosure obligation, documents in public domain** 113

- dispute settlement (investor–State)**, good faith obligation to settle amicably 34
- dissenting opinion (partial)** 239–43, 244–9
- domestic court decisions**, binding effect on international tribunal 143–4
- Azinian* 143
  - jurisdiction of international tribunal and 143
  - decision by administrative court 143–4
- domestic courts**
- jurisprudence, *Lucchetti* 432–4
  - parallel proceedings
    - distinguishability of issues 143–4, 239–40, 430–4
    - satisfaction of claim as bar to arbitration proceedings 373
    - ‘without prejudice to right to submit matter to ICSID arbitral tribunal’ 410
- due diligence**, investor’s obligation of 522–3
- due process**
- fair and equitable treatment of alien and 482–3
  - required elements 608
- Duke Energy–Peru dispute**: *see also* Peru, investment and investment protection
- costs 235–8
  - damages
    - applicable standard 228–30
    - currency of payment / exchange rate 235
    - interest 235
    - quantum 230–55
  - date of crystallization for purposes of ICSID jurisdiction 141–2
  - DEI Bermuda LSA
    - Preamble, text 134
    - Clause 1 (DEI Bermuda’s application), text 134–5
    - Clause 2 (DEI Bermuda’s investment)
      - ‘investment’ under Clause 2, whether sole basis for ICSID jurisdiction 128–39
      - text 125–6
    - Clause 3 (legal stability guarantee)
      - ‘investment’ for purposes of 129–39
      - privatization of Egenor, effect 130–4
      - purpose of contribution and 129, 134–6
      - text 126–7
      - unity of the investment principle 136–9, 176–7
    - Clause 3(1) (tax stabilization guarantee) 125, 177–85
      - claimant’s arguments 178–80
      - Peru Foreign Investment Law and 178, 181–2
      - Peru Investment Regulations and 178–9
      - respondent’s arguments 180–1
      - right to damages for breach under Peruvian Civil Code 181–2
      - standard / burden of proof 184–5
      - text 177
    - Clause 3(3) (free repatriation of DEI Bermuda’s investment in Peru) 125, 156, 191–2
    - Clause 3(5) (non-discrimination / equal treatment) 125, 189–91
      - Merger Revaluation Assessment and 226–8
    - Clause 5 (duration), text 177–8
    - Clause 9 (arbitration clause) 123–5
      - costs 237–8

- ‘interpretation, performance or validity of this Agreement’ 125–8
  - text 123–4
  - ‘this Agreement’ 124–5
- good faith and fair dealing obligations under Peruvian law, incorporation 125, 139
- stability of interpretation and implementation of law, application to 182–5
- DEI Peru Holdings LSA
  - Preamble, text 135
  - Clause 1 (DEI Peru Holdings application), text 135
  - purpose of DEI Bermuda contribution 135
- depreciation assessment
  - background 121–2, 169, 170, 173, 194–5
  - breach of estoppel / good faith (*doctrina actos propios*) 200–3
    - whether, reliance on act 188
  - breach of tax stabilization guarantee, whether 195–200, 204–11
  - claimant’s arguments 195–7
  - manifestly unreasonable or arbitrary, whether 198–200, 241–3
  - respondent’s arguments 197–8
- Dominion LSAs
  - authorization as part of Peru’s privatization programme 119, 160–1
  - Clause 10 (arbitration clause), text 119, 161
  - Duke Energy’s attempts to secure assignment of 119–21, 160–2
- Dominion’s management of Egenor and 165–6
- Duke Energy’s acquisition of Egenor 116–19, 157–60
  - corporate restructuring 118, 120, 121, 161–2
- Merger Revaluation Assessment
  - background 121–2, 169, 170, 173, 203–4
  - breach of estoppel / good faith (*doctrina actos propios*), whether 211–26
    - competence of State agency for act, relevance 224–6, 244–9
    - full knowledge of relevant facts 214–15
    - reasonable appearance of act binding on State 215–26
  - breach of non-discrimination / equal treatment provisions (LSA Clause 3(5)) 226–8
  - breach of tax stabilization guarantee, whether 204–11, 244
  - claimant’s arguments 211–12
  - respondent’s arguments 212–13
- procedural history (ICSID) 109–14, 148–56
- tax amnesty request 122, 169
  - as waiver of right to challenge tax obligations / effect on ICSID jurisdiction 144, 173–6
- tax assessment 121–2, 168–9
  - ICSID jurisdiction 143–4
- tax practices and returns (Egenor) 162–8
  - legislative and regulatory background 162–4
    - Duke Energy’s acquisition of Egenor and 166–7
    - Duke Energy’s management of Egenor and 167–8
  - privatization of Egenor and 164–5
- Egypt:** *see also* Jan de Nul–Suez Canal Authority (SCA) contract
  - Civil Code
    - Art. 120 (error) 409–10, 456–7
    - text 456 n. 2

**Egypt** (*cont.*)

Art. 121 (significant error) 409–10  
 text 157 n. 3

Art. 125 (fraudulent misrepresentation) 409–10  
 text 157 n. 4, 486 n. 32

denial of justice, allegations of 482–99

fraud / fraudulent misrepresentation 486–97  
 burden / standard of proof 486–7  
 intent, need for 486–97

Investors' Complaints, Committee for Settling 410, 460, 499–500  
 State responsibility for acts of 479

**equality of parties**

amendment of claim 532–3  
 consideration as contractual requirement 613–15

**estoppel**

contract, validity, knowledge and acceptance of terms and 610–16  
 definition, international law, primacy 187–8

*doctrina de los actos propios* (Peru) 125, 139, 184, 185–9, 200–3

failure to challenge transactions [in timely fashion] 611–12, 616  
 requirements

competence of State agency for act, relevance 224–6, 245–9  
 full knowledge of relevant facts 214–15

reasonable appearance of act binding on State 188, 215–26, 245–9  
 reliance on act / undertaking 188, 245

State responsibility for acts of State organs distinguished 187–9  
 waiver of rights distinguished 616

**evidence of**, expropriation / nationalization, terms of legislation 587–8

*ex aequo et bono*, fair and equitable treatment and 333

**exhaustion of local administrative or judicial remedies**

denial of justice and 498–9

jurisprudence, *Loewen* 498 n. 37

reason for rule 498

**expropriation / nationalization**

contractual rights 95–7

evidence of, statement by government of effect of measures 587–8

international conventions and national instruments relating to

Harvard Draft Convention on the International Responsibility of States for Injuries to  
 Aliens (1961) 324

OECD Draft Convention on the Protection of Foreign Property (1967) 325

Restatement (Third) of the Law of Foreign Relations (1987) 325

**expropriation / nationalization, classification as**

creeping expropriation / 'measure tantamount to nationalization or expropriation'

legislation involving breach of BIT 587–8

legislation involving breach of contract 587–8

'deprivation' 607

forced administration measures 322–31

measure affecting total or substantial part of investment, need for 64

temporary deprivation 95–7

**expropriation / nationalization, lawfulness, risk of** 607

**expropriation / nationalization, lawfulness, requirements**

- compensation 63–4, 608–9
  - non-compensable regulatory actions 324–31
- customary international law 324, 325
- difficulty of determining 325–6
- due process 608–9
- jurisprudence, *Methanex* 325
- legality under domestic law 324–6
- non-discrimination 609
- police power exception 324–5
- public interest / purpose 588
  - margin of appreciation 330–1
  - objective test 608
- State's right to regulate domestic economic and legal affairs and 606–7

**fair and equitable treatment of alien** 62–4, 332–66, 479–501: *see also* minimum standard

- of treatment in accordance with international law; standard of treatment of alien
  - admissibility where elements relating to have been argued under other heads 192–4
  - bad faith, relevance 482
  - consistency, need for 359–60
  - definition / measure
    - ad hoc approach 609
    - BIT provisions as 332–3
    - as flexible concept 482
  - denial of justice and 482–99
  - due process and 482–3
  - effective remedy and 434–5
  - ex aequo et bono* test 333
  - good faith negotiations and 348–66, 373–4
  - jurisprudence
    - Genin* 333, 335–6
    - Loewen* 364, 483
    - Mondev* 333, 483–4
    - MTD* 336
    - Myers* 333, 336, 339
    - Neer* 333
    - Pope & Talbot* 333
    - Saluka* 482
    - Tecmed* 338, 482
    - Waste Management* 334, 338, 482–3
  - legitimate expectations and 63–4, 346–8, 364, 373–4, 482
  - ordinary meaning 336
  - protection and security of investment (including predictability and stability) 62, 374, 500
  - transparency, need for 63, 360–1, 374
  - unjust enrichment and 365–6, 374
  - unjust or unreasonable result test 63
- forum selection clause in treaty including BIT / ICSID Convention**, effect on forum selection clause in investment contract, jurisprudence, *Vivendi* 267

**general principles of international law**

statutory limitation 514

unjust enrichment 365

**general principles of law**, counterclaims, dependence on close relationship / arising out of original claim 271–2

**good faith**

arbitration clause/agreement, interpretation 124

disclosure obligation 319–21

fair and equitable treatment and 348–66, 373–4

interpretation, treaties 336

**Hungary**: *see also* ADC–ATAA contractual arrangements; ADC–Hungary dispute, ICSID proceedings; Cyprus–Hungary BIT (1989)

## Civil Code

s 4(4) (estoppel) 611–12

s 201 (consideration), text 614

s 201 (consideration: ‘grossly unfair’) 613–15

statutory limitation 611–12

Public Procurement Act 615

**ICC (International Chamber of Commerce)**

applicable law, law or rules of law considered by tribunal to be most appropriate 582–3

Arbitration Rules (1998), 29(2) 89

interpretation of Award pre-1998 Arbitration Rules 89

**ICSID Convention (1965)**

general principles, unity of investment approach: *see* unity of the investment principle (multiple instruments / multiple parties) (consent to jurisdiction)

non-parties’ right to choose as model 391–2

object and purpose, ‘investment’, definition in accordance with 22

**ICSID Convention (1965) by article**

2 391

5 391

25(1) 17–31, 122–45, 271–2, 421–8, 583–99

25(2)(b) 597–9

26 43, 498

36(3) 12, 13, 110, 149, 415, 543

37(2)(a) 73–4

41 16, 582

42(1) 139, 144, 170–3

44 499, 548

46 271–2

48(5) 548–9

50 72

50(1) 86–98

52 391

53 391

61(2) 99, 235–8

**ICSID Rules (Arbitration) (1984)**

6(1) 110, 416

12 543

13(1) 416  
 19 548  
 22 416  
 28 627  
 34(2) 113, 152  
 38(1) 74  
 41(3) 111  
 50(1) 86–7, 89–90  
 51(2) 68 n. 3, 73  
 51(3) 68 n. 3, 73  
 53 87

**ICSID Rules (Institution of Conciliation and Arbitration Proceedings) (Institution Rules)**

1–6 13  
 5 110, 149  
 6 415  
 6(1) 13–14  
 6(1)(a) 543  
 7 110, 415  
 7(a) 13–14

**ILC (International Law Commission)**

State Responsibility for Internationally Wrongful Acts, [Draft] Articles on (2001)  
 attribution  
   acts of person or entity exercising elements of governmental authority 476–8  
   acts of State organ 474–6  
   conduct directed or controlled by the State (Art. 8) 478–9  
 breach of treaty, obligation in force at time of alleged breach, limitation to 469–70  
 compensation for wrongful damage, measure 620  
 continuing wrongful act 471  
 restitution as preferred remedy 619–20  
 State agency, classification as 475–6

**interest**

calculation, inflation adjusted award, relevance 66  
 on compensation / damages 235  
 date of commencement / *dies a quo*, date of award / judgment 625–6  
 rate, 21.05–30.98 per cent 66, 67  
 on unpaid award 67

**interim or partial award**

final and binding, whether 385  
 review of arbitral award by domestic courts and 385

**interpretation of arbitral award (ICSID), procedure / requirements 72–99**

dispute as to meaning or scope of award (ICSID 50(1)) 86, 88–93  
   concrete dispute 88  
   dispute as to meaning of ‘expropriation’ in award 92  
   relating to binding / operative part of decision 88, 90  
 enforcement of award as issue, relevance 89–90  
   pre-1998 ICC Rules 89  
 events subsequent to award, relevance 90  
   company succession 92  
 interpretation / clarification of award as purpose of request (ICSID 50(1)) 86, 87, 93–9

- interpretation of arbitral award (ICSID)**, procedure / requirements (*cont.*)  
 matters outside original award, exclusion 97–9  
 jurisprudence  
*Asylum Case* 87, 93, 98  
*Chorzów Factory* 87, 88, 90, 93–4  
*Continental Shelf Case (Tunisia v. Libya)* 87, 88  
*Delimitation of the Continental Shelf (UK v. France)* 88–9, 93, 98  
*Panacaviar* 89 n. 66
- interpretation (ICSID Convention)**, phrases, ‘jurisdiction’ (ICSID 25(1)) / ‘competence’ (ICSID 41(1)) 583
- interpretation (NAFTA)**, applicable law, VCLT (1969) 514–15
- ‘investment’ / ‘foreign investment’**: *see also under individual BITs*  
 applicable law, BIT 591  
 definition / classification as 20–4  
 ad hoc approach 22  
 ‘any kind of assets, including shares, held by an entity of one Contracting State in the territory of the other’ 54  
 approved re-investments 584  
 duration, relevance 22, 23, 426–8  
 economic value, need for 22–3  
 ‘every direct or indirect investment . . . in the field of . . . communication’ 428–9  
 ‘every kind of asset and any contribution in cash, in kind or in services, invested or re-invested in any sector of economic activity’ 30, 429  
 ‘every kind of investment . . . owned or controlled directly or indirectly by [nationals or] companies of the other party’ 313–18  
 investment-related income 591–2  
 shares, bonds and other kinds of interests in companies 584  
 ‘shares, bonds and other kinds of investment’ 367  
 evidence of, substance / effect of contract 591  
 jurisprudence  
*CSOB* 22  
*Fedax* 22  
*Salini* 22  
*SGS v. Pakistan* 22  
*SGS v. Philippines* 22  
 relevant factors  
 accordance with the laws and regulations of host country 13, 30, 314–17  
 contribution to economically productive activity 129–30  
 motivation / purpose of contribution / investment 134–5, 315  
 repatriation of funds in currency of investment 125, 156, 191–2  
 risk, relevance 22, 23–4
- ‘investment dispute’**  
 BITs 260, 267–73, 312–18  
 ICSID Convention (1965) 20–4
- ‘investor’ / ‘foreign investor’**  
 acquisition of shares / original investment, relevance 264–5, 309–12, 318–21  
 ‘any entity constituted under the laws of one Contracting State and making an investment in the territory of the other’ 55



- ‘any individual having the nationality of one Contracting State making investment in the territory of the other’ 55
- changes to domestic law, effect 55–6
- consortium formed for purposes of contract after contract concluded 35–43
- control of company, relevance, BITs provision and ICSID 25(2)(b) distinguished 55–6
- ‘legal persons constituted in accordance with law of Contracting Party’ 313, 318–19, 584, 598–9
- parties’ right to determine requirements 321–2
- Iran–US Claims Settlement Declaration**, Art. II(1) (counterclaim arising out of) 271–2
- Italy**
  - Civil Code
    - Art. 2602 (‘internal’ consortium) 37
    - Arts. 2612–2614-bis (‘external’ consortium: legal status) 37–8
  - iura novit curia* 56–7, 61–2
- Jan de Nul–Suez Canal Authority (SCA) contract**
  - forum selection / choice of law clause (Art. 22), text 409 n. 22, 456 n. 1
  - General Clauses and Conditions (GCC)
    - closing date for tendering (Art. 5)
      - currency and prices (Art. 59), text 453
      - text 452–3
  - performance of contract 455–6
  - promotion of investments obligation, alleged breach 500–1
  - protection and security obligation, alleged breach 500
  - purpose of contract (Art. 1)
    - periods of execution (Art. 12) 455
    - text 455
  - SCA, status / State responsibility for acts of 424–6, 474–7
    - organ of State, whether 475–6
    - person or group acting on instruction / directed or controlled by the State (ILC Art. 8), whether 478–9
    - Prime Minister 499
    - public entity exercising governmental authority, whether 476–8
  - Specifications, extracts 453–5
  - tendering process / conclusion 408–9, 447–55
- Jan de Nul–Suez Canal Authority (SCA) contract, ICSID proceedings relating to**
  - consent to proceedings 429–30
  - exhaustion of local remedies 498–9
  - ‘investment’ for purposes of
    - ICSID 25(1) 426–8
    - ‘in services’ (2002 BIT) 429
    - ‘relating to communications’ (1977 BIT) 428
  - jurisdiction *ratione temporis* 430–4, 471
    - crystallization of dispute 434, 468–9
  - jurisdiction, Tribunal decision on 421–36
    - 1977 BIT, relevance 468–9
    - ‘dispute submitted to it’ / ‘present dispute’, scope 468–9
    - res judicata* 468–9
  - parallel bases in treaty and contract 423–6

**Jan de Nul–Suez Canal Authority (SCA) contract, ICSID proceedings** (*cont.*)

- parties' positions
  - on allegations of fraud 488–90, 493–6
  - claimant 419, 464–6, 471–4, 479–80, 488–9, 493–4
  - on jurisdiction decision 467–8
  - respondent 420, 466–7, 471, 481–2, 489–90, 494–6
- procedural history 414–19
  - constitution of tribunal 415–16
  - jurisdiction stage 440–3
  - language of proceedings 416
  - merits stage 443–7
- Tribunal's determination on
  - deepening–widening ratio 497
  - proportion of rock 496–7
  - volumes to be dredged 490–3

**Jan de Nul–Suez Canal Authority (SCA) contract, Ismailia Court proceedings relating to** 409–10, 456–64

- appeal 'without prejudice to right to submit matters to ICSID arbitral tribunal' 410
- Committee for Settling the Complaints of Investors 410, 460, 499–500
- denial of justice and 484–99
  - appointment of Second Panel 485
  - brevity of judgment, whether 485
  - delay / delaying tactics 485–6
  - exhaustion of local remedies and 498–9
  - facts of case warranting impugned decision of court, effect 484–5, 486–97
- distinguishability from ICSID proceedings 430–4
- fair and equitable treatment 479–501
  - Committee for Settling the Complaints of Investors 499–500
  - denial of justice and 482–99
  - due process and 482–3
  - Prime Minister's conduct 499

**judicial economy**

- findings of liability under another head 228
- 'for sake of completeness' 214

**jurisdiction (general)**

- concurrent jurisdiction in domestic courts, relevance 24
- 'jurisdiction' and 'competence', equivalence 583
- parties' right to determine 55, 260, 263–5, 312, 315, 321–2

**jurisdiction (ICSID)** 299–304, 339–41, 389–409, 473–4: *see also* arbitration clause / agreement; forum selection clause; jurisdiction (NAFTA); legal dispute arising directly out of investment; national of another Contracting State

- admissibility distinguished 16
- applicable law
  - ICSID 25 / BIT provision 421
  - ICSID decisions 421
  - jurisdiction and merits distinguished 469–70
  - previous decisions of ICSID 421
- competence / duty of tribunal to determine 16
  - ex proprio motu* 56–7
- critical date 141–2, 430–4

- decision on *as res judicata* 468–9
- exclusion
  - appeal against application of domestic law 142–5, 183–5, 239–40, 486, 487
  - consideration of jurisdiction of national authorities 486
  - interpretation / evaluation of domestic law 61, 198
- merits, distinguished 127–8
- objection to, submission of memorial / countermemorial 111–12
- parallel bases in treaty and contract 423–6
  - contract-based claims not amounting to BIT-based claims 30–1
  - government measures affecting contract 588
- jurisprudence
  - Impregilo* 470–1
  - Salini* 470–1
  - SGS v. Pakistan* 470–1
  - SGS v. Philippines* 470–1
  - Vivendi* 267, 423
- precedent, relevance 421
- prima facie legal case, sufficiency 25–6, 127–8
  - Amco* 128, 263
  - Bayindir* 422
  - Impregilo* 421–2
  - Maffezini* 25
  - Oil Platforms* 422
  - Salini* 25
- jurisdiction (NAFTA)**, burden of proof 515
- jurisdiction (UNCITRAL)**
  - burden of proof 263
  - ‘colourable’ claim, sufficiency 308
  - counterclaim 256–63: *see also* counterclaim, jurisdiction
  - objection to
    - early submission, need for 260, 308, 392–5
    - procedure 308
  - prima facie legal case, sufficiency 263, 265
- language:** *see* procedure (ICSID); Switzerland, domestic courts, language of proceedings
- legal dispute arising directly out of investment** 18–20, 54
  - continuity of dispute, existence of investment at time dispute arises, relevance 434–5
  - critical date, crystallization 141–2, 434, 468–9
  - ‘directly’
    - general measures not directly related to investment 592–3
    - transmission of funds through subsidiary 593
  - jurisprudence
    - CMS* 592
    - Enron* 592
  - ‘legal’ dispute
    - compensation / reparation for breach of legal obligation, determination of 20
    - dispute dealing with existence or scope of legal rights 423
    - dispute requiring application of rules of law and legal solutions 19–20
    - statutory or contract-based claim as 19–20
- legislation, interpretation,** guidelines, gaps / lacunae 198–9

**legislation, retroactive effect**, presumption against 59–60

**legitimate expectations**

- continuation of banking policy 346–8, 373–4
- fair and equitable treatment and 63–4, 346–8, 364, 373–4, 482

**LESI-DIPENTA Consortium**

- background to dispute with Algeria 7–12
- formation of (post-contract) 4, 7–8, 9
- standing in Koudiat-Acerdoune Dam dispute 35–43
- status under Italian Civil Code 37–8

*Loewen*, minimum standard of treatment in accordance with international law 364

**margin of appreciation**, public policy decisions 330–1

**Master Settlement Agreement (MSA) (1998)**

- conclusion of 507–8
- escrow legislation in participating States
  - enforcement measures 510–11
  - loss or damage incurred as result of 524–7
    - complementary legislation during three-year limitation period 527–31
    - requirement for 509
- NAFTA Chapter 11 rights, implementation as alleged violation of 506–33
- participating manufacturers' costs / prices, effect on 508, 509–10
- Renegade Clause 508

**Master Settlement Agreement (MSA) (1998), Grand River arbitral proceedings (NAFTA)**

- Notice of Claim 512
- time-limits for bringing claim
  - actual knowledge of breach 519–20
  - claimant's arguments 516–17
  - constructive knowledge ('should have known') 520–4
    - due diligence obligation 522–3
  - knowledge of loss or damage 524–7
  - loss or damage occurring after start of three-year limitation period 527–31
  - respondent's arguments 518–19

**'measure'**

- action or omission as 366
- judicial act as, *Fisheries Jurisdiction Case* (ICJ) 366
- ordinary meaning 367

**minimum standard of treatment in accordance with international law**

- 'in accordance with international law'
  - customary international law as reference point 334–6
  - treaty standard, BITs 334–6

**Moldova**

- Civil Code, Art. 6 (assessment of damages) 66
- Foreign Investment Law 998 of 1 April 1992, Art. 43 (stabilization clause) 59–60
- Order of 17 December 2001 in implementation of Regulation 482 (1998)
  - arbitrary, whether 60–1
  - effect 59–60
  - fair and equitable, whether 63–4
- Regulation 482 (1998) as amended in 2003 59–60
- stabilization clause 59–60

- non-retroactivity principle and 59–60
  - standard of treatment of alien, ‘protection and security in accordance with law of host State’ 62
- Moldova–Russian Federation BIT (1998)**
  - applicable law / choice of law clause 58
  - capping of eligible compensation shares (Moldovan Order of 17 December 2001), whether violation of 59–64
  - entry into force 53
  - expropriation, requirements (Art. 6) 64
  - ‘investor’ (Art. 1(1))
    - control of company, relevance 55–6
    - changes in Moldovan law, relevance 55–6
    - local subsidiary 55–6
  - six-months rule (Art. 10(2)) 53
- Moldova–Russian Federation BIT (1998) by article**
  - Art. 1(1) (‘investor’) 54–6
  - Art. 1(2) (‘investment’) 54
  - Art. 2(2) (‘full protection and legal security’) 62
  - Art. 3 (fair and equitable treatment) 62–4
  - Art. 6 (nationalization or expropriation: requirements) 64
  - Art. 10(1) (disputes between Contracting State and investor of another Contracting State) 54
  - Art. 10(2) (six-months rule) 53
  - Art. 13 (applicability to investments after 1 January 1991) 57
- Moldova–US BIT (1993)**, advanced costs, difficulties in meeting 49
- NAFTA (1992)**, *travaux préparatoires*, Chapter 11 drafts 515
- NAFTA (1992) by article**
  - Part I, Chapter 1, 105 506
  - Part V, Chapter 11, Section B (Settlement of Disputes)
    - 1116(2) (time limits) 506–7, 513–33
    - 1117(1)(a) 507
    - 1117(2) (time limits) 506–7, 513–33
    - 1124 (Appointing Authority) 512
    - 1136(1) 515
- NAFTA Free Trade Commission (FTC), Interpretative Note on Certain Chapter Eleven Provisions (31 July 2001)**, minimum standard of treatment in accordance with international law, NAFTA jurisprudence, *ADF* 363–4
- national of another Contracting State**
  - BIT provision as applicable law 598–9
  - jurisprudence, *Tokios Tokelés* 598–9
  - source of investment funds, relevance 598–9
- nationality (juridical person)**
  - control test (‘piercing the corporate veil’)
    - BITs 598
    - jurisprudence, *Barcelona Traction, Tokios Tokelés* 598–9
- non-appearance of party**
  - Tribunal’s competence / duty
    - to evaluate evidence / test claimant’s assertions 58–9, 61
    - to issue award 52

**non-discrimination obligation:** *see also* arbitrary and discriminatory treatment  
 Czech [and Slovak Federal] Republic–Netherlands BIT (1991) 340–6  
 Czech handling of bad debt problem 340–6  
 DEI Bermuda LSA 125, 189–91, 226–8  
 justification 343–6  
 Peru investment laws 156, 189–91

**oral hearings**

record  
 audio recording 419, 547  
 verbatim transcript 419, 547

**partial award:** *see* interim or partial award

**Peru**

Civil Code  
 Art. 1321 (breach of obligation: duty to pay damages) 181–2  
 Art. 1428 (damages for non-compliance with bilateral agreement) 182  
 Constitution  
 Art. 62 (LSAs) 116  
 non-discrimination and 191  
 Corporations Law 1998 (Law No. 26887), Art. 367 ('division' of company) 196–7, 199–200  
 estoppel (*doctrina de los actos propios*) 125, 139, 184, 185–9, 200–3, 211–26, 245–9  
 gaps/lacunae in the law, means of filling 198–9, 242–3  
*restitutio in integrum* 229, 230  
 Tax Court, status 143–4  
 tax policy, changes 162–8  
 Egenor  
 Dominion's management and 165–6  
 Duke Energy's acquisition of power and 166–7  
 Duke Energy's management and 167–8  
 privatization and 164–5  
 Income Tax Law 1994 (Legislative Decree No. 774)  
 continuity rule and 195, 196, 198–9, 240–3  
 implementing regulations, need for 195, 199  
 reorganization of corporations and (Art. 106) 196, 199–200  
 Income Tax Law Regulations (Supreme Decree No. 122–94–EF) 163  
 Law No. 27034 of 29 December 1998 (limitation of MRL benefits) 163  
 Legislative Decree No. 782 (right of State-owned entities to reorganize without tax consequences) 162  
 Merger Revaluation Law (Law No. 26283) (MRL)  
 implementing regulations (Supreme Decree No. 120) 163  
 Merger Revaluation Assessment (Duke Energy) and: *see* Duke Energy–Peru dispute,  
 Merger Revaluation Assessment  
 text (Art. 1) 153  
 Tax Amnesty Law / request for amnesty, effect on ICSID jurisdiction in respect of LSA  
 144, 173–6  
 Transparency and Access to Public Information 2003 13  
**Peru, investment and investment protection:** *see also* Duke Energy–Peru dispute  
 Foreign Investment Law (Legislative Decree No. 662) 115, 156

- Art. 2 (national treatment) 190
- Art. 10(a), text 178
- Art. 10(c) (stability of non-discrimination rights) 190
- Art. 13 134
- integrity / unity of regime 130
- Investment Regulations (Supreme Decree No. 162–92–EF) 115, 156
  - Art. 23, text 178–9
  - Art. 23(a) (offset mechanism), alternative compensation under Peruvian law and 181–2
- ‘investment’ requirements 129–40
  - contribution to economically productive activity 129–30
- Law No. 25327 (Framework investment and investment protection law) 115, 156
- legal stability agreements (LSAs) 115–16, 156–7
  - backlash 121
- Constitution (Article 62) and 116, 157
- Contrato-Ley* (Civil Code 1984, Art. 1357) and 125, 139
  - text 115, 156–7
- Dominion / Duke Energy negotiation / assignment of 119–21, 160–2
- formalities 134–5
- as private / civil law contracts 115–16, 156–7
- rights under
  - dispute resolution provisions 156
  - free convertibility of foreign currency 156
  - non-discrimination / equal treatment 156, 189–91, 226–8
  - repatriation of investment, profits and royalties 156, 191–2
  - stability of interpretation and implementation of law, application to 182–5
- Private Investment Law (Legislative Decree No. 757) 115, 156
  - Art. 39 (LSAs), text 115, 157
- privatization of Egenor and acquisition by Duke Energy 116–19
  - ‘investment’ under DEI Bermuda LSA and 130–4
- Privatization Law (Legislative Decree No. 674) 115, 156
  - COPRI, role and practice 116–19, 157–60
- ‘piercing the corporate veil’, as equitable remedy in case of alleged fraud or malfeasance 318–19
- place of arbitration**
  - applicable provisions, UNCITRAL Arbitration Rules 390–1
  - parties’ agreement 390–1
  - relevant factors, neutrality of forum 390–1
  - review of arbitral award by domestic courts and 384, 390–2
- precedent (ICSID arbitral tribunal)**, previous ICSID tribunal decision 421, 583
- precedent (NAFTA arbitral tribunal)**, NAFTA tribunal decisions 515
- procedure (ICSID)**
  - constitution of tribunal 110, 416
    - interpretation of arbitral award and 73–4
  - language
    - English 154 n. 1, 416
    - parties’ right to choose 52
    - Spanish, simultaneous interpretation into 154 n. 1
    - translation of documents into language of proceedings, need for, risk of minor discrepancy 154 n. 1
  - president, resignation 25 n. 2, 256–7

**procedure (NAFTA arbitral tribunal)**

- notice of intention to submit claim, service on respondent as date of claim 507
- revision / amendment of statement of claim (ICSID Arbitration Rule 4 or UNCITRAL Rule 20) 531–3
- equality of parties and 532–3
- fairness and clarity 532–3
- timeliness 531–2

**protection and security of investment, State responsibility**

- effective remedy and 434–5
- fair and equitable treatment requirement and 500
- jurisprudence
  - AMT* 370–1
  - Parkerings* 500
  - Tecmed* 371
  - Wena* 371
- non-intervention to prevent or punish breach of obligation 500
- predictable and transparent framework requirement 346–8, 374
- reasonable preventive measures, obligation 370–1, 374–5
- suspension of stock-market trading and 371–2

**provisional measures, possible measures, suspension of review of status under the Andean**

Trade Preference Act (ATPA) (US) 111–13

**public policy, margin of appreciation 330–1****remedies, effective remedy as element of fair and equitable treatment / protection and security of investment 434–5*****res judicata*, jurisdiction / admissibility, decision on 468–9*****restitutio in integrum* 230**

- ILC articles on State responsibility 620
- jurisprudence, *Chorzów Factory* 619–20
- as preferred remedy 620–2

**review of arbitral award by domestic courts 377–99**

- costs 399
- final and binding decision as waiver of right to 387–92
- interim or partial award and 385
- jurisdiction, place of arbitration, relevance 384, 390–2
- procedure
  - arbitration proceedings documents, waiver 382
  - challenge to all grounds of award, need for 386
  - declaration of arbitral tribunal's lack of jurisdiction = admissibility 385–7
  - language of proceedings 382
  - second exchange of briefs 382–4

**review of arbitral award by domestic courts, standard of review/grounds, decision**

beyond scope of submission to jurisdiction, absence of jurisdiction *ratio temporis* 393–9

**risk**

- of expropriation 607
- 'investment' / 'foreign investment' 22, 23–4

**Saluka Investments dispute: see also** Czech [and Slovak Federal] Republic–Netherlands BIT (1991)



## background

- IPB (Investiční a Poštovní banka)
  - creation and status post 1993 283
  - developments, August 1999–May 2000 294–8
  - financial assistance following sale to CSOB 362–4
  - forced administration 299–306, 379
  - good faith and 319–21, 348–66
  - as ‘investment’ 367
  - lawfulness 315–18
  - Nomura’s acquisition of control over 285–9, 317, 379
  - Nomura’s attempts to find strategic partner 287–8, 294–8, 301, 350, 352–7
  - Put Option 288, 289–90, 309–10, 311, 315–16, 317, 319–20
  - sale to CSOB 258, 297, 298–9, 349–52
  - Saluka / Nomura relationship with 250–1, 257–8, 291
  - Saluka’s acquisition of IPB shares, motivation 315, 319–21
  - suspension of trading in shares 371–2
- Nomura–NPF Share Purchase Agreement of 8 March 1998 265–7, 288–9
  - arbitration clause (Art. 21) 266–7
  - as ‘special agreement’ for purposes of Art. 8(6) of the Czech–Netherlands BIT 266–7
- NPF (National Property Fund), role 283
- Pilsner Urquell Brewery acquisition and sale 289–90
- Saluka
  - establishment and status 290–1
  - relationship with Nomura 264–5, 309–12, 318–19
- fair and equitable treatment of Saluka’s IPB holding 332–66
  - good faith negotiation and 348–66, 373–4
  - impairment of beneficial use 366–70, 374
  - inconsistency and 359–60
  - non-discrimination obligation 340–6
  - parties’ arguments 333–6
  - spreading of negative information 368–70, 374
  - standard of treatment 333–9
    - as autonomous treaty standard 333–9
  - suspension of trading in IPB shares and 371–2
  - transparency and 360–1, 374
  - unjust enrichment and 365–6
- forced administration of IPB
  - background / text of CNB decision of 16 June 2000 299–306, 326–30
  - as lawful deprivation / expropriation 322–31
    - parties’ arguments 323–4
- jurisdiction
  - Saluka as ‘investor’ 313–14
    - extension to claims against Nomura 265, 318–19
  - Saluka shares in IPB as ‘investment’ 313–18, 367
  - temporal jurisdiction 322, 392–9
- jurisdiction over counterclaims
  - Czech [and Slovak Federal] Republic–Netherlands BIT (1991) and 264–73
    - parties’ arguments 260–2, 313–14
  - UNCITRAL rules and 263–4
  - working presumption of 265

**Saluka Investments dispute** (*cont.*)

procedural background 256–9, 277–81, 381  
 review of arbitral award by Swiss Federal court 378–99

**stabilization clause:** *see also* Duke Energy–Peru dispute, DEI Bermuda LSA, Clause 3 (legal stability guarantee); Peru, investment and investment protection, legal stability agreements (LSAs)

legislative interpretation and implementation, protection from 182–5  
 non-retroactivity principle and 59–60

**standard of treatment of alien**

as autonomous treaty standard 333–9  
 jurisprudence, *ADF* 363–4  
 ‘protection and security in accordance with law of host State’ 62  
 State / treaty practice 333  
 strict liability 371

**standing (BITs provision):** *see also* ‘investor’ / ‘foreign investor’

consortium formed for purposes of contract after contract concluded 35–43  
 ‘investor of a Party’ 54–7  
 local subsidiary, whether 55–6  
 wholly owned third-State subsidiaries 318–19

**standing (ICSID):** *see* national of another Contracting State

**State agency / organ**

classification as  
 Agence Nationale des Barrages (ANB) (Algeria) 24–6  
 applicable law, domestic law 475–6  
 Prime Minister 479  
 Privatization Department (Moldova) 57  
 Suez Canal Authority (SCA) 474–7  
 test, exercise of ‘legislative, executive, judicial or any other functions . . .’ in accordance with domestic law (ILC Art. 4) 475–6  
 State control, dominant influence 26

**State responsibility**

acts and omissions of  
 judicial authorities 479, 483–4  
 person or entity exercising elements of governmental authority (ILC Art. 5) 476–8  
 Prime Minister 479, 499  
 State agency / organ (ILC Art. 4) 475–6  
 absence of objection to 57  
 Agence Nationale des Barrages (ANB) (Algeria) 24–6  
 Privatization Department (Moldova) 57  
 applicable law  
 BIT 470  
 ILC Articles on State Responsibility (2001) 57  
 customary international law, inter-State responsibility 475  
 estoppel distinguished 187–9  
 for  
 consent to treaty in manifest violation of internal law of fundamental importance 189  
 continuing wrongful act 471  
 denial of justice 483–4  
 ‘exercise of governmental authority’, limitation to (ILC Art. 5) 476–8  
 treaty, breach, obligation in force at time of alleged breach, limitation to 469–70

- jurisprudence, *Salini* 425
- justification for alleged breach, absence of international obligation at time of impugned act (ILC Art. 13) 469–71
- merits, matter for 25–6, 424–6
- State succession**, Czech and Slovak Republic 256, 282
- statutory limitation**
  - as general principle of international law 514
  - NAFTA proceedings and 513–33
- Stockholm Chamber of Commerce Arbitration Institute (SCC Institute)**
  - appointment of arbitrators 49
  - competence / duty of tribunal to determine
    - interpretation / evaluation of domestic law 61
    - violation of BIT by legislative action 61
  - costs 66, 67
  - jurisdiction, prima facie legal case, sufficiency 127–8
  - language, parties' right to choose 52
  - non-appearance of party 52
    - Tribunal's duty to evaluate evidence / test claims of claimant 58–9, 61
  - statement of claim / statement of defence, correction by Tribunal 56–7
  - submission of dispute to, Moldova–Russian Federation BIT (1998) 49
  - time-limits, submission of new evidence / new legal arguments 58
- Stockholm Chamber of Commerce Arbitration Institute (SCC Institute), Arbitration Rules (1999)**
  - 10(5) (failure to appear) 52, 58
  - 12 (notification to respondents of arbitral tribunal communications) 52
  - 20(5) (notification to claimants of arbitral tribunal communications) 52
  - 24(1) (applicable law) 58
  - 28 (failure to appear) 52
  - 33 (time-limits for award) 49
  - 40(2) (costs) 66, 67
- Suez Canal**: *see* Jan de Nul–Suez Canal Authority (SCA) contract
- suspension of proceedings (ICSID)**, pending outcome of proceedings in domestic courts 499
- suspension of proceedings (UNCITRAL arbitration)**, review of award in domestic courts and 382
- Sweden**
  - applicable law, procedure, law of place of arbitration 61
  - iura novit curia* 56–7, 61–2
  - jurisdiction (general), competence / duty of tribunal to determine, *ex proprio motu* 56–7
- Switzerland**
  - costs of arbitration, review of arbitral award 399
  - domestic courts, language of proceedings 382
  - interim or partial award
    - final and binding, whether 385
    - review of arbitral award by domestic courts and 385
  - law of
    - Judicial Organization Law (*OG*)
      - Art. 37(3) (language of proceedings) 382
      - Art. 90(1)(b) (challenge to all grounds of arbitration award) 386
      - Art. 93(3) (second exchange of briefs) 382–4

**Switzerland** (*cont.*)Private International Law Act 1987 (*IRPG*)

Arts. 190 ff. 384

Art. 190(2) 385, 392–9

Art. 190(3) 385

Art. 191 384, 390–2

Art. 192 (parties' right to exclude review of arbitral award in domestic courts) 382, 383, 387–92

review of arbitral award: *see* review of arbitral award by domestic courts

waiver of right to legal remedy, final and binding decision as 387–92

**tax measures, Peru:** *see* Peru, tax policy, changes**time-limits**

arbitral award 49

new evidence and legal arguments 58

six-months rule 32–5, 53

as jurisdictional issue 512–33

procedural requirements 34–5

start date 34–5

**time-limits for institution of claim (NAFTA 1116(2) and 1117(2)) (three-year rule)**

'first acquired or should have first acquired, knowledge of alleged breach... or loss or damage' 506–7

actual knowledge 519–20

constructive knowledge 520–4

due diligence obligation 522–3

knowledge of loss or damage 524

'loss or damage' 524–7

loss or damage arising subsequent to start of three-year period 527–31

**treaties**

applicability of subsequent treaties relating to same subject-matter, Minsk Convention (1997) 54, 64

domestic law and, primacy, subsequent legislation 55–6

entry into force, requirements, notice of completion of formalities 53

invalidity (VCLT 46–53), manifest violation of internal law of fundamental importance (VCLT 46) 189

non-retroactive effect (VCLT 28) 469

State responsibility for breach prior to entry into force 469–70

ratification, need for 53

State succession and 256

third party and (VCLT 34–8), Czech [and Slovak Republic]–Netherlands BIT (1991) and 384–5, 389, 390

**treaties, interpretation**

guidelines, actual / clear / plain language 607

parties' intention 30

**treaties, interpretation (VCLT 31(1)) (general rule: good faith, ordinary meaning, context, object and purpose) 514–15**

'damage' 524–7

good faith 336

'loss' 524–7

[natural and] ordinary meaning

- ‘fair and equitable treatment’ 336
- ‘impairment’ 366
- ‘in connection with an investment in the territory’ 470–1
- ‘measure’ 366
- object and purpose 389–90
- BITs 336–9
- treaties, interpretation (VCLT 31(3)) (points to be taken into account together with context)**
  - ‘any relevant rules of international law applicable in the relations between the parties’ (VCLT 31(3)(c)) 324
  - subsequent agreement between the parties regarding the interpretation or application of the treaty (VCLT 31(3)(a)) 389–90
- treaties, interpretation (VCLT 32) (supplementary means), manifestly unreasonable or absurd result and (VCLT 32(b)) 389–90**
- UNCITRAL Arbitration Rules**
  - 3(1) (notice of arbitration: prior to constitution of tribunal) 256
  - 16 (place of arbitration) 390
  - 16(1) (place of arbitration: agreement by parties / choice by tribunal) 390–1
  - 19(3) (counterclaims) 260
  - 19(4) (counterclaims) 260, 271–2
  - 20 (statement of claim or defence: amendments) 531–3
  - 21(3) (challenge to jurisdiction: time-limits) 260, 308
  - 21(4) (jurisdiction as preliminary issue) 308
  - 23 (written statements: time-limits for communication of) 375
  - 32(1) (interim, interlocutory and partial awards) 375
  - 38 (costs) 375
- unity of the investment principle (multiple instruments / multiple parties) (consent to jurisdiction) 129, 136–9, 176–7**
  - instruments as basis of claim and as aid to interpretation distinguished 139
  - jurisprudence
    - CSOB* 137–8
    - Holiday Inns* 136–7
    - SOABI* 138–9
  - ‘unity of investment’ and ‘unity of protection’ distinguished 139
- unjust enrichment**
  - as basis for damages 622
  - fair and equitable treatment and 365–6
  - as general principle of international law 365
- Vienna Convention on the Law of Treaties (1969), as customary international law 389**
- Wena, interpretation of award**
  - parties’ arguments
    - Egypt 78–81, 84–5, 90, 92
    - Wena 74–8, 82–4, 90, 91–2
- witnesses, credibility 576–7**