

INDEX

Note: Page numbers in **bold** type relate to the Commentaries, those in *italics* to the summaries and those in roman type to the excerpts reproduced.

Abbreviations used in the index

- 2007 Agreement (Bankswitch–Ghana, Ghana Customs, Excise and Preventive Service Secure Document Management System Agreement (2007))
- A&FR (Administrative and Financial Regulations)
- ACHR (Inter-American Convention on Human Rights (1969))
- AGBA (Aguas del Gran Buenos Aires)
- AR (Arbitration Rules)
- Article 107(1) (notice of default under the Swiss Code of Obligations)
- Article 107(2) (notice of intention to forgo subsequent performance and claim damages under the Swiss Code of Obligations)
- BC (British Columbia)
- BCUC (British Columbia Utilities Commission)
- BKPM (Indonesian Investment Coordinating Board)
- BLEU (Belgium–Luxembourg Economic Union)
- CABB (Consorcio de Aguas Bilbao Bizkaia, Bilbao Biskaia Ur Partzuergoa)
- CETA (Canada–EU Comprehensive Economic and Trade Agreement (2016))
- CIL (customary international law)
- CISG (UN Convention on Contracts for the International Sale of Goods (1980))
- CMK (Cortec Mining Kenya Limited)
- CNA (CNA Aseguradora de Riesgos del Trabajo SA)
- DCF (discounted cash flow)
- Devas Agreement (Devas–Antrix Agreement (28 January 2005))
- ECJ (European Court of Justice)
- ECT (Energy Charter Treaty (1994))
- EIA (environmental impact assessment)
- EKCP (East Kutai Coal Project)
- EPA (Energy Purchase Agreement)
- ERO (Energy Regulation Office)
- FTCT (Framework Convention on Tobacco Control (2005))
- FiT (feed-in tariff)
- FTC (NAFTA Free Trade Commission)
- FTLRP (Fast Track Land Reform Programme in Zimbabwe)
- GBL (generator baseline)
- GCNet (Ghana Customs Network Services)
- GGLs (government-guaranteed loans)
- Hibernia (Hibernia Oil Development Project)
- HMDC (Hibernia Management and Development Co. Ltd)
- ICESCR (International Covenant on Economic, Social and Cultural Rights (1966))
- ICJ (International Court of Justice/ICJ Statute)
- IDI (*Institut de Droit International*)
- IDI Res. (IDI Hague Session, 31 July 1925, Resolution on prescriptive extinction)

- IEPS (Impuesto Especial de Productos y Servicios (Special Tax on Products and Services))
 ILC(SR) (ILC Articles on State Responsibility)
 IR (ICSID Institution Rules)
 Lakhra (Lakhra Power Generation Co. Ltd)
 LDAs (load displacement agreements)
 LETEs (*Letras del Tesoro denominadas en Dólares Estadounidenses* (Argentinian Treasury bills in US dollars))
 LTCIS (Libyan Tactical Communication and Information System)
 MOU (Memorandum of Understanding)
 NAB (National Accountability Bureau (Pakistan))
 NAO (National Accountability Ordinance 1999 (Pakistan))
 NMM (Non-Metallic Minerals SA)
 OTA (Orascom Telecom Algérie)
 OTH (Orascom Telecom Holding)
 Paris Convention (Paris Convention for the Protection of Industrial Property (1979))
 PCA (Permanent Court of Arbitration)
 PPA (Power Purchase Agreement)
 PPI (Producer Price Index)
 PPIB (Private Power & Infrastructure Board of Pakistan)
 PPRA Rules (Pakistan Public Procurement Rules 2004)
 PSA (Power Supply Agreement)
 PT ICD (PT Indonesian Coal Development)
 Regent/cy (Regent/cy of East Kutai)
 RES (renewable energy sources)
 RPP (rental of power projects)
 SML (Special Mining Licence)
 SPL (Special Prospecting Licence)
 SPR (Single Presentation Requirement (Ordinance 514) (Uruguay))
 Terra Nova (Terra Nova Oil Development Project)
 UDHR (Universal Declaration of Human Rights (1948))
 UNCTAD Study (2009) (“The Protection of National Security in IIAs”)
 VCLT (Vienna Convention on the Law of Treaties (1969))
- abuse of process:** *see also* fraudulent misrepresentation/fraud (*dol*); good faith/fraudulent misrepresentation/fraud (*dol*), jurisprudence
 abuse of rights as variant 537, 542–3
 bad faith/good faith and 537, 542–3
 international arbitral proceedings, applicability to 542–3
 jurisprudence: *see also* good faith/fraudulent misrepresentation/fraud (*dol*), jurisprudence
 Hamster 537, 542
 Metal-Tech 543
 Renée Rose Levy 542–3
 World Duty Free 543
- abuse of rights**
 abuse of process as variant 537, 542–3, 596
 admissibility and jurisdiction tests distinguished 43, 44–5
 burden/standard of proof
 “high” standard 23–4, 43

- shift of burden **43–4**
- damages, impact on **45**
- definition/examples/requirements
 - bad faith/good faith, relevance **24, 34, 43**
 - as exercise of right for purpose other than that intended **44–5**, 596
 - foreseeability requirement, reasons for **43–4**
 - initial abuse aborting investment vs subsequent abusive initiation of investment claim **42–3**
 - multiple proceedings by entities in a vertical chain for essentially the same harm **42, 44–5**, 455, 594–5, 596–9
 - as objective test established by behaviour rather than motivation **43**
 - restructuring of investment in order to gain access to BIT protection **43**
 - by unprotected person **43**
 - in view of a specific foreseeable dispute **43**
- as general principle of international law 597
- jurisprudence
 - Chevron* **43**
 - CME* **45**, 598–9
 - General Dynamics* **42**, 426, 427–8, 437
 - Grynberg* 597
 - Himpurna* **42, 45–6, 95**
 - Lao Holdings* 596
 - Lauder* **45**, 598–9
 - Orascom* **42, 44–5**, 588, 594–5, 596–9
 - Philip Morris v. Australia* **24–5, 43–4**
 - Phoenix* **42, 44–5**
 - Renée Rose Levy* 596
 - Venezuela Holding* **43**, 542
- pre-emptive approach to **45–6**
- acquiescence**: *see also* estoppel; prescriptive extinction; unilateral declaration, effect
 - in absence of BIT deadline for the institution of arbitration proceedings **37, 39, 40**, 653–4
 - as general principle of law **40**
 - notification that a party regarded the proceedings as closed, relevance 654
 - stages of operation **39**
 - as “tacit recognition manifested by unilateral conduct . . . as consent” **39**
- acquiescence (jurisprudence)**
 - E energija* **37, 39**
 - MCI* **39**
 - Obligation to Negotiate* **39**
 - Sovereignty over Pulau Ligitan and Pulau Sipadan* **39**
 - Temple of Preah Vihear* **39**
- Additional Facility Rules (Arbitration)**
 - 45 (challenge to the jurisdiction) 202
 - 57 (supplementary decision) 662
- administrative act** 131–2
- admissibility**
 - fraud/fraudulent misrepresentation and 543, 544, 545, 552–3
 - parallel proceedings with different treaty bases, effect
 - as abuse of rights 594–5, 596–9

admissibility (cont.)

jurisprudence

CME 598–9*Lauder* 598–9*Orascom* 592–3, 596–8

reasons for not allowing including conflict with BITs' object and purpose 594–5, 597–8

relevant factors 591–3

related settlement agreement, effect 593–4

admissibility of evidence 400**adverse inferences** 429, 536, 540**affirmative defences:** *see* “defences”**Algeria–BLEU BIT (1991) by article**

1(1)(b) (“*sociétés*”/“companies”): *see also Orascom* (Award) (jurisdiction/admissibility) (31 May 2017), jurisdiction *ratione personae* (claimant as protected investor (BIT 1(1)(b)))

BIT 1(1)(b) as autonomous definition vs applicability of domestic law 589

genuine connection, relevance 590

interpretation, aids, supplementary means including *travaux préparatoires* (VCLT 32) 590requirements (constitution in accordance with the law of Luxembourg, Belgium or Algeria/*siège social* on their territory) 589–90“*siège réel*” test, applicability 590–1“*siège social*” 589–91

principles of interpretation/aids to 589–90

1(2) (“investment”)

“asset”/“contribution”, relationship 591

indirect investment, sufficiency 591–2

Algeria–BLEU BIT (1991) (language of treaty)

language of negotiation (French) 589

languages of final texts (French/Dutch/Arabic), equal authenticity 589

unofficial English translation registered with the UN 589

amicus curiaeICSID AR 37(2) (submissions of non-disputing parties/*amici curiae*) 363, 454, 457, 458

requirements

independence and neutrality 365

relevance of submissions to the dispute 365

waiver of conditional right (refusal to pay costs of participation as) 685

annulment of arbitral award (ICSID 52) (ad hoc Committee (ICSID 52(3)))

annulment of decision on provisional measures, exclusion 410

discretionary powers 125

partial annulment (ICSID 52(3)) 410

annulment of arbitral award (ICSID 52) (general including procedural matters)

appeal distinguished 378

as exceptional remedy 378

new argument, inadmissibility 378

annulment of arbitral award (ICSID 52), grounds

failure to state reasons (ICSID 52(1)(e)) 123–4, 168–70, 411

sufficiency to understand how tribunal arrived at its conclusion 541

jurisprudence

Churchill 539–41

- Quiborax* 410–11
- Von Pezold* 378–9
- Wena Hotels* 539
- manifest error of law 124
- manifest excess of power (ICSID 52(1)(b)) 123–4, 168–70, 411
 - erroneous assumption of jurisdiction 411
 - error in application of *Chorzów Factory* principle 411
 - error of law as 125
 - error of law distinguished 125
 - failure to apply correct applicable law (ICSID 42(1)) 124–5, 153–4, 379, 540–1
 - incorrect assessment as matter of jurisdiction or admissibility 379
 - infra petita* 540–1
 - “manifest” 125, 153
 - ultra petita* 170
- serious departure from fundamental rules of procedure (ICSID 52(1)(d)) 169, 378–9
 - alleged reliance on witness statement excluded from the evidential record 540
 - burden of proof, wrongful allocation 540
 - failure to draw adverse inferences 540
 - failure to observe parties’ right to be heard 411, 539
 - failure to allow new evidence/arbitrators’ right to assess evidence 539–40
 - on matters excluded from Tribunal’s consideration following finding of global inadmissibility 540
 - refusal to allow arguments which could have been made during the proceedings 540
 - “serious” 539
 - waiver of right to object (AR 26/AR 27) 379
- Antaris:** *see* *Antaris* (background); *Antaris* (jurisdiction) (Solar Levy extension claim/status of Solar Levy as taxation measure (ECT 21)); *Antaris* (merits); tax/taxation measures
- Antaris (background)**
 - history of the dispute in date order
 - introduction of Incentive Regime/amendments (1992–2013): *see* relevant law (Czech Republic) (Incentive Regime) *below*
 - claimants’ investment in five photovoltaic power plants (2010) 682
 - parties’ positions (claimant)
 - alleged breaches of ECT 10(1)/BIT 2 and 4(1) 683–4
 - arbitrary, unreasonable or discriminatory measures (non-impairment clause) 684
 - compensation claim/interest and costs/expenses 684
 - fair and equitable treatment/full protection and security 684
 - parties’ positions (respondent) 684
 - procedural history in date order
 - notice of arbitration (8 May 2013) 682
 - claimant’s objection to consolidation of claims (10 June 2013) 682
 - grant of leave for the European Commission to appear as *amicus curiae*/Commission’s refusal to pay costs as waiver of conditional right to appear as *amicus* 683
 - hearing on jurisdiction and the merits (2–5 May 2017) 685
 - respondent’s request to admit ECJ judgment (*Achmea*)/rejection on grounds of estoppel (13 March 2018) 683, 685
 - Award/dissenting opinion/declaration (2 May 2019) 685
 - relevant law (Czech Republic) (Incentive Regime)
 - ERO Regulations in date order
 - 475/2005 683

Antaris (background) (cont.)

364/2007 683

140/2009 683

409/2009 683

statutes in date order

Act 586/1992 (Act on Income Tax) 682

Act 180/2004 (Act on Promotion) 682–3

Act 137/2010 (entry into force, 20 May 2010) (repeal of the FiT 5% Break-Out Rule) 683

Act 330/2010 (abolition of the FiT 5% Break-Out Rule) 683

Act 346/2010 (repeal of Income Tax Exemption for RES producers)/as ECT taxation measure 683, 685, 694

Act 402/2010 (Solar Levy/cancellation of incentives for solar power plants placed into service after 1 January 2014) 683

Act 165/2012 (repeal of Act on Promotion) 683

Act 310/2013 (extension of the Solar Levy for plants put into operation during 2010) 683

Antaris (jurisdiction) (Solar Levy extension claim/status of Solar Levy as taxation measure (ECT 21)) 686–7, 693–704

concurring declaration (Tomka J)

respondent's purposeful construction of the Solar Levy as withholding tax to avoid legal challenge as justification for Tribunal's jurisdiction 692, 715

Solar Levy as a tax 692, 714–15

Tribunal's overemphasis on the Supreme Administrative Court's decision of 10 July 2014 (levy as a decrease in government subsidy) 692

interpretation of legislation, substance over formalism 21, 687, 697, 703

object and purpose of ECT 21, relevance in case of measure not qualifying as a tax measure under domestic law 696

parties' positions

claimant 686, 694–5

respondent 686, 693, 694

repeal of Income Tax Exemption distinguished/as ECT taxation measure exempt from BIT protection 683, 685, 694

separate notification and cooling-off period, need for 687

"taxation measure" (ECT 21), classification of Solar Levy extension as

academic opinion 697–8, 699–700

applicability of VCLT 31(1) (general rule: good faith, ordinary meaning, context, object and purpose) 695

"as any provision relating to taxes of the domestic law of the Contracting Party" (ECT 21(7)(a)(i)) 21, 695

Czech law, whether decisive 22, 696

decisions of Czech courts

cases cited by respondent 700

Constitutional Court Judgment 2216/14 of 13 January 2015 700

positions taken by the respondent in Czech judicial proceedings and during the legislative proceedings 21, 701

Supreme Administrative Court's decision of 10 July 2014 (levy as a decrease in government subsidy) 698–700

variations between 698

expert evidence 697

- interpretation in accordance with VCLT 31(1) (general rule: good faith, ordinary meaning, context, object and purpose) 693
- “levy” 686–7, 693–704
- limitation of taxation carve-out (ECT 21(1)) to bona fide taxation actions, whether 25, 702–4
- requirements
 - non-equivalence/absence of consideration or immediate return 21, 686, 687, 692, 698–9, 714–15
 - raising general revenue as purpose 21, 22, 687, 702–4
 - as a two-step process 21, 686–7, 696–7
- Tribunal’s conclusion 703–4
- Antaris (merits)**
 - alleged breach of ECT 10(1)/BIT 2(2) (non-impairment by unreasonable, arbitrary or discriminatory treatment) 685–6, 690, 708–9
 - motivation, relevance 708
 - Tribunal’s conclusion (Solar Levy as rational, non-arbitrary response to solar boom/excess profits/excessive electricity prices) 690, 708–9
- costs 690–1
- dissenting opinion (Born) 691–713
 - alleged breach of ECT 10(1)/BIT 2(2) (non-impairment by unreasonable, arbitrary or discriminatory treatment) 691
- legitimate expectations of claimant
 - alleged non-retroactivity 692
 - decisions of Czech courts, relevance 711–12
 - due diligence obligation 692, 709–11
 - European Commission’s State Aid decision on Czech measures (28 November 2016), relevance 712–13
 - margin of discretion, relevance 691–2
 - respondent’s specific and unambiguous guarantees of stability for a period of 15 years 691
 - Solar Levy as breach of specific legislative guarantees 691
 - stabilization clause, State’s obligations independent of 691
- fair and equitable treatment (general principles) 687–9
 - definition/measure
 - “frustration of legitimate and reasonable expectations or guarantees of stability” 688–9
 - “manifestly inconsistent or unreasonable” 688–9
 - precise identification of origin of expectation 688
 - “unrelated to some rational policy” 688–9
- legitimate expectations of claimants (Tribunal’s analysis and conclusions) 689–90, 704–9
 - dissenting opinion (Born) 709–13: *see also* dissenting opinion (Born) *above*
 - “representation”
 - domestic legislation/Incentive Regime as 689
 - statement in Explanatory Report to an early draft of the Act on Promotion as sole example of 707
- Solar Levy as subsequent change violating claimants’ legitimate expectations, whether/relevant factors
 - claimants’ due diligence obligation 689–90, 706, 707–8
 - non-retroactivity effect of changes to the Act on Promotion 690, 706, 707
 - stabilization clause, whether essential to expectation of stability 689

Antaris (merits) (cont.)

stable and predictable investment framework, absence of free-standing obligation to provide 689

Tribunal's conclusion (Solar Levy a readily foreseeable event justified by the solar boom) 690

legitimate expectations (general principles)

burden of proof/source of expectation/requirements

attribution of representation to State 688

clear and explicit representations to induce investments 688, 689

non-modification of regulatory framework at time of investment outside the "acceptable margin of change" 688

reasonable reliance on representations 688

specific guarantees in legislation 688–9

specific representation as non-essential aid to assessment of reasonableness and legitimacy of expectation 688

stabilization clause, relevance 688

exclusion of expectation/State's rights

balancing of investor's interests with other considerations 688

exercise of State's regulatory authority in pursuit of a public interest 688

exercise of State's sovereign authority to adapt its legal system to changing circumstances 688

reliance on BIT as insurance policy against risk of changes to legal and economic framework 688

relevant factors, "high measure of deference which international law generally extends to the right of national authorities to regulate matters within their own borders" 688

applicable law (arbitration including in particular ICSID 42(1))

BIT, supplemented by relevant international or domestic law 639

choice of law clause/as agreed by parties 577

absence, domestic law of Contracting State/such rules of international law as may be applicable, tribunal's right to decide between 535, 577

tribunal's right to determine 540–1

E energija 639

jurisdiction and merits distinguished 116

applicable law (State contract), international law as part of the law of Ghana/direct

applicability to an international agreement 308

"approbate and reprobate" principle 608, 630**arbitrary or discriminatory treatment**

absence of reason or factual basis 119

applicable law, general principles of international law/host State's domestic laws 565

"arbitrary" 472–3

"a wilful disregard of due process of law, an act which shocks, or at least surprises, a sense of juridical propriety" 472–3, 642, 667

"discriminatory" 565–6

"like circumstances" 566

economic crisis measures 119

fair and equitable treatment and 208, 229–30, 372, 373, 472–81, 642, 688–9

distinction 565

jurisprudence

Cargill 208

- Continental Casualty* 158
- E energija* 642–5
- ELSI* 472–3
- Philip Morris v. Uruguay* 471–82
- Sempra* 119
- Urbaser* 565–6
- legitimate expectation and 566
- manifest impropriety, need for 119
- police powers doctrine and 471–2
- relevant factors
 - absence of reasonable connection between State’s objectives and effectiveness of chosen measures 472
 - inadequate official consideration 472
 - lack of scientific evidence 472
 - “obstruction” of investment 565
 - “unjustified” measures 566
- Argentina:** *see also Cargill; Continental Casualty; Sempra; Urbaser*
- administrative *act/fait du prince*, lawfulness 131–2
- Civil Code by article
 - 1197 (contractual obligations: binding nature) 126
 - 1198 (contract: termination in case of unforeseen events) 126–7
- CMS Gas Transmission Company 126
- Constitution by article
 - 14 (citizens’ rights) 131–2
 - 16 (equality) 132
 - 17 (right to property) 126, 131–2
 - 28 (entrenchment of fundamental rights) 126
- Decree 2128/91 (peso/US dollar) 114
- Decree 1570/2001 (blocking of bank deposits (*Corralito*)) 157, 165, 184, 185–7
- Decree 71/2002 (public emergency) 114
- Decree 214/2002 (“pesification”) 167
- economic crisis, measures to tackle 157
 - arbitrary or discriminatory treatment, whether 119, 165–6
 - creeping expropriation/“measure tantamount to nationalization or expropriation”, whether 118
 - as factor to be taken into account in determining compensation for breach of contractual obligations 132, 148
 - necessity and 120–1, 184–95
 - recovery from 128
- economic, political and social crises (2001/2002), whether involving the maintenance of public order or the protection of Argentina’s essential security interests 162–3, 175–8, 183–5
- effective remedy, availability 560
- emergency as defence to alleged breach of State responsibility (including ILC(SR) 25)
 - requirements [under Argentinian law] 120, 127–31
 - compliance with ACHR provisions 134
 - consent to contractual adjustments 91, 120, 130–1
 - grave and imminent peril to the State 134, 138
 - non-availability of alternative measures 120, 134
 - non-mutation of essential contractual rights 129

Argentina (cont.)

- reasonableness 129–30
- temporary nature 128–9
- emergency as defence to liability for breach of treaty 120, 127–31, 132–5
- constitutional powers of Congress 127
- requirements under Argentinian law (*Provincia de San Luis*) 120, 127, 132–5
 - ACHR provisions, compliance with 134
 - consent to contractual adjustments 91, 120, 130–1
 - grave and imminent peril to the State 134, 138
 - non-availability of alternative measures 120, 163–4, 184–95
 - non-mutation of essential contractual rights 129
 - reasonableness 129–30
 - temporary nature 128–9
- fair and equitable treatment 119
- gas sector, privatization programme 114
- imprévision*
 - as general principle of law incorporated into Argentinian law 91, 126–7
 - investment licence 126–7
- Law on Intangibility 2001 168
- Law No. 23.928 (1991) (Convertibility Law) 114, 157, 168
- Law No. 24.076 (1992) (Privatization of Gas Sector) (Gas Law) 114
- Law No. 25.561 (2002) (Emergency Law and Reform of the Currency Exchange Regime) 127, 128, 133, 557
- necessity
 - economic crisis, measures to tackle 120–1, 184–95
 - requirements 120–1
 - “pesification” 157, 188–90
- Argentina–France BIT (1991) by article**, 8(2) (“bifurcation clause”) 335
- Argentina–Spain BIT (1991) by article**
 - I(2) (“investment”), “shares and other forms of participation in companies” 561
 - III(1) (protection against obstruction by unjustified or discriminatory measures) 565–6
 - applicable law (BIT X(5)) 565
 - “arbitrary” measures 565–6
 - “unjustified” measures 566
 - VII(1) (applicable law options: more favourable terms principle) 574
 - X (dispute settlement clause), neutrality/right of either investor or State to bring a claim against the other 567, 569
 - X(2) (exhaustion of local administrative or judicial remedies) 560, 571
 - X(3)(a) (18-month rule) 560
 - X(4) (ICSID/UNCITRAL alternatives) 570
 - X(5) (dispute settlement: applicable law) 573–80
- Argentina–US BIT (1991) by article**
 - I(1)(a) (“investment”) 160–1
 - I(1)(e) (“associated activities”) 161
 - II(2)(a) (fair and equitable treatment, full protection and international law standard of treatment) 119, 120, 158, 165–6
 - “stable framework for investment” (preamble) and 165–6
 - II(2)(b) (arbitrary or discriminatory treatment) 119, 158
 - II(2)(c) (non-compliance with obligations) (umbrella clause) 119, 158
 - IV(1) (prompt, adequate and effective compensation) 118, 166–7

- IV(3) (loss due to civil war or armed conflict: standard of treatment)
 - derogation clause distinguished 121, 140
 - necessity defence and 139–40
- V (transfers) 158, 165
- XI (emergency measures/necessity) 20, 26–9, 121, 123–5, 140–6, 148–54, 162–5
 - BIT XI/ILC(SR) 25 relationship 115, 125, 146, 150, 152–3, 162–3, 171–4
 - ILC(SR) 25 text distinguished 150–1, 162
 - circumstances justifying application
 - “essential security interests” 121, 142–3, 162–3, 176–7
 - maintenance of public order 162–3
 - margin of appreciation 163
 - “necessary for” 163, 181–95
 - non-contribution by the State to the crisis (ILC(SR) 25(2)(b)) 196–8
 - different approaches to 26–8, 77–8
 - interpretation
 - in accordance with CIL (ILC(SR) 25)/separability from 121, 143–4, 149–50, 162, 182
 - travaux préparatoires* 175–6
 - as *lex specialis* 173–4
 - self-judging clause, whether
 - margin of appreciation compared 163
 - need for express provision 121, 144–6, 149, 152, 162, 179–81
 - parties’ intention 180–1
- XIV(3) (termination: investments made prior to) 145–6
- Australia–Indonesia BIT (1992) by article, XI(4) (consent to ICSID jurisdiction)**
 - 534–5
- bad faith:** *see also* good faith
 - burden/standard of proof 654–6
 - estoppel and 654
- Bankswitch:** *see* *Bankswitch* (background); *Bankswitch* (Award (11 April 2014))
- Bankswitch (background)**
 - challenge to the jurisdiction, timeliness (UNCITRAL 21(3)) 307
 - facts (in date order)
 - Bankswitch–Ghana Memorandum of Understanding (Ghana Customs System) (December 2006) 304
 - reports of ineffectiveness of GCNet 304
 - Bankswitch–Ghana Agreement (Secure Document Management System) (12 December 2007) (2007 Agreement) 304
 - GetGroup as party to agreement/consultant 304
 - government’s failure to issue Certificate of Satisfaction 304–5
 - Presidential Directive directing cessation of transactions with Bankswitch/suspension of 2007 Agreement 305
 - government’s resumption of payments to Bankswitch 305
 - procedural matters
 - appointment of arbitrators 305
 - hearings (absence of Ghana’s representatives) 306
 - adjournment to allow discussion of draft Award on Agreed Terms 306
 - Ghana’s failure to return signed Award on Agreed Terms/resumption of hearing 306

Bankswitch (background) (cont.)

- Ghana's request for renewed adjournment in light of constitutional difficulties and other legal issues/Tribunal's refusal 306
- post-resumption submissions 306
- notice of arbitration (4 March 2011) 305
- parties' positions (claimant) 305
- parties' positions (respondent) 305–6
- relevant law (2007 Agreement) 305
 - applicable law (Clause 22) 304
 - summary of terms 304
- relevant law (Ghanaian Constitution, Art. 181), text 305 n. 3

Bankswitch (Award (11 April 2014))

- applicable law, customary international law as part of the law of Ghana/direct applicability to an international agreement 308
- Award on Agreed Terms, relevance of signature (UNCITRAL Rule 34) 306–7
- Certificate of Satisfaction/Tribunal's conclusion 310
- estoppel
 - as general principle of international law 309, 322
 - as general principle of law 309
 - international public policy and 36, 309
 - primacy of international law doctrine over domestic law 309, 322
- requirements
 - authorized statement 309
 - clear and unambiguous statement of fact 309
 - detriment/prejudice 309, 310
 - good faith reliance on act/undertaking 309
 - reasonable appearance of act binding on State 309
 - reasonable reliance on 309
 - unjust or inequitable result if claim of estoppel accepted 309
 - voluntary statement 309
- Tribunal's conclusion 309–10
- Ghana's breach of obligations under the 2007 Agreement 310
 - Tribunal's conclusion 310
- “international agreement”, classification of 2007 Agreement as 307–8, 314–20
 - case-by-case determination 307, 314–20
 - criteria/relevant factors (*Balkan Energy*) (significant foreign element or foreign party/foreign residence)
 - engagement of foreign entities to implement agreement 315, 317–18
 - foreign incorporation of participant in agreement 315, 316–17
 - foreign shareholders/domicile outside the host State 315, 316
 - limitation to agreements between State and foreign entity 315, 320
 - management by resident of host State 315–16
 - negotiation by national of host State 316–17
 - provision for arbitration under UNCITRAL Rules 315, 319–20
 - registration as a company under foreign ownership 315, 317
 - relationship with the wealth and economic resources of host State 317, 319
 - tax and foreign exchange control clause 315–16, 318–19
 - waiver of State immunity 316, 318
- Tribunal's decision 320

- international business or economic transaction (Ghanaian Constitution, Art. 181(5)),
 - 2007 Agreement as 314–20
 - as business transaction 307
 - as international agreement: *see* “international agreement”, classification of
 - 2007 Agreement as *above*
 - parliamentary approval, need for/non-compliance 308
- lost profits, calculation 311–12
- determination of five-year term of the Service Fee as basis 310
- Tribunal’s conclusion 312
- “necessary modifications by Parliament” (Ghanaian Constitution Art. 181(5)), whether a
 - requirement for parliamentary approval for international business or economic transactions 30, 33–4, 312–14
- jurisprudence
 - Balkan Energy* 313–14
 - Faroe Atlantic* 313, 314, 319, 326–7
 - respondent’s position 313
 - Tribunal’s conclusion 314
- Tribunal’s decision (summary) 306
- “bifurcation clause” (“fork in the road”)**
 - exhaustion of local remedies and 403
 - identity of parties, object and cause, need for 339
- BITs (bilateral investment treaties):** *see also individual BITs*
 - as applicable law 149
 - customary international law (CIL) and
 - interpretation in accordance with “any relevant rules of international law [including CIL] applicable in the relations between the parties” (VCLT 31(3)(c)) 63–5, 460, 467
 - choice of BIT provision as applicable law, effect 509
 - equality of relationship 63–5
 - jurisprudence
 - AAPL* 64
 - Accession Mezzanine* 64–5
 - individual investor’s right to invoke 574–5
 - interpretation
 - BIT as autonomous provision vs law of host State 589
 - dictionary definitions 589
 - effectiveness (*effet utile*) (VCLT 31(1)) 574, 589
 - supplementary means including *travaux préparatoires* (VCLT 32) 590
 - VCLT as applicable law: *see also Devas* (jurisdiction and merits), interpretation of BIT
 - “within the framework of VCLT 31/VCLT 32”
 - termination of investment, effect on State’s obligations 406
- Bolivia**
 - Commercial Code by article
 - 251 (registered ownership of shares) 401
 - 268 (shareholder status: determination of) 401
 - due process (Law on General Administrative Procedure) 418
- Bolivia–Chile BIT (1994) by article**
 - I(2) (“investment” “in accordance with the laws and regulations” of Bolivia requirement) 400

Bolivia–Chile BIT (1994) by article (cont.)

- II (scope of application: investment in accordance with the laws of the host State) 401–2
burden of proof 402
- III(2) (non-impairment) 405–6
- IV(1) (fair and equitable treatment) 405–6
- VI(1) (lawful expropriation: requirements) 412–20
text 412
- VI(1)(a) (lawful expropriation: public policy or national interest and in accordance with the law) 405
- VI(1)(b) (lawful expropriation: non-discrimination) 405
- VI(1)(c) (lawful expropriation: compensation) 405
- X (dispute settlement) 397
- X(3) (bifurcation/“fork in the road” clause) 403
- X(4) (treatment as national of another contracting State) 401

bribery/corruption

- allegations of, possible outcomes
 - establishment of corruption in breach of domestic law and BIT denying jurisdiction 46–7
 - failure to establish corruption/dismissal of claim 47–8
 - failure to establish corruption/finding of improper behaviour rendering claims admissible 48–9
- burden of proof: *see also* standard of proof *below*
 - respondent/shift in case of prima facie evidence of corruption 47, 49, 605, 614
- customary international law as reflected in treaties 49
- evidence of 537
- international public policy and 367
- standard of proof
 - balance of probabilities 605, 613–14
 - clear and convincing evidence/high standard 46, 47–8, 49, 605, 613–14
 - persuasiveness of evidence as deciding factor 46
- treaties and other international instruments relating to in date order
 - OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997) and Protocol (2003) 49
 - UN Convention against Corruption (2003) 49

bribery/corruption (jurisprudence)

- Churchill* 46, 537
- EDF* 613
- Karkey* 47–8, 605–9, 613–30
- Lao Holdings* 46, 48–9
- Liman Caspian* 613
- Metal-Tech* 46–7
- Oostergetel* 613
- Tokios Tokeles* 613
- World Duty Free* 36, 46, 47

burden/standard of proof 613–14

- abuse of rights 23–4, 43–4
- adverse inferences 429, 536
- claimant (*onus probandi actori incumbit*), shift of burden in case of unequivocal prima facie evidence 605, 614
- claimant (*onus probandi actori incumbit*), jurisprudence
 - Apotex* 24–5

- Burlington* **24**
- Chevron* 654
- Churchill* 535
- Duke* **24**
- Karkey* 605, 614
- Metal-Tech* 614
- Pak Rim* 614
- Philip Morris v. Australia* **24–5**
- Philip Morris v. Uruguay* 455
- force majeure* **93**
- illegality of investment as defence **34**
- international public policy, violation of **37**
- jurisdiction: *see* jurisdiction *headings*
- mitigation of damages **98–9**
- NAFTA 1116(2) and 1117(2) (three-year rule) 672–3
- necessity **83**
- negligence **98–9**
- prescriptive extinction **41–2**
- reservation of specifically identified measures **54–5**
- shareholder status 400–1
- shift **24–5, 47–8**
- standard
 - balance of probabilities/*intime conviction* 535, 605, 613–14
 - clear and convincing evidence **37, 46, 47–8, 49, 605, 613**
 - high standard 464–5, 613
 - intent/motivation, relevance 535
 - reasonable certainty 233, 237
- State responsibility 535
- stay of execution 366
- Canada**
 - Access to Information Act (ATIA), s 10 156
 - Project Acts 227–8
- Canada–Ecuador BIT (1996) by article, XII(1)** (taxation matters: exclusion, “taxation measures” **21–2**)
- Cargill*: *see* *Cargill* (background); *Cargill* (jurisdiction); *Cargill* (merits)
- Cargill* (background)**
 - factual
 - claimant’s operations in Mexico 200–1
 - Mexico’s sugar market, difficulties post-1995/measures to address 201
 - anti-dumping measures (1998-2001) 202
 - IEPS 2002 (summary of provisions) 201–2
 - import permit requirement 202
 - procedural
 - parties’ positions
 - claimant 202
 - respondent (objection to the jurisdiction) 202
 - procedural history in date order
 - request for institution of arbitration proceedings under NAFTA Chapter 11/Additional Facility Rules 200
 - rejection of bifurcation and joinder of jurisdiction and merits (16 July 2007) 202

Cargill (background) (cont.)

- Award (18 September 2009) 202, 203, 203–13
- review of the Award (Ontario Superior Court) (26 August 2010) 202
- Ontario Court of Appeal’s dismissal of appeal (4 October 2011) 202–3
- Supreme Court of Canada’s refusal of application for leave to appeal (12 May 2012) 203

Cargill (jurisdiction)

- investment disputes (Chapter 11) and dispute resolution (Chapter 20), potential for overlap 203–4
- measure “relating to” (NAFTA 1101(1)) 204
- presentational difficulties/joiner with merits 203
- standing (NAFTA 1116/NAFTA 1117)
 - “investor of a Party” (NAFTA 1139) 205
 - loss or damage to “investment . . . in the territory” (NAFTA 1101(1)) requirement 204

Cargill (merits)

- countermeasures (CIL/ILC(SR) 22) 211–12
 - ADM 211–12, 219–25
 - claimant’s arguments (summary) 215
 - dispute settlement procedures (NAFTA Chapter 29), whether *lex specialis* 89, 217–20
 - parties’ arguments 217–18
 - ILC articles as point of departure for precise determination of content of rule 214
 - as novel issue/proceedings in ADM and Corn Products 213–14
 - preclusion of wrongfulness of act in breach of obligation to offending State 88, 223
 - limitation to/exclusion of obligations owed to third States 88, 223
 - preclusion of wrongfulness of act otherwise in breach of the rights of investors 211
 - diplomatic protection in case of nationals damaged by a legitimate countermeasure 87–8, 211, 224–5
 - parties’ arguments (claimant) 215–16
 - parties’ arguments (respondent) 214–15, 216–17
 - preclusion of wrongfulness (general) 211, 214–15
 - requirements
 - enactment as countermeasure in response to breaches and intended to induce compliance 220
 - existence of breaches 220
 - non-impairment of investors’ rights (substantive vs procedural) 211, 221
 - Tribunal’s conclusion 211–12, 219, 220, 225
 - Tribunal’s jurisdiction (“essential parties principle”) 218–19, 225
- customary international law (CIL), interpretation as question of fact 207
- sources
 - arbitral and judicial decisions 208
 - consistent and widespread State practice 207
 - opinio juris* 207
 - statements by parties to arbitration/non-disputing parties (NAFTA 1128) 207
 - writings of publicists 208
- damages, interest and costs
 - costs 213
 - damages
 - calculation 212–13
 - method (present value of net cash flows lost) 212
 - mitigation 212–13
 - interest 213

- fair and equitable treatment (NAFTA 1105) 207–9
 - arbitrary or discriminatory treatment and 208
 - CIL 207–8
 - import permit requirement (Tribunal’s conclusion) 209
 - legitimate expectations 208
 - “manifestly unjust” as measure 208
 - as minimum standard of treatment in accordance with international law (FTC Interpretative Note (31 July 2001)) 207
 - protection and security of investment (including predictability and stability) 208
 - standard of treatment of alien, evolution 207–9
 - tax measures (IEPS), non-applicability to 207
 - transparency 208
 - Tribunal’s conclusions 208–9
- indirect expropriation/“measure tantamount to” (NAFTA (1110(1))) 209–10
 - classification as expropriation/requirements
 - duration (temporary vs permanent deprivation) 209, 210
 - interference with reasonable and investment-backed expectations 209
 - substantial/radical deprivation of rights 209, 210
 - “investment” (NAFTA 1139 definitions) 209
 - parties’ arguments (claimant) 209–10
 - parties’ arguments (respondent) 209
 - Tribunal’s conclusions 210
- MFN treatment (NAFTA 1103)
 - comparable investment in the host State, limitation to 206
 - “like circumstances” (NAFTA 1103) 206
- national treatment (NAFTA 1102)
 - economic circumstances, relevance 205–6
 - IEPS and 205–6
 - import permit requirement 206
 - “like circumstances” 205–6
 - performance requirements (NAFTA 1106(3)(b)) (IEPS), Tribunal’s conclusion 209
 - precedent (other ICSID proceedings) 213–14
 - Tribunal’s conclusions 207–8
- Churchill:** *see* *Churchill* (background); *Churchill* (Annulment) (18 May 2019) (grounds); *Churchill* (Jurisdiction) (Churchill); *Churchill* (Jurisdiction) (Planet); *Churchill* (Merits) (6 December 2006) (fraud)
- Churchill (background)**
 - claimants’ arguments (summary) 531
 - history of dispute in date order
 - claimants’ investment in EKCP/structuring through PT ICD 529–30
 - 2005 BKPM Approval (23 November 2005) 529–30
 - 2006 BKPM Approval (May 2006) 530
 - claimants’ cooperation agreement with Ridlatama (25 May 2007) 530
 - upgrade of Ridlatama’s general survey business licences to exploration licences/
 - Regent’s approval of proposed operations in EKCP area (early 2008) 530
 - Law 4/2009 concerning Mining of Mineral and Coal (12 January 2009) 530
 - Regent’s approval of upgrade of exploration licences to exploitation licences under
 - Law 4/2009 530
 - Ministry of Forestry’s recommendation for revocation of licences/allegations of
 - forgery (21 April 2010) 530
 - Regent’s Revocation Decrees (4 May 2010) 530

Churchill (background) (cont.)

annulment proceedings in Indonesian courts/finding of validity of Revocation Decrees (2011) 531

procedural history in date order

annulment proceedings in Indonesian courts/finding of validity of Revocation Decrees (2011) 531

request for arbitration (Churchill) (22 June 2012) 529

Churchill's profile 529

constitution of Tribunal/commencement of proceedings (3 October 2012) 529

request for arbitration (Planet) (26 December 2012) 529

Planet's profile 529

consolidation of Churchill/Planet proceedings 529

Decision on Jurisdiction/dismissal of objections (24 February 2014) 531

Application for Dismissal (25 September 2014) 531–2

joinder with merits (27 October 2014) 531–2

request for reconsideration of decision on the Application for Dismissal (3 November 2014) 532

hearing on authenticity (3–10 August 2015) 532

Award (6 December 2016) (finding of non-authenticity/deception or fraud) 532

application for annulment (31 March 2017) 532

Decision on Annulment (18 April 2017)/dismissal of application 532

Churchill (Annulment) (18 May 2019) (grounds)

Committee's decision (dismissal of application in its entirety) 539

failure to state reasons (ICSID 52(1)(e)) (sufficiency to understand how tribunal arrived at its conclusion) 541

manifest excess of power (ICSID 52(1)(b))/*infra petita* 540–1

serious departure from fundamental rules of procedure (ICSID 52(1)(d))

alleged reliance on witness statement excluded from the evidential record 540

burden of proof, wrongful allocation 540

failure to draw adverse inferences 540

failure to observe parties' right to be heard

failure to allow new evidence/arbitrators' right to assess evidence 539–40

on matters excluded from Tribunal's consideration following finding of global inadmissibility 540

refusal to allow arguments which could have been made during the proceedings 540
 "serious" 539

Churchill (Jurisdiction) (Churchill)

admission requirement (BIT 2(1)), whether one-off or continuing requirement 533–4

consent to jurisdiction (BIT 7(1): "shall assent" to request for ICSID conciliation/arbitration)

"assent" as consent/BKPM Approvals as fulfilment of promise to consent 532–3

"assent"/"consent" distinguishability 533

interpretation (VCLT rules)

context 533

object and purpose (VCLT 31(1)) 533

primacy of text/ordinary meaning (VCLT 31) 533

supplementary means (VCLT 32) 533

consent to jurisdiction (ICSID 25(1)) 532

Tribunal's decision (dismissal of objections) 532, 533

costs (reservation to later date) 534

Churchill (Jurisdiction) (Planet)

- admission requirement (BIT III(1)(a)), whether one-off or continuing requirement 535
- consent to ICSID jurisdiction (ICSID 25(1)) 534
- consent to jurisdiction (BIT XI(4): in case of referral to ICSID by investor the host State “shall consent . . . within forty-five days”), whether a two-step process
 - interpretation (VCLT rules)
 - ordinary meaning/context (VCLT 31(1)) 534
 - supplementary means (VCLT 32) 534
 - step two consent
 - BKPM Approvals as 534–5
 - BKPM’s authority to give consent 535
 - provision prior to request for arbitration 534
 - Tribunal’s decision 534
- Tribunal’s decision (dismissal of objections) 534

Churchill (Merits) (6 December 2006) (fraud)

- alleged fraud, Tribunal’s analysis of the legal framework 541–53
 - effect on
 - admissibility 538, 539, 543, 544, 545
 - jurisdiction 538, 543, 545
 - merits of dispute 538, 543–5
 - Hamester* summary 537, 542–3
 - relevant law 541–6
 - absence of ICSID/BITs provisions 537, 541
 - abuse of process 537, 542–3
 - bad faith/good faith and 537, 542–3
 - “clean hands”/*lex injuria jus non oritur* 538, 543
 - ex dolo malo non oritur actio/nemo auditur propriam turpitudinem allegans* 537, 545
 - international legal concepts/international investment arbitration practice 537, 541–2
 - international public policy 537, 538, 543
 - wilful blindness 49–51, 538, 545
 - requirements/relevant factors
 - due diligence 545–6
 - fraud by third party 538, 545
 - Minnotte* three-step test/“head-in-the-sand problem” 538, 545
 - nexus between claim and fraud 543
- alleged fraud, Tribunal’s assessment of admissibility of EKCP-related claims in the light
 - of its findings on the legal framework
 - corruption, insufficiency of evidence 537
 - due diligence, claimants’ failure to exercise/evidence of 546, 548–52
 - fraudulence as threshold issue 546
 - international public policy, applicability 546
 - nexus between claim and fraud 538, 546
 - seriousness of the forgeries and fraud 538, 546–8
- costs 539
- document authenticity, Tribunal’s finding (unauthorized/inauthentic nature of impugned documents)
 - applicable law in absence of agreement between the parties (AR 42(1)) 535
 - intent/motivation, relevance 535
 - iura novit arbiter*, applicability/principles governing 535
 - onus probandi actori incumbit* 535

Churchill (Merits) (6 December 2006) (fraud) (cont.)

- evidence/documents, parties' obligation to cooperate with Tribunal (AR 34(1)(2)/AR 34(3)) 536
 - adverse inferences in the event of non-compliance 536
- precedent
 - non-binding nature 536
 - Tribunal's obligation to adopt principles established in series of consistent cases 536
- reasons for conclusion 536
- responsibility for fraud, failure to identify 536–7, 552–3
- review process 536
- single decision, parties' agreement to 535
- preliminary issues, burden/standard of proof, balance of probabilities/*intime conviction* 535
- Tribunal's conclusions on
 - due diligence 538, 553
 - good faith/abuse of process 553
 - seriousness of the forgeries and fraud 538, 546–8, 553
 - unauthorized/inauthentic nature of impugned documents 535, 536–7
 - validity of exploitation licences 538, 553

claim

- incidental or additional (AR 48/ICSID 46)
 - due process concerns 161–2
 - necessity 162
 - request made on behalf of third party by claimant 162
 - by third party in pending dispute 161–2
- “clean hands”/lex injuria jus non oritur**: *see also* abuse of process; bad faith; fraudulent misrepresentation/fraud (*dol*); good faith
- admissibility, relevance to **96**
- ECT 26(6) (applicable rules and principles of international law), whether including “clean hands” principle 340, 347–8
- good faith interpretation of treaties (VCLT 26(6)) and 344, 345
- investment disputes, absence of jurisprudence 348
- jurisprudence
 - Al-Warraq* 543
 - Churchill* 543
 - Diversion of Water from the Meuse* 347
 - Fraport* 346–7
 - Gabčíkovo–Nagymaros* 347
 - Hulley* **95, 96**
 - Lao Holdings* **95, 96**
 - Legal Status of Eastern Greenland* 348
 - Mesa* **96**
 - Military and Paramilitary Activities* 347–8
 - Occidental* **96**
 - Plama* 345–6
 - Veteran* **96**
 - Yukos* **95, 340, 344–50**
- quantum reduction and **94–6**
- status
 - as doctrine of domestic law **95**
 - as equitable principle **96**

general principle of international law (VCLT 38(1)(c)), whether **95**, 339–40, 347–8
 as self-standing defence vs component of other defences **95**
 uncertainty as to 538, 543

compensation (expropriation/nationalization)

as alternative to restitution 377
 lawful appropriation, compensation/damages for unlawful appropriation distinguished
 406, 517

consent to ICSID jurisdiction

“assent”/“consent”, distinguishability 533
 BIT 148–9
 “shall assent” to request for ICSID conciliation/arbitration 532–3
 institution of proceedings, distinguished 639–40
 investor’s right to limit scope of State’s offer to arbitrate 569–70

Continental Casualty: see *Continental Casualty* (background); *Continental Casualty*
 (Award (3 September 2008)); *Continental Casualty* (Jurisdiction (22 February
 2006)); *Continental Casualty* (Partial Annulment)

Continental Casualty (background)

alleged breaches of BIT (parties’ positions (claimant))
 II(2)(a) (MFN treatment) 158
 II(2)(b) (arbitrary or discriminatory treatment) 158
 II(2)(c) (non-compliance with obligations) (umbrella clause) 158, 159
 IV(1) (prompt, adequate and effective compensation) 158
 V (transfer of funds) 158, 159

Continental’s status/investment in CNA 157

CNA investment portfolio/effect of Argentina’s measures to tackle economic
 crisis 157

Continental and CNA as separate legal personalities with separate legal rights 161

Continental Casualty (Award (3 September 2008))

addition of CNA as a party, rejection
 due process concerns 161–2
 ICSID 46 restrictions on additional claim by a third party in a pending dispute
 161–2
 request made on behalf of CNA by claimant 162
 compensation, interest and costs 161, 166, 168
 Court’s decision 161
 expropriation (BIT IV) 165–6
 capital tax on nominal increase of peso value 166
 compulsory conversion of bank deposits to local currency (“pesification”) 167
 delayed payments of interest and issuance of bonds 167
 legitimate expectations and 166
 LETEs 166
 losses incurred as consequence of government management of the exchange rate 166
 parties’ arguments
 claimant 158, 165
 respondent 159
 “stable framework for investment” (preamble), relevance 165–6
 fair and equitable treatment (BIT II(2)(a)), parties’ arguments, respondent 159
 necessity as defence to alleged breach of treaty, applicability of CIL (ILC(SR)) 25 vs
 BIT XI
 BIT XI as *lex specialis* 173–4
 BIT XI as non-preclusion/derogation clause 162

Continental Casualty (Award (3 September 2008)) (cont.)

- CIL (ILC(SR) 25) and BIT XI compared 162, 171–4
 - CIL rule (ILC(SR) 25) as preclusion of wrongfulness 162
 - CIL/ILC(SR) 25 rule as preclusion of wrongfulness 162, 172–3
 - strict (CIL) vs liberal (treaty) rule 162, 173
 - treaty provision as non-preclusion/derogation clause 162, 171–2
 - interpretation of BIT XI
 - in accordance with CIL (ILC(SR) 25)/separability from 162, 182
 - travaux préparatoires* 175–6
- necessity as defence to alleged breach of treaty, points of disagreement between the parties/Tribunal’s conclusions
 - availability of alternative measures 163–4, 183–95
 - availability at the time of the challenged measures 185–93
 - availability to prevent crisis which led to the challenged measures 193–6
 - LETEs exception 164
 - “reasonably available” 163–4, 183–5
 - availability of alternatives to 187–8
 - the *Corralito* 185–7
 - devaluation of the peso 187–8
 - “pesification” 188–90
 - suspension of payments (default) and rescheduling of the governmental financial instruments 190–3
- BIT XI, whether self-judging 163, 179–81
 - ICSID precedent, relevance 181
 - margin of appreciation compared 163, 181
 - parties’ arguments (claimant) 179–80
 - parties’ arguments (respondent) 179–80
- economic, political and social crises (2001/2002), whether involving the maintenance of public order or the protection of Argentina’s essential security interests 162, 174–8, 183–5
 - “essential security interests” 162–3, 175–6
 - margin of appreciation 163
 - “public order” 162, 175
 - “necessary for” 163, 181–95
 - GATT/WTO case law as preferred standard 163, 182–3
- non-contribution of State to situation of necessity (ILC(SR) 25(2)(b)) 164, 197–8
 - parties’ arguments (claimant) 174, 181–2
 - parties’ arguments (respondent) 164–5, 170–1, 175, 181
- transfer of funds (BIT V) 165
 - parties’ arguments (claimant) 158
 - parties’ arguments (respondent) 159
- umbrella clause (BIT II(2)(c))
 - parties’ arguments (claimant) 158
 - parties’ arguments (respondent) 159
 - specific obligations concerning the investment, need for 167–8
- Continental Casualty (Jurisdiction (22 February 2006))***
 - claim as “unripe”/premature
 - ongoing negotiations with foreign creditors 161
 - uncertainty as to the final amount of the damages 161

- legal dispute arising directly out of investment (ICSID 25(1)) 160
 “directly” (general measures not directly related to the investment) 160
 standing (Continental) as investor in CNA against whom challenged measures had been directed 160–1
 Continental and CNA as separate legal personalities with separate legal rights 161
- Continental Casualty (Partial Annulment)**
 application for (claimant)
 manifest excess of powers (ICSID 52(1)(b))/failure to give reasons (ICSID 52(1)(e)) 169
 Committee’s decision 169
 application for (respondent)
 Committee’s decision 169–70
 manifest excess of powers (ICSID 52(1)(b))/failure to give reasons (ICSID 52(1)(e)) 168–70
ultra petita 170
 costs (equal division) 170
 termination of stay of enforcement following annulment of award (AR 54(3)) 170
- contract:** *see also* fraudulent misrepresentation/fraud (*dol*); investment licence;
 State contract
 obligations/implementation
 legitimate expectation and 692, 709–11
 reciprocal nature 430–1
 unsatisfactory performance
 contributory fault of other party, effect 563
 failure to secure necessary funds 562
 termination: *see also force majeure*
 in case of *imprévision*/unforeseeability 126–7: *see also imprévision*/unforeseeability or hardship
- contributory fault (ILC(SR) 31/ILC(SR) 39) 342**
 jurisprudence
Al-Warraq 96
Mesa 96, 97
MTD 96–7, 98
Occidental 96, 97
Yukos 96, 342
 wilful or negligent fault contributing to loss 342, 542
- corruption:** *see* bribery/corruption
- Cortec (background)**
 history of the dispute in date order
 measures to preserve and protect Mrima Hill (May 1961–February 1997) 742
 issue of SPL 256 (4 April 2008) 742
 revocation of all licences issued between 15 January and 15 May 2013/Review of their legality (5 August 2013) 742–3
 issue of SML 351 (7 March 2013) 742
 Kenyan General election (4 April 2013) 742
 CMK initiates juridical review proceedings (15 August 2013) 743
 High Court decision on illegality of SML/nullity *ab initio* (20 March 2015) 743
 Court of Appeal’s dismissal of appeal against High Court decision (9 June 2017) 743
 parties’ positions 743

Cortec (background) (cont.)

procedural history in date order

registration of request for arbitration (7 July 2015) 742, 743

claimants' status 742

hearings (15–23 January 2018) 743

Award dismissing all claims for want of jurisdiction 743

ad hoc Committee's grant of request for continuation of stay of proceedings
 (23 August 2019) 743–4

application for annulment on grounds of failure to state reasons/manifest excess of
 jurisdiction (ICSID 52) (22 October 2019) 743

Cortec (Award) (22 October 2018)

costs ("fair and reasonable" reduction of costs awarded to respondent) 750

decision of the Tribunal, summary 744

factual findings

allegations of corruption 745

CMK's failure to observe SPL obligations/lack of entitlement to SML 744

lack of an approved EIA 744–5

Mining Commissioner's authority to reopen Mrima Hill excluded lands 744

jurisdiction (general)

burden of proof

claimants' status as investors/investment (balance of probabilities) (claimants) 745

illegality of investment (respondent) 34

requirements

applicability of ICSID at relevant time 746

compliance with both BIT and ICSID 746

good faith investment in accordance with the laws of the host State, dependence of
 protection on 746

summary 746

respondent's termination of mining activities/irrelevance of respondent's descriptions
 of its actions 745

timeliness of challenge to the jurisdiction (AR 41(1)), Tribunal's *ex proprio motu* and
 745

jurisdiction (illegality of investment as defence) (status of SPL 256/SML 351 as protected
 investments) 750–62

investment in accordance with the laws of Kenya, need for 32–3, 750–1

absence of provision in BIT, relevance 748

"substantial compliance with the significant legal requirements", sufficiency 748

parties' positions

claimants 751–2

respondent 752

proportionality of denial of BIT protection, need for (*Kim* principle)/relevant factors
 32–3, 748–9, 752, 757–62

balance between investor's conduct and compromise of a significant interest of the
 host State 749, 760–2

seriousness of investor's conduct 749, 759–60

significance of obligation 758–9

statement of principle 757

SML 351, dependence for existence/protected status on Kenyan law 748, 752

Commissioner Masibo's lack of authority to issue SML 748

- Tribunal's confirmation of Kenyan courts' conclusion of voidness *ab initio* 748
 - “without any existence, value or effect” 748, 752
 - SPL 256 as licence to spend, not make, money 748
 - Tribunal's conclusion 762
- jurisdiction *ratione materiae*/legal dispute arising directly out of investment requirement (ICSID 25(1)) 746, 747
- alleged bad faith of claimants 748
- “investment”
 - contribution, duration and risk requirements (*Salini* test), compliance with 747
 - origin of capital, relevance 747
 - “legal dispute arising directly”, compliance with 747
 - “national of another contracting party” requirement/treatment of CMK as a national of the UK 747
- jurisdiction *ratione personae* 746
 - nationality of CMK/treatment as national of another contracting State (ICSID 25(2)(b)/BIT 8(2)) 746
- jurisdiction *ratione voluntatis* (consent) (BIT 8) 746
 - observance of three-month cooling-off period (BIT 8(3)) 746–7
- merits (denial of protection to SML 351)
 - parties' arguments
 - claimants 763
 - respondent 763
 - Tribunal's ruling (analysis of Mr Masibo's conduct)
 - exercise of non-existent discretion/ineffectiveness of grant of SML 351 749–50, 763–6
 - failure to exercise statutory functions in good faith for intended purpose 49–50, 763–6
- costs:** *Note:* decisions relating to costs are indexed only if there is discussion of principle or a departure from usual practice.
- costs (ICC)** 437–8
- costs (ICSID ad hoc Committee (ICSID 61(2) and 52(4)))**
 - Centre/committee costs (A&FR 14(3)(e)), “loser pays” principle 125, 179, 541
 - criteria 541
 - equal division 170
 - jurisprudence
 - Continental Casualty* 170
 - Orascom* 595
 - Quiborax* 411
 - Sempre* 125
 - Von Pezold* 379
 - parties' costs 379
- costs (ICSID arbitral tribunal: ICSID 61(2))**
 - arbitration/tribunal costs
 - equal division 122, 168, 238
 - State party to pay 411
 - 75 per cent 409
 - unsuccessful party/loser pays principle 213, 378
 - in case of claims based on fraud/forgery 539
 - discretion of tribunal 168, 595, 612, 652

costs (ICSID arbitral tribunal: ICSID 61(2)) (cont.)

jurisprudence

Cargill 213
E energija 652
Karkey 612–13
Mobil 238

parties'

parties to bear own 122, 169, 238, 411
 State party to pay claimant's 378
 unnecessary extra costs (ICSID arbitral tribunal: ICSID 61(2)) 378
 unsuccessful party to pay, partial in case of unsuccessful defence 213

relevant factors

"circumstances of the case" 652
 complexity of issues 238, 667
 conduct of parties 652
 failure to cooperate in good faith with the tribunal 612–13
 failure to cooperate with other party 652
 fair and reasonable outcome 652, 750
 reasonableness, of expenditure 612–13
 success 667
 wasted tribunal and arbitration costs 612

"split the costs" approach 652

costs (UNCITRAL arbitral tribunal: Rules 38–40)

arbitration costs, unsuccessful party to pay 344
 discretion of tribunal, apportionment of parties' costs 344

counterclaim

jurisdiction

"arising out of" requirement 567
 prima facie basis for 572
 "within the scope of the consent of the parties" (ICSID 46) 70

jurisprudence

Amco 569
Burlington 73, 77
Paushok 569
Perenco 73, 76–7
Roussalis 569
Saluka 569
Urbaser 72–6, 567–583: *see also* *Urbaser* (Merits) (respondent's counterclaim)

countermeasures (CIL/ILC 22)

customary international law as basis of defence 87–8

ILC articles as point of departure for precise determination of content of rule 211, 214

dispute settlement procedures (NAFTA Chapter 29), whether *lex specialis* 87–8, 89, 217–18*exceptio non adimpleti contractus* compared 89

jurisdiction ("essential parties principle") 218–19, 225

jurisprudence

ADM 87–8, 211–12, 219–25
Cargill 87, 88–9, 211–12, 213–25
Corn Products 87, 88–9, 211–12, 214

- as novel issue/proceedings in *ADM* and *Corn Products* 213–14
- object and limitations (ILR(SR) 49) **87**
- preclusion of wrongfulness of act in breach of obligation to offending State, limitation to/ exclusion of obligations owed to third States **88, 223**
- preclusion of wrongfulness of act otherwise in breach of the rights of investors 211–12
 - diplomatic protection in case of nationals damaged by a legitimate countermeasure **88–9, 211, 224–5**
 - human rights considerations **89**
- preclusion of wrongfulness (general) 211, 214–15
- requirements
 - enactment as countermeasure in response to breaches and intended to induce compliance 220
 - existence of breaches 220
 - non-impairment of investors' rights 221
 - procedural vs substantive rights 211, 221–5
 - proportionality 220–1
- customary international law (CIL)**
 - individual in relation to
 - evolution of status 575
 - obligation to respect human rights law 574–5
 - interpretation as question of fact 207
 - in relation to domestic law, incorporation/CIL as part of domestic law 308
 - requirements/sources
 - arbitral and judicial decisions 208
 - consistent and widespread State practice 207
 - opinio juris* 207
 - statements by parties to arbitration/non-disputing parties (NAFTA 1128) 207
 - writings of publicists 208
 - standard of treatment of alien
 - evolution 207
 - fair and equitable treatment, as general obligation under 207–8
 - transparency 208
 - treaties and similar international instruments reflecting, ILC Articles on State Responsibility 137
- Czech [and Slovak Federal] Republic–Germany BIT (1990), Art. 2(2) (non-impairment by arbitrary or discriminatory measures)** 685–6, 690, 691, 708–9
- damages**
 - procedural issues
 - applicable law, ILC(SR) 31 in absence of BIT provision 651
 - burden/standard of proof 233
 - reasonable certainty/sufficient degree of probability 233, 237, 611
 - as a remedy
 - abuse of rights, effect on **45**
 - double recovery, risk of 343
 - in parallel but independent proceedings 378
 - parallel treaty and contract-based jurisdiction and 116
 - moral damages 378, 409

damages (cont.)

requirements

actual loss or prejudice, obligation to make a payment, sufficiency 237

causal link to breach of treaty or contract 343

“defences”: *see* abuse of right; acquiescence; bribery/corruption; “defences” (overview);

defences (primary norm); defences (secondary norm); estoppel; international

public policy; wilful blindness

“defences” (overview) 99–100

examples by case (Fig. 1) 14

exemptions vs exceptions 16–18

CMS 17

implications of choice 18

in international law 10–13

absence of technical existence 10–11, 18

overview of cases included in 18 *ICSID Reports* 13–18

primary vs secondary norms (Fig. 3) 16–17

The Origin of International Responsibility (Ago) (1970) 16

stage of intervention (including Fig. 2) 15–16

defences (primary norm) 18–77

assessment of a breach/assessment of the merits, defence arguments concerning

margin of appreciation 69–72: *see also* margin of appreciation

overview 59

police powers 59–69: *see also* police powers doctrine

public interest counterclaims 72–7

environmental counterclaims 76–7

deprivation of reliance on the treaty arguments 34–51: *see also* abuse of right;

acquiescence; bribery/corruption; estoppel; international public policy; wilful

blindness

burden of proof (*actori incumbit probatio*) 34

inappropriate behaviour as basis 34

bad faith, relevance 34

lack of due diligence/contradictory behaviour vs intent or wilful behaviour 34–5

perimeter of the treaty arguments: *see also* tax/taxation measures

excuses distinguished 20

illegality of the investment 30–4: *see also* illegality of investment as defence

measures expressly excluded 20–34

burden/standard of proof considerations 24–5

focus on measure as opposed to conduct 20

as rule vs exception 20

taxation measures 21–5: *see also* Energy Charter Treaty (1994) (ECT) by article,

Part IV (miscellaneous provisions), 21 (taxation); tax/taxation measures

scope/reliance on BIT/investment chapter of a free trade agreement (general points)

exclusion by reason of the perimeter of the treaty vs exclusion by reason of

inappropriate behaviour of claimant 19, 20

implications for burden/standard of proof 19–20, 24–5

stage of intervention 19–20

specific scope of the primary norm 51–9: *see also* necessity as defence to alleged breach

of State responsibility (including ILC(SR) 25); reservations for existing measures

(NAFTA 1108/NAFTA Annex 1); tax/taxation measures, classification as for

purposes of treaty carve-out provisions

- carve-out measures in treaty annexes as rebuttable presumptions **57–9**
 - Al Tamimi* **58**
 - Spence* **58–9**
- defence arguments circumscribing the perimeter of the treaty compared **51**
- MFN treatment, dependence on applicability of base treaty/legality clause **57**
- performance requirements: *see Mobil* (Decision on Liability and on Principles of Quantum) (22 May 2012), performance requirements (NAFTA 1106(1)(c) (requirement to purchase, use or accord a preference to goods produced or services provided in the host territory)); performance requirements (NAFTA 1106)
- public procurement carve-outs (NAFTA 1108(7)) **55–7**
- reservation of specifically identified measures: *see also Mobil* (Decision on Liability and on Principles of Quantum) (22 May 2012), dissenting opinion (Sands); *Mobil* (Decision on Liability and on Principles of Quantum) (22 May 2012), reservations for existing measures; reservations for existing measures (NAFTA 1108/NAFTA Annex 1)
 - burden of proof **54–5**
 - Continental Casualty* **54**
 - Mesa* **54**
- stage of intervention **51, 54–5**
- terminology **51**: *see also* necessity as defence to alleged breach of State responsibility (including ILC(SR) 25); reservations for existing measures (NAFTA 1108/NAFTA Annex 1); tax/taxation measures, classification as for purposes of treaty carve-out provisions
- context-dependence **51**
- defences (secondary norm) 77–100**
 - generally available excuses **81–100**
 - complexity of issues deriving from applicability of domestic and international law **81**
 - counterclaims: *see* counterclaims
 - countermeasures (CIL/ILC(SR) 22) **87–92**: *see also* countermeasures (CIL/ILC 22)
 - force majeure* **92–4**: *see also* *force majeure*
 - imprévision/unforeseeability* or hardship **89–92**: *see also* *imprévision/unforeseeability* or hardship
 - necessity **82–6**
 - overview **81**
 - quantum reduction **94–9**
 - “clean hands” doctrine **93–6**
 - mitigation of damages **98–9**: *see also* mitigation of damages/offset/deductible elements (ILC(SR) 31, Commentary para. 11)
 - overview **94–5**
 - specific excuses **77–81**
 - exceptions **78**
 - GATT XX (general exceptions) compared **78**
 - NAFTA 1106(6) as **78**
 - overview **77–8**
 - divergent views on Argentina–US BIT XI(5)/Congo–US BIT XI **26–8, 77–8**
- delays in performance**, withhold of payment, as justification for **430–1**
- denial of justice, definitions/applicability**
 - exhaustion of local administrative or judicial remedies **464–5**
 - fair and equitable treatment and **464**

denial of justice, definitions/applicability (cont.)

high standard of proof 464–5

“if and when the judiciary breached the standard by fundamentally unfair proceedings and outrageously wrong, final and binding decisions” 464–5

jurisprudence

Arif 464

Philip Morris 464–5

Denmark–Zimbabwe BIT (1996), Art. 5(5) (non-impairment standard) 373

Devas: see Devas (background); Devas (jurisdiction and merits)

Devas (background)

history of the dispute in date order

respondent’s demand for S-band capacity/protection from commercial operators (2005–9) 489

conclusion of the Devas Agreement (28 January 2005)/summary of terms 489

Space Commission’s conclusion on the expedited termination of the Devas Agreement (2 July 2010) 489

ASG Opinion on *force majeure* (12 July 2010) 489–90

Balachandhran Report recommending expedition of termination of Devas Agreement (9 January 2011) 490

publication of May 2010 DOT review of the “legal, commercial, procedural and technical aspects” of the Devas Agreement/publication of report (8 February 2011) 489

CCS decision to annul the Devas Agreement (17 February 2011) 490

notice to Devas of termination of Devas Agreement (25 February 2011) 490

issue of cheque to Devas in reimbursement of upfront capacity reservations fees/return of cheque (15 April 2011) 490

parties’ positions (claimants) (alleged breaches of BIT)

4(1) (fair and equitable treatment/unreasonable and discriminatory measures) 491

4(2)/4(3) (MFN treatment) (entitling claimants to full protection and security under the India–Serbia BIT (2003)) 491

6(1) (expropriation) 490–1

parties’ positions (claimants) (observations on respondent’s “essential security interests” claim) 491–2

parties’ positions (respondent)

alleged absence of “investment” (BIT 1(1)(a))/“investor” status (BIT 1(1)(b)) 491

non-applicability of BIT to actions directed to the protection of the State’s essential security interests (BIT 11(3)) 491

procedural history in date order

commencement of ICC arbitration (Devas Agreement 20) (29 June 2011) 490

notice of arbitration (UNCITRAL 3/BIT 8) (3 July 2012) 488–9

constitution of the Tribunal (December 2012–February 2013) 492

challenges to the arbitrators for lack of impartiality (20 May 2013/23 May 2015) and Appointing Authority’s decisions (30 September 2013/3 August 2015) 492–4

“appearance of bias”/“objective reasonableness” of challenge 404

timeliness (1976 UNCITRAL Rule 11(1)) 492–4

hearing (1–5 September 2014) 493

Award on jurisdiction and the merits (27 July 2016) 493

rejection of India’s application to have Award on jurisdiction and merits set aside (14 November 2018) 493

Devas (jurisdiction and merits)

- “essential security interests” (BIT 11(3)) (conditions required to trigger exception)
 - BIT 11(1) (applicability of CIL (ILC(SR) 25)) 495, 508–9
 - attribution of Antrix’s actions to respondent (ILC(SR) 4, ILC(SR) 5 and ILC(SR) 8) 496, 511–16
 - BIT 11(3) as basis of respondent’s claim 499, 509
 - clear language of BIT 11(3) as counter-indication 508
 - determination of legal personality of State corporation as matter of domestic law (ILC(SR) 4(2)) 512–13
 - parties’ positions (claimants) 506–8
 - parties’ positions (respondent) 508
 - “preservation of rights”, irrelevance to “necessity” 508
 - review of the jurisprudence 508
- burden of proof 495, 506
- dissenting opinion (Haigh) 498, 518–26
- effect of preclusion of wrongfulness on compensation 496, 511–16
 - parties’ positions 516
 - parties’ positions (claimants) 509–10
 - Tribunal’s conclusion 517
- “essential” 506
- margin of appreciation 495, 506
- necessity, whether required by BIT 11(3) interpreted in accordance with VCLT 31 and 32 504–6
 - absence of “necessity” from BIT 11(3) 495, 503, 505–6
- obligation to honour existing obligations towards investors (BIT 11(4)) and
 - parties’ positions (claimants) 509–10
 - parties’ positions (respondent) 510–11
 - Tribunal’s analysis and conclusion 496, 511–16
- parties’ positions (general)
 - claimants 502–3
 - respondent 501–2
- self-judging clause, whether
 - need for express provision/absence from BIT 500–1
 - partially dissenting opinion (Born) 518–19
 - parties’ positions (claimants) 500
 - parties’ positions (respondent) 499–500
- expropriation (BIT 6), compliance with requirements for lawfulness
 - due process 496
 - non-discrimination 496
 - payments under a contractual obligation and BIT-based compensation distinguished 496
 - public interest/purpose 496
- fair and equitable treatment
 - good faith and 497
 - legitimate expectations and 497
 - Tribunal’s conclusions 497
- full protection and security 498
- interpretation of BIT “within the framework of VCLT 31/VCLT 32” 504
 - ordinary/plain meaning of the text reflecting parties’ intention, strict adherence to 495, 504

Devas (jurisdiction and merits) (cont.)

resort to “supplementary means” (VCLT), limitation to cases of ambiguity or manifestly absurd or unreasonable result 504

“investment” (BIT 1(1)(a))/“investor” status (BIT 1(1)(b)) 494

MFN treatment (BIT 4(2)/BIT 4(3)) (entitling claimants to full protection and security under the India–Serbia BIT (2003)) 497

non-discrimination 496

summary of decision 494

unreasonable or discriminatory measures 497

diplomatic protection

countermeasures causing damage to national, in case of 88–9, 211, 224–5

treaty-based rights distinguished, *Sempra* 117

disclosure obligation (including ICSID 43(a)/AR 34(2)(a))

General Dynamics 429

non-compliance, right of tribunal to draw inferences 429

discounted cash flow (DCF): see measure of compensation/valuation of company (with

particular reference to expropriation claims) (including ILC(SR) 35/ILC(SR) 36),

method, discounted cash flow (DCF)

disqualification of conciliator or arbitrator (ICSID 57)

benchmark, “manifest lack of the qualities” 556

impartiality/independence of judgment, factors possibly indicating absence of

“appearance of bias” 494

expression of strong views on same issue [in a previous case/cases] 492–4

negative effect of treating expressions of academic opinion as prejudgments 356

repeating strongly held views 494

writing of articles/books 556

jurisprudence

Devas 492–3

Urbaser 556

procedural requirements

“objective reasonableness of challenge” 494

timeliness of challenge 493

domestic court decisions/domestic law, international tribunal’s relationship with

decisions as aid to interpretation of legislation 687

“deficiencies unacceptable from the viewpoint of international law” exception (*Helnan*) 627–30

jurisdiction of tribunal/*compétence de la compétence* and 626

determination of standing/status as “foreign investor” 361

jurisprudence

Antaris 21, 695

Azinian 757

Chevron 756

Cortec 756–7

Diallo 628

Fraport 756–7

GAMI 756

Karkey 607, 626–8

Liman Caspian 756

Mondev 756

Occidental 86–7

Oostergetel 756

Waste Management 756

due diligence

evidence of 548–52

investor's obligation of 463, 538, 642–3, 689–90, 706–8, 709–11

failure to exercise as defence to fraudulent misrepresentation/fraud 49–51, 538, 545–6, 548–52

jurisprudence

Churchill 49–51, 545–6, 548–52

E energija 469, 642–3

relevant factors 546

State's obligation to take reasonable measures as 374

wilful blindness 49–51, 538, 545

due process

fair and equitable treatment and 642, 647–8

international law standard 404, 418

jurisprudence

ADC 418

AIG 418

E energija 644–5, 647–8

Ioannis Kardassopoulos 418

Quiborax 418–20

opportunity to present case, need for 647

required elements 418

E energija: see *E energija* (background); *E energija* (Award) (22 December 2017) (jurisdiction); *E energija* (Award) (22 December 2017) (matters other than jurisdiction); Latvia–Lithuania BIT (1996) by article

***E energija* (background)**

Award (22 December 2017) 638

claims 638

history of the dispute in date order

unsuccessful call for tenders to improve Rēzeknes heating system (2004) 633–4

conclusion of the Gas Supply Agreement (29 April 2004) 634

Claimant's presentation to city council (25 November 2004) 633–4

claimant's guarantee agreement with AS Latvijas Unibanka (20 December 2004)

634

Latgales Energija–Rēzeknes Siltumtīkli Long Term Agreement (28 January 2005) 634

Latgales Energija–Municipality Agreement (10 February 2005) (February 2005

Agreement) 634

start of operations (early 2005) 634

grant of production, transmission and sale of thermal energy licences (30 May 2005)

634

instruction to municipalities to produce a heating plan (12 October 2005) 634–5

completion of conversion to natural gas (November 2005) 635

Guidelines for development of the municipal heating system (20 January 2006) 635

Latgales Energija's agreement with Council on mutual operations (10 February 2006)

(February 2006 Agreement) 635

Latgales Energija's unsuccessful requests for a tariff increase (13 October 2006/

11 June 2007/7 December 2007) 635

E energija (background) (cont.)

- Municipality's acknowledgment of receipt of the Guidelines (3 November 2006) 635
- incorporation of Rēzeknes Energija (2 October 2007) 636
- Latgales Energija pays Latvijas Gāze less than invoiced rate (11 June 2007) 635
- Latvijas Gāze stops supply of natural gas due to unpaid invoices (13 September 2007) 365–6
- attachment of Latgales Energija's funds (21 September 2007) 636
- Council's failure to approve Guidelines/approval of heat supply development strategy for 2007–11 (21 September 2007) 635
- warning of risk of revocation of Latgales Energija's licences/ultimatum to restore heating (October 2007) 636
- Regulator's takeover of Latgales Energija's zone/appointment of Rēzeknes Energija (11/12 October 2007) 636
- Gas Supply Agreement (17 October 2007) 636
- removal of attachment of Latgales Energija's accounts (17 October 2007) 636
- re-attachment of Latgales Energija's accounts (26 October 2007) 636
- Latgales Energija continues to supply heating at 9 December 2007 tariff/Council's reassertion of 2005 tariff (December 2007–March 2008) 637
- assignment of claim for payment to SIA LE Remonts 636
- legal proceedings in Latvian courts (August 2008–March 2013) 637
- revocation of Latgales Energija's licences (3 June 2008) 637
- procedural history in date order
 - notification of dispute/negotiations between the parties (1 September 2008–1 April 2011) 638
 - request for arbitration (15 August 2012) 633
 - rejection of respondent's request for bifurcation and stay of proceedings/joiner of preliminary objections and merits (30 May 2014) 638
 - respondent's renewed request for stay of arbitration (9 February 2015) 638
 - hearings on preliminary objections and merits (23–27 February 2015) 638
 - application for annulment (4 September 2018) 638

E energija (Award) (22 December 2017) (jurisdiction)

- compliance with BIT 7(1)/BIT 7(2) (notice in writing of dispute/six-month rule)
 - absence of challenge to 639
 - compliance with 639
- compliance with ICSID 36(2)/IR 2(2)(f) and IR 2(2) (consent to institution of arbitration proceedings)
 - consent to Tribunal's jurisdiction distinguished 639–40
 - evidence of/burden of proof (respondent's failure to meet) 640
- jurisdiction *ratione materiae* (claimant's investment in Latgales Energija (BIT 1(2)(b)/ICSID 25)) 640
 - "a legal dispute arising directly out of an investment" (ICSID 25(1)) 640
 - contribution, duration and risk requirement 640
 - "dispute concerning investment" (BIT 7(1)(b)) 640
 - "investment" (shares, bonds and other kinds of interest in companies) (BIT 1(2)) 640
- jurisdiction *ratione materiae* (estoppel, acquiescence, prescriptive extinction, alleged bad faith)
 - acquiescence (Tribunal's findings)
 - absence in BIT of any deadline for the institution of arbitration proceedings 39, 40, 653–4

- respondent's notification that it regarded the proceedings as closed, relevance 654
- bad faith (Tribunal's findings) 654–6
 - estoppel and 654
- estoppel (parties' arguments)
 - claimant 640
 - respondent 37, 640
- estoppel (Tribunal's findings)
 - insufficiency of mere passage of time 37, 640, 653
 - parties' failure to meet burden of proof 37, 640, 653
 - Pope & Talbot* test 640, 653
- prescriptive extinction (Tribunal's findings), absence in BIT of any deadline for the institution of arbitration proceedings 37, 654
- jurisdiction *ratione personae* (claimant as "investor" (BIT 1(2)(a)(ii)/"national of another contracting State" (ICSID 25(2)(b)))) 639
- E energija* (Award) (22 December 2017) (matters other than jurisdiction)**
 - applicable law (ICSID 24(1)/BIT 7)
 - BIT supplemented by relevant international or domestic law 639
 - "Latvian law and regulations" (BIT 1(1)) 639
 - applicability to Latvian executive and judicial authorities and agreements entered into by Latgales Energija 639
 - Tribunal's discretion 639
 - costs
 - exclusion of fees and expenses of claimant's expert on quantum 652
 - relevant factors
 - "circumstances of the case" 652
 - conduct of the parties 652
 - failure to cooperate with other party 652
 - respondent to pay "fair share" of claimant's costs 652
 - Tribunal's discretion 652
 - costs (dissenting opinion)
 - preferability of "split the costs" approach 652
 - relevant factors 652
 - damages
 - ILC(SR) 31 as applicable law in absence of BIT provision 651
 - measure of compensation/valuation of company (including ILC(SR) 36), elements for possible inclusion
 - actual damage/loss 651
 - "any financially assessable damage including loss of profits" (ILC 36(2)) 651
 - lucrum cessans*/lost future profits 651
 - restitutio in integrum* (*Chorzów Factory*/ILC(SR) 31(1) and ILC(SR) 35)/causation requirement 651
 - decision (summary) 638–9
 - expropriation (creeping/indirect) 649–50
 - police powers doctrine 649
 - regulatory takings 649–50
 - requirements
 - proportionality/balance between measure of interference and State's right to take measures in the public interest 649
 - substantial/radical deprivation of rights 649, 650
 - unreasonable measure 649

***E energija* (Award) (22 December 2017) (matters other than jurisdiction) (cont.)**

- fair and equitable treatment (BIT 3(1))
 - arbitrary or discriminatory treatment/“a wilful disregard of due process of law, an act which shocks, or at least surprises, a sense of juridical propriety” 642
 - delay in approval of statutory plan as 643
 - good faith requirement/relevance of intent 643
 - legitimate expectations
 - due diligence of claimant 642–3
 - predictability and stability of investment as flexible standard 643
 - requirements, reliance on representation 642–3
 - revocation of licences 647–648: *see also* revocation of licences (fair and equitable treatment (BIT 3(1))) *below*
 - treatment during the energy crisis 645–647: *see also* treatment during the energy crisis, Tribunal’s conclusions *below*
 - Tribunal’s conclusions 643
- full protection and security (BIT 3(1))
 - acceptable level of force 649
 - as due diligence standard 469
 - scope of protection (physical integrity of investments) 648
- interest (annual compounding/non-applicability of LIBOR rate) 651–2
- MFN treatment (BIT 3(2)) (“shall grant the necessary permits” (Latvia–Romania BIT))
 - status of Plan as “permit” 650
 - “subject to its laws and international agreements” requirement (BIT 3(2)) 650
- revocation of licences (fair and equitable treatment (BIT 3(1))) (Tribunal’s conclusions)
 - appointment of Mr Lucas 647–8
 - due process/sufficiency of opportunity to present case 647
 - good faith requirement (breaches/claimant’s failure to pay for gas used) 647
- State responsibility (attribution)
 - Municipality as organ of State (ILR(SR) 4) 641
 - Regulator
 - as entity empowered to exercise elements of governmental authority (ILC(SR) 5) 642
 - as organ of State (ILC(SR) 4)/reasons for classification as 641
 - Rēzeknes Siltumtikli/Rēzeknes Energija
 - conduct controlled by the State (ILC(SR) 8)/as State-owned corporations 643
 - as entity empowered to exercise elements of governmental authority (ILC(SR) 5) 642
 - “wherever such enterprise exercises any regulatory, administrative or other governmental authority” (Latvia–US BIT 2(2)(B)) 642
- stay or termination of proceedings on grounds of ongoing proceedings in domestic courts involving claimant 641
 - in case of proceedings started by the respondent 641
 - requirements
 - common issues 641
 - common parties 641
 - sufficient overlap between treaty and contract claims 641
 - Tribunal’s decision 641
- tariff consent refusal, Tribunal’s conclusions
 - arbitrary or discriminatory, whether 644–5
 - due process and 644–5

- failure to meet burden of proof 643
- fair and equitable treatment and 645
- legitimate expectations and 644
- treatment during the energy crisis, Tribunal's conclusions
 - arbitrary or discriminatory, whether 646–7
 - due process and 646–7
 - good faith and 645, 646–7
 - legitimate expectations and 645
- emergency as defence to alleged breach of State responsibility (including ILC(SR) 25):**
 - see* necessity as defence to alleged breach of State responsibility (including ILC(SR) 25)
- Energy Charter Treaty (1994) (ECT):** *see also* *Antaris*; tax/taxation measures; *Yukos* interpretation (VCLT rules (ECT 26(6))), general rule (good faith, ordinary meaning, context, object and purpose) 686–7, 696
- Energy Charter Treaty (1994) (ECT) by article**
 - Part I (definitions and purpose)
 - 1(6) (“investment”) 335, 337–8
 - 1(7) (“investor”) 335, 337
 - Part III (investment promotion and protection)
 - 10(1) (stable, equitable, favourable and transparent conditions) 685–6, 690, 691, 708–9
 - non-impairment by unreasonable or discriminatory measures 685–6, 690, 691, 708–9
 - 13 (expropriation)
 - exclusion from ECT 21(1) carve-out 350–9
 - taxation measures intended to bankrupt as 341
 - 13(1) (expropriation: lawfulness requirements) 341–2
 - 13(1)(a) (expropriation: lawfulness requirements: public interest) 341–2
 - 13(1)(b) (expropriation: lawfulness requirements: non-discrimination) 341–2
 - 13(1)(c) (expropriation: lawfulness requirements: due process of law) 341–2
 - 13(1)(d) (expropriation: compensation), fair market value 342
 - 17 (non-application of Part III (denial of benefits)) 335
 - ownership or control by nationals of third State and absence of substantial business interests as a double requirement 338–9
 - “reserves the right”/need for reservation of the right 338
 - “third State” 338–9
 - 17(1) (non-application of Part III (denial of benefits): in case of ownership or control by foreign nationals with no substantial business activities in Area), text 338–9
 - Part IV (miscellaneous provisions)
 - 21 (taxation) 20, 686–7, 693–704: *see also* tax/taxation measures, classification as for purposes of treaty carve-out provisions
 - interpretation in accordance with VCLT 31(1) (general rule: good faith, ordinary meaning, context, object and purpose) 693
 - “taxation measures” (ECT 21(1)) vs “taxes” (ECT 21(5)), distinguishability 352–3
 - text (extracts) 693
 - travaux préparatoires* 352–3
 - 21(1) (taxation: carve-out) 350–9
 - limitation to bona fide taxation actions 21, 22, 23–4, 340, 349, 356–9, 702–4
 - 21(5)(a) (ECT 13 (expropriation): application to taxes [including ECT 21(1) carve-out]) (“claw-back”) 22–3, 350–9
 - unexplained use of “taxes” rather than “taxation measures”/effet utile 22–3

Energy Charter Treaty (1994) (ECT) by article (cont.)

- 21(5)(b) (referral mechanism) 351–6
- 21(5)(b)(i) (referral to competent tax authority), exhaustion of local remedies in case of futility principle **23**, 354–6
- 21(7)(a) (“taxation measure”) **21**, 352, 693, 695
- 21(7)(a)(i) (“relating to taxes of the domestic law of the Contracting Party . . . a political subdivision . . . a local authority”) 695–704
 - applicability of domestic law/VCLT (two-step process) **21**, 686–7, 696–7
 - domestic judicial decisions, relevance/conclusiveness of domestic law **21**, **22**, 687, 698–701
 - burden/standard of proof **24–5**

Part V (dispute settlement)

- 26(3)(b)(i) (bifurcation/fork in the road) 335, 339
- 26(6) (applicable law: ECT and applicable rules and principles of international law) 344–5
- 27(3)(g) (applicable rules and principles of international law, applicability), “clean hands”, whether 340, 347–8

Part VIII (Final Provisions)

- 45(1) (provisional application) (Limitation Clause) 335–7
 - compatibility of provisional application of treaties with domestic law 337
 - whether dependent on ECT 45(2) declaration 336
- 45(2) (declaration of non-acceptance of provisional application) 335–6

ENKA (background)

history of the dispute in date order

- Gabon–ANGT–ENKA, MOU (17 December 2015) 717
 - ENKA’s obligations/steps taken before the decision to stop work 717
 - object and purpose 717
 - Schedule of Payments 718
 - status as amicable settlement agreement 717
 - summary of provisions 717–18
- payment history (21 December 2015–August 2016) 724–5
- re-election of President of Gabon (late August 2016)/socio-economic crisis 718, 725, 726
- Gabon’s notification to ENKA that “cash-flow difficulties” did not permit it to continue making payments (3 October 2016) 718, 725
- ENKA’s notice letter requesting payment and interest (2 November 2016) 718, 725
 - letter as MOU 20.2 communication enabling submission of dispute to arbitration 718, 725
- Gabon’s acknowledgment of receipt of ENKA’s 2 November letter (14 November 2016) and intended resumption of payments 718, 725
 - reference to agreed Exim Bank loan 126
- Gabon’s final payment to ENKA (7 March 2017) 718, 726
- ENKA’s new notice letter proposing a rescheduling of payments valid until 7 April 2017 (21 March 2017) 718, 736
- Gabon’s reply indicating it was analysing ENKA’s proposal (3 April 2017) 718, 726
- ENKA notifies Gabon of expiry of the offer (11 April 2017) 718, 726
- initiation of ICC arbitration (25 May 2017) 718, 726

- continuing socio-economic crisis (August 2017) 726
- IMF report on the economic situation in Gabon 727
- procedural history in date order
 - request for arbitration (25 May 2017) 717, 718
 - amended request for arbitration (25 August 2017) 717
 - Tribunal's completion of initial deliberations/submission of additional questions to the parties (23 April 2018) 720
 - Final Award (14 September 2018) 720
- ENKA (Award) (14 September 2018)**
 - alleged breach of MOU (applicant's claim) 718
 - request to order respondent to take possession of steel warehoused in Turkey within 60 days of the Award 720
 - respondent's request for extension of period 720
 - Tribunal's decision 721, 723
 - social security obligations (MOU 4.5) 720
 - respondent's comments 720
 - Tribunal's decision 723
 - tax obligations (MOU 4.5) 719–20
 - respondent's comments 720
 - Tribunal's decision 722–3
- costs
 - arbitration costs 723
 - warehousing costs 723
- respondent's defences (*délai de grâce*/grace period) (parties' positions)
 - applicant (conflict with non-foreseeability defence) 719, 735–6
 - respondent 719, 735
- respondent's defences (*délai de grâce*/grace period) (Tribunal's analysis and conclusions)
 - admissibility of submission 730
 - applicable law (pre-1 October 2016 French Civil Code) 722, 736–40
 - requirements
 - debtor in good faith/examples of bad faith 722, 738–9
 - debtor/creditor balance 722, 736–7, 739–40
 - evidence of impecuniosity sufficient to justify grant of grace period 722, 737
 - “unfortunate” debtor 722, 737–8
 - Tribunal's conclusion 739–40
- respondent's defences (*imprévision*/unforeseeability) (parties' positions)
 - applicant 719, 729–31
 - applicable law (MOU 19) 729–30
 - force majeure* (MOU 14) 731
 - refusal to renegotiate MOU 731
 - respondent's failure to meet five conditions for applicability of unforeseeability theory 730–1
 - respondent 718–19, 727–9
 - applicable law 727
 - force majeure* (MOU 14) 729
 - good faith cooperation obligation (MOU 10) as anticipation of revised French Civil Code 729
 - oil price fluctuations as cause of the problem 728
 - parties' obligation to renegotiate MOU settlement 728

ENKA (Award) (14 September 2018) (cont.)

- respondent's defences (*imprévision/unforeseeability*) (Tribunal's analysis and conclusions)
 - applicable law
 - French law (MOU 19) 731–2
 - non-applicability of French administrative law to foreign persons abroad/lack of jurisdiction **90**, 721, 732
 - non-applicability of UNIDROIT Principles of International Commercial Contracts (2010) **90–1**, 731–2
 - pre-1 October 2016 French Civil Code (absence of *imprévision* defence) **90**, 721, 732
 - force majeure* (MOU 14) 735
 - good faith cooperation obligation (MOU 10), relevance 722, 734
 - lack of clarity as to what application of the unforeseeability theory would achieve 722, 733
 - requirements
 - respondent's failure to meet 732–5
 - significant change in burden caused by unforeseeable event 722, 733
 - supervening unforeseeable event 722, 733
 - summary 720
 - compensation (MOU 4.3)/interest (French law) 721
 - dismissal of unforeseeability and grace-period defences 721
 - repossession/disposal of steel structure 721

environmental protection measures, counterclaims for non-compliance with domestic law requirements

- Burlington* **73**, **77**
- Perenco* **73**, **76–7**

EPA (Energy Purchase Agreement), Celgar–FortisBC PSA (2008 PSA) 659–60**estoppel**

- burden of proof **37**, **40**, 653
- categories **37**
- as general principle of international law 309, 322
- as general principle of law 309
- good faith and 323
- international law doctrine, primacy over domestic law 309, 322
- international public policy and **36**, 309
- requirements
 - authorized statement 309
 - “clean hands” 339–40
 - clear and unambiguous statement of fact **38**, 309, 640, 653
 - detriment/prejudice **53**, 309, 310, 640
 - good faith reliance on act/undertaking **38**, 309
 - reasonable appearance of act binding on State 309
 - reasonable reliance on 309, 653
 - unjust or inequitable result if claim of estoppel accepted 309
 - voluntary statement, unconditional and authorized **38**, 309, 653
- requirements (jurisprudence)
 - ADC* **38**, 325
 - Bankswitch* **38**, 309

- Chagos Island Arbitration* **39**
- E energija* **37–8**, 640, 653–4
- Fraport* **38**, 324–5
- Land, Island and Maritime Frontier Dispute* **38**
- North Sea Continental Shelf* **38–9**
- Obligation to Negotiate Access* **38, 39**
- Pope & Talbot* **38**, 640, 653
- Temple of Preah Vihar* 324, 325
- State's breach of domestic law 609
- evidence**
 - of corruption 537
 - evaluation (arbitral tribunal's discretion) 539–40
- ex injuria jus non oritur*: see "clean hands"/*ex injuria jus non oritur*
- exceptio non adimpleti contractus*, countermeasures compared **89**
- exhaustion of local administrative or judicial remedies (including ICSID 26)**
 - "bifurcation clause" ("fork in the road") and 403
 - BIT provisions 455, 560
 - burden of proof **41–2**
 - ECT 21(5)(b)(i) (referral to competent tax authority) 254–6
 - jurisprudence
 - Ambiente Ufficio* 355
 - Barcelona Traction* 355
 - Certain Norwegian Loans* 355
 - Philip Morris* **41–2**, 455
 - Urbaser* 360
 - Yukos* **23**, 354–6
 - object and purpose, opportunity for host State to address issues 455
 - requirements
 - availability of compensation 560
 - claimant's standing to bring claims 560
 - effective and adequate remedy **23**, 354–6, 560
 - timeliness of decision (18-month rule) 560
 - State party's obligation to ensure courts' capability of adjudicating on substance within 18 months/prescribed period 560
- expropriation/nationalization, classification as**
 - breach of contract, declaration of nullity 610
 - compulsory conversion of bank deposits to local currency 167
 - creeping expropriation/"measure tantamount to nationalization or expropriation" 649–50
 - definition 458
 - police powers doctrine distinguished: see police powers doctrine
 - regulatory takings 649–50
 - debiting of money from investors' bank account 372
 - deprivation of investment 412–13
 - deprivation of use or reasonably expected economic benefit of property, "in whole or significant part" 371–2
 - legitimate expectation/acquired rights, frustration 373
 - losses incurred as consequence of government management of the exchange rate 167
 - payment for seized property below the market rate 372

expropriation/nationalization, classification as (cont.)

- refusal to release funds for repayment of loan 373
- requirements/relevant factors
 - actual loss 565
 - character of government action/accordance with NAFTA 1110(1) conditions 209
 - duration (temporary vs permanent deprivation) 209, 210, 372, 405, 412–13, 565
 - enforceable property right 609–10
 - interference with reasonable and investment-backed expectations 209
 - measure affecting total or substantial part of investment 118
 - proportionality/balance between measure of interference and State’s right to take measures in the public interest 649
 - substantial/radical deprivation of rights 118, 209, 210, 458, 460, 466–7, 649, 650
 - termination of contract for serious breaches 565
 - unreasonable measure 649
- tax measures, abusive taking 341
- transfer of title/ownership to another party 118, 371

expropriation/nationalization (jurisprudence)

- Burlington* 412
- Cargill* 209–10
- Continental Casualty* 166–7
- E energija* 649–50
- Philip Morris* 458–61
- Quiborax* 402–5, 412–20
- Sempra* 118
- Urbaser* 565
- Von Pezold* 371–2
- Yukos* 341–2

expropriation/nationalization, lawfulness, requirements

- BIT provisions 371
- compensation 341–2, 371
 - payments under a contractual obligation and BIT-based compensation distinguished 496
- cumulative nature 372
- due process 341–2, 372, 403–4, 418–20, 496
- ECT 13(1) 341–2
- good faith 461
- motivation, relevance 461, 565
 - as autonomous provision/distinguishability from fair and equitable treatment 365
 - “obstruction” requirement 565
- non-discrimination 341–2, 371, 405, 461, 496
- police powers doctrine: *see* police powers doctrine
- proportionality 461
- public interest/purpose 371, 405
 - “public utility services as well as for societal needs” 496
 - public welfare 461

extinctive prescription: *see* acquiescence; estoppel; prescriptive extinction

fair and equitable treatment

- arbitrary or discriminatory treatment and 208, 229–30, 372, 461, 565, 642–3
- breach of contract 643
- CIL and 207–8

- definition/measure
 - as evolving concept 563
 - “frustration of legitimate and reasonable expectations or guarantees of stability” 688
 - high threshold/“egregious behaviour” 229–30
 - “intensity or gravity” 564
 - “manifestly inconsistent or unreasonable” 688–9
 - “manifestly unjust”/“grossly unfair” 208, 229–30, 372, 373, 461
 - precise identification of origin of expectation 688
 - “unjust, arbitrary, discriminatory, or [in] violation of due process” 666–7
 - “unrelated to some rational policy” 688–9
- due process and 461, 647–8
- general principles established in the jurisprudence (*Antaris*) 687–9
- good faith and 497
- legitimate expectations and 119, 166, 229–31, 372, 373, 461, 463, 497, 563, 642–3:
 - see also* legitimate expectations
- Mexico sugar regulatory system and 207–9
- minimum international standard, whether additional to 461, 667
 - NAFTA 1605 as reflection of 229–30, 666–7: *see also* NAFTA (1992) by article, Part V, Chapter 11, Section A (investment), 1105(1)
- procedural propriety and 461
- protection and security of investment (including predictability and stability) 208
- standard of review, “actual state of the investment prior to the treatment by the host State giving rise to the claim” 564
- tax measures 207
- transparency, need for 208, 461, 564
- fair and equitable treatment, jurisprudence**
 - Antaris* 687–9
 - Cargill* 207–9
 - Continental Casualty* 165–6
 - Devas* 497
 - E energija* 642–3
 - El Paso* 497
 - GAMI* 208
 - Mobil* 229–31
 - Neer* 207, 208
 - Philip Morris* 461, 465–6
 - Quiborax* 405–6
 - Sempra* 119
 - Tecmed* 208
 - Urbaser* 563–5
- force majeure:** *see also* *imprévision*/unforeseeability or hardship
 - burden of proof 93
 - invalidity of termination of contract during state of 433
 - jurisprudence
 - Devas* 92, 489–90, 491, 496, 515–16, 521
 - ENKA* 735
 - General Dynamics* 92–4, 431–3, 438–40
 - Sempra* 92
 - Von Pezold* 92

force majeure (cont.)

- notice of reliance on when circumstances well known to the other party, relevance **92–3**, 432–3, 443–6
 - in case of contractual requirement 433
- requirements (including ILC(SR) 23)
 - causal link/direct impediment 432–3, 440–3
 - impossibility of performance 127
 - irresistible force beyond the control of the State 127
 - notice of, effect **93–4**, 431, 438–40

fork in the road: *see* “bifurcation clause” (“fork in the road”)**forum selection clause in treaty/contract** (*Sempra*) 117**France**

- administrative law, non-applicability to foreign persons abroad 732
- Civil Code (pre-1 October 2016), Art. 1244–1 (*délai de grâce*/grace period) 722, 735–40

fraudulent misrepresentation/fraud (*dol*): *see also* abuse of process; good faith/fraudulent misrepresentation/fraud (*dol*), jurisprudence

- abuse of process compared 542–3
- effect on
 - admissibility 538, 543, 544, 545, 552–3
 - jurisdiction 538, 543, 545
 - merits of dispute 538, 543–5
- relevant law
 - absence of ICSID/BITs provisions 537, 541
 - “clean hands”/*ex injuria jus non oritur*, uncertain status 543
 - ex dolo malo non oritur actio*/*nemo auditur propriam turpitudinem allegans* 545
 - international legal concepts/international investment arbitration practice 541–2
 - international public policy 537, 543, 546
- requirements/relevant factors
 - due diligence 545–6, 548–52
 - fraud by third party 538, 545
 - Minotte* three-step test/“head-in-the-sand problem” 538, 545
 - nexus between claim and fraud 538, 543, 546
 - seriousness of fraud 538, 546–8, 553

free transfer of investments, right to 610**FTC Interpretative Note (31 July 2001)**

- binding effect (NAFTA 1131(2)) 207, 240
- minimum standard of treatment in accordance with international law (*Cargill*) 207

fundamental change of circumstances: *see force majeure; imprévision/unforeseeability or hardship***Gabon:** *see ENKA***General Dynamics (background)**

- LTCIS contract (5 May 2008) (performance (in date order))
 - completion of Milestones 1–4 (March 2009–August 2010) 422
 - alleged problems with power supply capacity of vehicles to be converted 423
 - requirement specification for power distribution unit (28 September 2009) 423–4
 - start of conversion process (June 2010) 424
 - submission of invoices for Milestones 5 and 6 (July/November 2010) 424
 - failure to provide the acceptance certificates necessary for payment under the Confirmed Letter of Credit 424

- negotiations about non-payment (January/February 2011) 424
- notice of Condition 22 *force majeure* events 424
- JP Morgan's refusal to meet claimant's payment request for Milestones 5 and 6 (March 2011) 424
- claimant's Article 107(1) notice of default to the respondent (20 May 2011) 424
- claimant's Article 107(2) notice (5 October 2011) 424
- receipt of certificates of acceptance/respondent's response to claimant's Article 107 notices (12 October 2011) 424
- receipt of payment for Milestones 5 and 6 (29 May 2012) 424–5
- respondent's request for extension of the Advance Payment Guarantee and Performance Bond (3 December 2012) 425
- drawdowns on the Advance Payment Guarantee and Performance Bond (26 June 2013) 425
- LTCIS contract (5 May 2008) (summary of terms) 422–3
 - Advance Payment Guarantee/drawdown in case of termination of the contract 421
 - governing law (laws of Switzerland/exclusion of CISG) 422
 - issue of Standby Letters of Credit 423
 - payment regime 422–3
 - Milestones 423
 - Performance Bond for exercise in case of seller's default (Conditions 19.4 and 19.5) 423
 - termination of contract, grounds (Condition 24) 423
- parties' arguments (claimant)
 - Article 107 notices 425–6
 - Condition 22.2 obligation to consult after six months of *force majeure* 426, 438
 - drawdowns under Standby Letters of Credit 426
 - recovery of legal fees for ICC Case No. 18388/FM/MHM arbitration 426
 - respondent's counterclaim 428
- parties' arguments (respondent)
 - alleged breach of LTCIS Contract 426
 - claimant's alleged breach of LTCIS Contract 416
 - Condition 22.2 obligation to consult after six months of *force majeure* 427, 438
 - counterclaim for abuse of rights/violation of good faith obligation 426, 427–8
 - drawdowns under Standby Letters of Credit 427
 - invalidity of Article 107 notices 427
 - justification for default on payments 426–7
 - non-applicability of Article 107 of the Swiss Code of Obligations 426
 - recovery of legal fees for ICC Case No. 18388/FM/MHM arbitration 427
- procedural history in date order
 - initiation of arbitration proceedings (12 December 2011) 424
 - registration of request for ICC arbitration (14 January 2013) 422
 - parties 422
 - amended request for ICC arbitration (19 July 2013), parties 422
 - hearing on the merits (1 and 2 December 2014) 428
 - Final Award (25 January 2016) 428
 - High Court enforcement order dispensing with service due to the difficulties in Libya (20 July 2018) 428
 - High Court order setting aside parts of enforcement order dispensing with service (18 January 2019) 428
 - Court of Appeal restoration of original enforcement order (3 July 2019) 428–9

General Dynamics (merits)

- costs (ICC 37(5))
 - arbitration costs 438
 - parties' costs 438
- failure to produce requested documents/adverse inference 429
- procedural matters
 - applicability of Article 107(2) of the Swiss Code of Obligations, relevant factors
 - absence of "relevant trade usages" (ICC 21(2)) which would exclude 430
 - consistency between Condition 24 and Article 107 430
 - cumulative nature of rights and remedies (Condition 26.1) 430
 - non-exclusive effect of Condition 24 (termination), Condition 33.2 (limitation of sellers' obligations) and Condition 37 (remedies for delay caused by seller) 430
 - peculiarity of Swiss law/distinction between domestic and international transactions, Tribunal's rejection of arguments 430
 - Swiss law as the governing law of the contract (Condition 33.1) 429–30
 - respondent's default (failure to provide acceptance certificates/arrange payment for Milestones 5 and 6) 430
- respondent's defences/Tribunal's conclusions: *see also* Switzerland (Code of Obligations (CO/OR) by article)
 - delays in claimant's performance as justification for withhold of payment 430–1
 - reciprocal nature of obligations 431
- force majeure* (Condition 22.1), requirements 431–3
 - causal link/direct impediment 432–3, 440–3
 - events constituting *force majeure* 431–2
 - notice of reliance on when circumstances well known to the other party, relevance 92–3, 432–3, 443–6
- force majeure* notice, effect 93–4, 431, 438–40
 - absence of reciprocity between obligations to pay for Milestones 5 and 6 and perform Milestone 7 438
 - divisibility of payment obligations 439
 - parties' arguments 438
 - reciprocity between Milestone 7 performance and payment obligations 438
- invalidity of claimant's Article 107 notices 433–4
 - claimant's good faith 432–3, 446–8
 - existence of a state of *force majeure* 433
- summary of award 429
- Tribunal's discussions/conclusions on
 - Condition 22.2 consultation/exclusion of unilateral termination while *force majeure* exists 94, 434
 - counterclaim for abuse of rights/violation of good faith obligation 437
 - drawdown under Performance Bond, respondent's entitlement to 436
 - drawdowns (general)
 - alternatives to drawdowns in breach of the LTCIS Contract 436
 - claimant's entitlement to damages under Swiss law 436–7
 - respondent's good faith 436–7
 - respondent's obligation to pay damages for breach of contract 436
 - drawdowns under Standby Letters of Credit 434–7
 - entitlement to extension in case of unresolved dispute surviving the contract (3 December 2012/14 January 2013) 434–5
 - respondent's entitlement to keep drawdown funds 435–6

recovery of legal fees for ICC Case No. 18388/FM/MHM arbitration 434
 unjust enrichment claim/claim for alleged breach of 4 April 2013 agreement 437

general principles of international law

abuse of rights 597
 “clean hands”, whether 340, 347–8
 estoppel 309, 322
 mitigation of damages 98–9

general principles of law

acquiescence 40
 estoppel 309
imprévision 126

Germany–Zimbabwe BIT (1995) 362 n. 2
 full protection and security (BIT 4(1)) 374
 non-impairment clause (BIT 2(2)) 373
 provisional application 369–70

Ghana

Constitution (Art. 185): *see Bankswitch*
 customary international law (CIL)
 incorporation/as part of domestic law 308
 respect for principles of international law (Constitution 73) 308
 estoppel, applicability to constitutional issues 309, 322

good faith/bona fide actions: *see also* abuse of process; bad faith; fraudulent misrepresentation/fraud (*dol*)

bad faith or illegal conduct as bar to ECT relief 21, 22, 23–4, 340, 348–50, 356–9, 702–4
 difficulty of determining motivation 24–5
 fair and equitable treatment and 642–3
 presumption of 654

good faith/fraudulent misrepresentation/fraud (*dol*), jurisprudence: *see also Churchill* (Merits) (6 December 2006) (fraud)

Anderson 545–6
Cementownia 544
Europe Cement 35, 542, 544
Hamster 23–4, 346, 537, 542
Inceysa 543–4
Malicorp 544
Minnotte 538, 544–5
Phoenix 24–5, 541–2, 543, 746
Plama 544
Venezuela Holdings 541

grace period (debt repayment), requirements

debtor in good faith/examples of bad faith 722, 738–9
 debtor/creditor balance 722, 736–7, 739–40
 evidence of impecuniosity justifying 722, 736–7
 French Civil Code provisions 722, 735–40
 “unfortunate” debtor 722, 737–8

Guinea, intention to harm, relevance 643

hardship: *see imprévision/unforeseeability or hardship*

human rights, obligations of individuals/corporations 573–83: *see also* water, right to
 “Guiding Principles on Business and Human Rights: Implementing the UN ‘Protect, Respect and Remedy’ Framework” (2011) 575

human rights, obligations of individuals/corporations (cont.)

Tripartite Declaration of Principles concerning Multilateral Enterprises and Social Policy (ILO) (1977/2006) 576

UDHR/ICESCR, dependence of individuals' rights on individuals' respect 575–6

ICC Arbitration Rules (2012)

22(1) (applicable law: provisions of the contract and any relevant trade usages) 430

37(5) (costs) 437–8

ICSID Arbitration Rules (1984), 54(3) (termination of stay of enforcement following annulment of Award) 170

ICSID Arbitration Rules (2003), 54 (stay of enforcement) 122

ICSID Arbitration Rules (2006)

4 (appointment of arbitrators by the Chairman of the Administrative Council) 603–4
 26 (time-limits) 379

27 (waiver of right) 379

34(1) (admissibility of evidence: tribunal's discretion) 400

34(2)(a) (evidence: tribunal's right to request documents, experts and witnesses) 536

34(3) (evidence: parties' obligation to cooperate) 536

37(2) (submissions of non-disputing parties) 363, 365, 454, 457, 458

40 (incidental or ancillary claims) 456–7

40(2) (submission of counterclaim: time-limits) 571

41(1) (challenge to the jurisdiction: time-limits) 455, 745

41(5) (challenge to the jurisdiction for manifest lack of legal merit: 30-day time-limit) 745

42(1) (applicable law as agreed by parties/law of Contracting State) 535

ICSID Convention (1965) by article

25(3) (consent by constituent subdivision or agency) 561

36(2) (request for arbitration: required information) 639

42(1): *see* applicable law (arbitration including in particular ICSID 42(1))

46 (incidental or additional claims or counterclaims) 456–7

“within the scope of the consent of the parties” 570

52(5) (stay of enforcement) 366–7

illegality of investment as defence: *see also* “investment”/“foreign investment”, requirements/relevant factors

breach of treaty provisions/implicit understanding that illegal investments do not deserve protection as bases **30, 46–7**

absence of BIT provision, relevance 748

burden/standard of proof

admissibility and **34**

jurisdiction and **34**

initial illegality, relevant factors

nature of the violation of the law/serious breach requirement/substantial compliance **31–2, 33, 752**

incurable illegalities **33–34:** *see also* bribery/corruption; international public policy; wilful blindness

possibility of cure of illegality by reason of respondent's behaviour/estoppel **31–2**

significance of the obligation violated **33**

nullity *ab initio*/voidability **33**

proportionality of denial of BIT protection, need for (*Kim* principle)/assessment of **32–3, 748–9, 752, 757–62**

- balance between investor's conduct and compromise of a significant interest of the host State 749, 760–2
- seriousness of investor's conduct 749, 759–60
- significance of obligation 758–9
- statement of principle 757
- relevant domestic laws **31**
 - entire regulatory system **32**, 750–1
 - evolution of tribunal practice in relation to **31**
 - substantive or procedural law **31**
- initial vs subsequent illegality **30–1**
- overview **30–4**
- stages of intervention (jurisdictional, admissibility, liability and quantum) **30, 33, 34**
- subsequent illegality **33**
- illegality of investment as defence (jurisprudence)**
 - Bankswitch* **30, 33–4**
 - Churchill* **30**
 - Cortec* **30, 31, 32–3**, 746, 748–766: *see also Cortec*
 - Europe Cement* **30**
 - Fraport* **30**, 346–7, 756–7
 - Inceysa* **31**, 345
 - Kim* **32–3, 74**, 748–9, 752, 757–62
 - Mamidoil* **31–2**
 - Metal-Tech* **31, 57**
 - Phoenix* **30, 57**, 345, 346, 746, 752
 - Saba Fakes* **31**
 - World Duty Free* 755
- imprévision/unforeseeability or hardship**
 - as general principle of law 126–7
 - as generally available excuse **90**
 - jurisprudence
 - CMS* **91**, 126
 - ENKA* **90–1**, 718–19, 720, 721–2, 727–35
 - Gaz de Bordeaux* 126–7
 - Himpurna* **91–2**
 - Sempra* **91**, 126–7
 - obligation to cooperate in good faith, relevance 734
 - rebus sic stantibus* (VCLT 62) distinguished **90**
 - renegotiation of contractual balance, need for bilateral agreement or judicial consent **91**, 120, 130–1
 - requirements
 - non-wrongful unforeseeable event not caused by the disadvantaged party 733–4
 - significant change in burden caused by unforeseeable event 733
 - supervening unforeseeable event **92**, 733
 - UNIDROIT Principles of International Commercial Contracts (2010), Art. 6.2.2 (“hardship”) **90–1**
- India–Mauritius BIT (1998) by article**
 - 1(1)(a) (“investment”) 494
 - 1(1)(b) (“investor”) 494
 - 4(2)-(3) (MFN treatment) 491, 497–8
 - 8 (expropriation) 497

India–Mauritius BIT (1998) by article (cont.)

- 11(1) (applicability of more favourable provisions of international/domestic law) 506–9
- 11(3) (parties’ right “to apply prohibitions or restrictions . . . directed to the protection of its essential security interests . . .”) **20, 26, 28–9**, 499–518
 - Hungary–India BIT 12 (2003) compared 505
- 11(4) (obligation to honour existing obligations towards investors of the other contracting party) 509–16

Indonesia: *see also* *Churchill*

- Law 4/2009 (Mining of Mineral and Coal) (12 January 2009) 530

Indonesia–UK BIT (1976) by article

- 2(1) (admission requirement) 534–5
- 7(1) (consent to jurisdiction: “shall assent”) 532–3
 - text 532–3

Institution Rules (ICSID) (IR)

- 2(1)(f) (internal actions authorizing request by juridical/legal person) 639
- 2(2) (supporting documentation) 639

intellectual property rights

- “investment”, whether 458
 - copyrights, industrial property rights, know-how and goodwill (BITs provisions) 458
- Philip Morris: see Philip Morris*
- trademark
 - nature of the right conferred by/whether protected from State regulatory action 459
 - ownership (applicable law) 459
 - as property right 459
 - variants entailing the alteration of the trademark’s “distinctive character” (Paris Convention, Art. 5(C)(2)) 459

interest

- Cargill* 213
- on compensation/damages 612
 - treatment as effective loan for the duration of the dispute and beyond 213
- compound, ICSID jurisprudence 213
- post-judgment, in absence of request in memorials/*petitum* 122
- pre-judgment 238
- rate, LIBOR, non-applicability 651–2
- treaty provision, ECT 13(1)(d) 343
- “**international agreement**”, **classification as** 307–8, 314–20: *see also* *Bankswitch*; State contract
 - case-by-case determination 315
 - criteria/relevant factors (*Balkan Energy*) (significant foreign element or foreign party/foreign residence) 307, 314–20
 - engagement of foreign entities to implement agreement 315, 317–18
 - foreign incorporation of participant in agreement 315, 316–17
 - foreign shareholders/domicile outside the host State 315, 316
 - limitation to agreements between State and foreign entity, whether 315, 320
 - management by residents of host State 315–16
 - negotiation by national of host State 316–17
 - provision for arbitration under UNCITRAL Rules 315, 319–20
 - registration as a company under foreign ownership 315, 317
 - relationship with the wealth and economic resources of host State 317, 319
 - tax and foreign exchange control clause 315–16, 318–19
 - waiver of State immunity 316, 318

international public policy/*ordre public international*

definitions/scope/origin

“general principles of law recognized by civilized nations” (ICJ 38(1)(c)) as basis **35**

inclusion of other principles which may stand alone **35–6**

universally accepted norms/transnational public policy, as fundamental principle

overriding all other legal orders including domestic **34, 35**

violation as defence to denial of right to rely on treaty

bribery/corruption and **367**

burden/standard of proof

balance of probabilities/*in time conviction* **37**

“clear and convincing evidence” **37**

onus probandi incumbit actori **37**

as deliberate wrongdoing or conduct inconsistent with higher value **36**

estoppel and **36, 309**

fraud and **537, 538, 543, 546**

impossibility of cure of illegality **36–7**

stage of intervention (jurisdiction/admissibility) **35–6**

status as initial/subsequent illegality, relevance **36–7**

international public policy/*ordre public international* (jurisprudence)

Bankswitch **35, 36, 309**

Churchill **35, 37, 537, 538, 543, 546**

Cortec **36**

EDF **37**

Himpurna **37**

Inceysa **35**

Karkey **35**

Mamidoil **36**

Metal-Tech **36, 37**

Plama **35**

Renée Rose Levy **35**

World Duty Free **36, 543**

“investment” (ECT 1(6))/“investor” (ECT 1(7)), modification of treaty requirements by Tribunal, exclusion, *Yukos* (interim award (jurisdiction and admissibility)) (30 November 2009) **337–8**

“investment”/“foreign investment”, definition/classification as (including treaty formulations/possibilities for inclusion)

applicable law, ICSID 25(1) (absence of definition/as flexible concept) **456**

business income **209–10**

“every kind of asset including . . . shares, bonds and other kinds of interest in companies” **640**

indirect investment, sufficiency **591–2**

intellectual property rights, copyrights, industrial property rights, know-how and goodwill **458**

NAFTA 1139 (definitions)

enterprise **204, 209–10**

exclusion of claims for money arising solely from commercial contracts **203–4**

“real estate or other property, tangible or intangible, acquired . . . or used for . . . economic benefit or other business purposes” **209–10**

“shares and other forms of participation in companies” **561**

“investment”/“foreign investment” (jurisprudence)

Churchill **733–4**

“investment”/“foreign investment” (jurisprudence) (cont.)

- Devas* 495
- E energija* 640
- Fraport* 345
- Orascom* 591–2
- Philip Morris* 456
- Salini* 368–9, 609
- Von Pezold* 368–9
- Wena Hotels* 747

“investment”/“foreign investment”, requirements/relevant factors

- accordance with the laws and regulations of host State: *see also* illegality of investment as defence
 - absence of provision in BIT, relevance 748
 - “substantial compliance with the significant legal requirements”, sufficiency 748
- approval of host government, “admission”, whether one-off or continuing requirement 533–4, 535
- contribution, duration and risk 368, 591, 609, 640, 747
 - “asset”/“contribution”, relationship 591
 - duration 368–9, 591
 - risk 368–9, 591
 - as simplification of *Salini* test 368–9, 456
- contribution to economically productive activity 368–9
- origin of assets or funds, relevance 747

“investor”/“foreign investor”

- evidence of status as 401
- jurisprudence
 - Devas* 494
 - Orascom* 588–91
 - Quiborax* 400–1

investors’ rights, procedural vs substantive 211, 221–5

Italy, nationality (natural person), right to determine/accord 337

***iura novit curia*, applicability/principles governing** 535

jurisdiction (general), “unripe”/immature claim 161

jurisdiction (ICSID)

- admissibility distinguished/distinguishability 560
- applicable law
 - domestic law of Contracting State 400
 - ICSID 25/BIT provision 116, 400, 455
 - international law (including CIL) 455
- burden/standard of proof 455
- competence/duty of tribunal to determine (*compétence de la compétence*) (ICSID 41(1)), *Quiborax* 400
- exclusion, appeal against/review of application of domestic law, “deficiencies unacceptable from the viewpoint of international law” exception 627–8
- objection to
 - submission “as early as possible” (AR 41(1))
 - submission after decision on jurisdiction 408, 409
 - tribunal’s *ex proprio motu* powers and (AR 41(2)) 745
- ratione materiae*: *see* legal dispute arising directly out of investment (ICSID 25(1))

jurisdiction (NAFTA)

investment disputes (Chapter 11), dispute resolution (Chapter 20), overlap 203–4
 NAFTA 1101(1) 203–5

jus cogens

CIL rules on necessity/ILC(SR) 25, whether 83, 149

Phoenix 577

Urbaser 577

Karkey: *see* **Karkey** (background); **Karkey** (Award (22 August 2017)) (corruption defence)

Karkey (background)

history of the dispute in date order

PPIB's calls for proposals for RPPs (including draft contract) (May 2008) 602

award of Project to Karkey/signature of Karkey–Lakhra contract (5 December 2008) (2008 Contract) 602

conclusion of new contract (23 April 2009) (2009 Contract) 602

concerns about the award of the RPPs/corruption allegations 602–3

opening of Supreme Court proceedings (“RPP” case) (9 September 2009) 603

amendment of 2009 Contract (8 December 2009) 602

start of commercial operations (13 April 2011) 602

notification to Lakhra of unpaid invoices/notice of default/termination of contract (30 March 2012) 502

RPP decision/declaration of contracts as void *ab initio* (30 March 2012) 602–3

NAB corruption enquiry into Karkey/restrictive measures against Karkey including freezing of Karkey bank accounts (April–May 2012) 603

Karkey–Lakhra/NAB agreement settling issues relating to the Contract, RPP judgment and NAB inquiry (7 September 2012) (the Deed) 603

reactivation of order detaining Karkey's ships (2 November 2012) 603

parties' positions

claimant 604

respondent 604

procedural history in date order

request for arbitration (16 January 2013) 603–4

request for provisional measures (16 January 2013) 603–4

constitution of Tribunal (25 July 2013) 603–4

Order for release of the *Kaya Bey* (16 October 2013) 604

release of the *Kaya Bey* (7 May 2014) 604

hearing on jurisdiction and the merits (29 February–12 March 2016) 604

Award (22 August 2017) 604

application for annulment (27 October 2017) 604

constitution of ad hoc Committee (5 December 2017) 604

temporary stays of execution (22 February/15 May 2018)/expiry (15 June 2018) 604

New York enforcement proceedings (20 June 2018) 605

application for revision of Award (6 February 2019) 605

respondent's efforts to obtain electronic records allegedly evidencing corrupt activities 605

Karkey (Award (22 August 2017)) (corruption defence)

burden/standard of proof

burden of proof

parties' arguments 614

- Karkey (Award (22 August 2017)) (corruption defence)** (cont.)
- Tribunal's decision (*onus probandi incumbit actori*/shift in case of prima facie evidence of corruption) **47**, 605, 614
 - standard of proof
 - parties' arguments 613
 - Tribunal's conclusion (clear and convincing evidence/high standard) **47–8**, 605, 613
 - Pakistan corruption law
 - NAO 9(a) (acts constituting offence of corruption and corrupt practices) 615–16
 - NAO 9(a)(ii) (dealings for inadequate or no consideration) 616
 - PPRA Rule 2(1)(f) (“corrupt and fraudulent practices”) 615
 - Supreme Court's RPP judgment (30 March 2012), effect on Tribunal 626–30
 - analysis of decision
 - “approbate and reprobate” principle 608, 630
 - arbitrary treatment of all RPP sponsors as identical despite significant differences 607, 628–9
 - Court's failure to seek independent confirmation of debatable assertion 607, 628
 - criticisms of Judgment in Civil Review Petitions 629–30
 - failure to distinguish between void and voidable contracts 607, 629
 - irrelevance of due to
 - attribution of breach of Pakistan's laws to Pakistani officials 608, 630
 - Court's participation in alleged breaches of BIT 630
 - failure to identify corruption on part of claimant 630
 - non-binding effect/“deficiencies unacceptable from the viewpoint of international law” as justification for challenge to (*Helnan*) 627–30
 - Tribunal's *compétence de la compétence*/non-binding effect of judgment 626
 - Tribunal's analysis of respondent's allegations 616–30
 - alleged corruption scheme **47–8**, 606–7, 622–6
 - Ministry of Water and Power's Civil Review Petition (24 April 2012) 607, 626
 - NAB's finding that there was no evidence of wrongdoing by Karkey/Deed of settlement (September 2012) 607, 625–6
 - parties' positions (claimant) 623–4
 - parties' positions (respondent) 606, 622–3
 - respondent's attempts to secure disclosure of Backup Tapes/admission of new evidence relating to **48**, 606–7, 624–6
 - Supreme Court's rejection of Deed/declaration of 2009 Contract as void *ab initio* 607, 627
 - Tribunal's reasons for refusal of request to admit new evidence **48**, 605–6, 623–5
 - Mr Zulqarnain's involvement
 - compensation for services, reasonableness/satisfactory evidence of 605–6, 618
 - letter of engagement/evidence of compliance with 605, 617–18
 - Metal-Tech* (family ties) distinguished 606, 618
 - payment of bribes, absence of evidence 618–19
 - respondent's claim 616
 - “red flags”
 - insufficiency to shift burden of proof **47–8**, 606, 621–2
 - list of (respondent's counter-memorial) 619–21
 - shipyard visit (September 2010), payment of fares as “valuable thing” (NAO 9(a)(ii)) 522
 - respondent's request for/reasonableness and transparency of payment 606, 622
 - Tribunal's conclusion **47–8**, 607, 630

Karkey (Award (22 August 2017)) (matters other than corruption)

- attribution of responsibility for conduct directed or controlled by the State (ILC(SR) 8)
 - disclaimer in face of evidence to the contrary, effect 608
 - Lakhra's actions 608
 - PEPCO's actions 608
- claims not addressed for reasons of judicial economy 610
- costs
 - relevant factors
 - failure to cooperate in good faith with the Tribunal 612–13
 - reasonableness of expenditure 612–13
 - wasted tribunal and arbitration costs 612–13
 - Tribunal's conclusion 613
 - Tribunal's discretion (ICSID 61(2)) 612
- damages 610–12
 - calculation 611–12
 - interest on 612
 - restitutio in integrum* (Chorzów Factory) principle, applicability 610–11
 - standard of proof (“sufficient degree of probability”) 611
 - valuation date (*ex ante* vs *ex post*) 611
- decision 604, 605, 630
- expropriation (Supreme Court's declaration of nullity of contract as)
 - Karkey's claims as enforceable property rights 609–10
 - parties' positions 609
 - Tribunal's rejection of Court's decision 609–10
- free transfer (BIT IV) (applicability to all transfers related to an investment)
 - parties' positions 610
 - Tribunal's conclusion, applicability of BIT IV(1) to physical assets/Pakistan's restrictions on Karkey's vessels 610
- jurisdiction
 - claimant's alleged breaches of BIT I(2)(a) (“in conformity” with Pakistan law requirement)
 - fraud in procuring investment 608–9
 - procurement laws 609
 - Tribunal's conclusions (failure to establish fraud/estoppel by reason of respondent's own action) 609
 - qualification as “investment” (ICSID 25(1)/compliance with *Salini* test) 609

Kenya–UK BIT (1999) by article: see also Cortec

- 1 (definitions) 746
- 8(2) (jurisdiction *ratione personae*: treatment as national of another contracting State) 746
- 8(3) (three-month cooling-off period) 746–7
- absence of legality clause, relevance 748

Latvia–Lithuania BIT (1996) by article: see also E energija

- 1(1) (“Latvian law and regulations”), applicability to Latvian executive and judicial authorities and agreements entered into by Latgales Energija 639
- 1(1)(b) (“investment”: “shares, bonds and other kinds of interest in companies”) 640
- 1(2)(a)(ii) (“investor” of Lithuania: juridical person) 639
- 3(1) (fair and equitable treatment/exclusion of arbitrary or discriminatory measures causing impairment) 642

Latvia–Lithuania BIT (1996) by article (cont.)

- 3(1) (full protection and security) 648–9
- 3(2) (MFN treatment: “subject to its laws and international agreements”) 650
- 4(1) (expropriation/nationalization: requirements for lawfulness), creeping expropriation 649–50
- 7 (dispute settlement) 639
 - “dispute concerning investment” 640
- 7(1) (notice of dispute) 639
- 7(2) (six-month rule) 639

legal dispute arising directly out of investment (ICSID 25(1))

- “directly”, general measures not directly related to investment 160
- jurisprudence
 - Continental Casualty* 160
 - Cortec* 747–50
 - E energija* 640
 - Sempra* 116

“legal person”/“legal personality”

- ILC(SR) 5/ILC(SR) 8 compared 513–14
- investment protection treaty practice 513–14

legislation, interpretation

- aids, arbitral and judicial decisions [of domestic courts] 687, 698–701
- guidelines, substance over formalism 21, 687, 697, 703

legitimate expectations

- burden of proof/source of expectation/requirements
 - attribution of representation to State 688
 - clear and explicit representations to induce investments 230, 463, 645, 688, 689
 - non-modification of regulatory framework at time of investment outside the “acceptable margin of change” 688
 - reasonable reliance on representations 230, 642–3, 688
 - repudiation of representations 230
 - specific guarantees in legislation 688
 - general legislation applicable to a plurality of persons or category of persons distinguished 688
 - specific representation as non-essential aid to assessment of reasonableness and legitimacy of expectation 688
 - stabilization clause, relevance 688, 689
- examples of expectations claimed
 - continuation of tax policy 689–90
 - protection and security of investment (including predictability and stability) 208, 642–3, 689
 - stability of contract 563–4, 689–90
- exclusion of expectation/State’s rights
 - balancing of investor’s interests with other considerations 688
 - exercise of State’s regulatory authority in pursuit of a public interest 688
 - exercise of State’s sovereign authority to adapt its legal system to changing circumstances 688, 690
 - reliance on BIT as insurance policy against risk of changes to legal and economic framework 688, 689
- fair and equitable treatment and 119, 166, 229–31, 372, 461, 463, 497, 563, 642–3, 687–90

- investor's obligations
 - due diligence 463, 642–3, 689–90
 - measures to protect expectation 566
- relevant factors
 - “actual social and economic environment of the host State” 564
 - “high measure of deference which international law generally extends to the right of national authorities to regulate matters within their own borders” 688
 - legal framework at time of investment 564
 - non-retroactivity of impugned measures 690, 706

Libya: *see* *General Dynamics*

“like circumstances”: *see* MFN (most favoured nation) treatment; national treatment

margin of appreciation

- balancing competing human rights/conflicting interest and 371, 380–1, 462
- customary international law (CIL), whether 371, 380–1
- erga omnes/jus cogens* obligations, exclusion in case of 371, 381
- as European human rights law concept/applicability in the investment dispute context 69–72, 380–1, 475–8, 482–6
- human rights treaties, CIL and BITs distinguished, manifest unreasonableness test 462
- national security interests 495, 506
- police/regulatory powers, State's exercise of and 71–2, 380–1
- “self-judging” compared 163, 181
- State's right to determine/due deference obligation
 - public interest 70, 71–2, 380–1, 383–6
 - scope of review 72

margin of appreciation (jurisprudence)

- ADM* 482
- Chemtura* 70–1, 72, 400
- Continental Casualty* 163, 181, 485
- Corn Products* 482
- Devas* 495, 504
- Electrabel* 486
- Frontier Oil* 486
- Gabčíkovo–Nagymaros* 486
- Gemplus* 482
- Glamis* 70, 486
- Handyside* 70
- Lemire* 386, 482
- Methanex* 70, 72, 482
- Oil Platforms* 486
- Philip Morris* 71–2, 462, 475–8, 482–6
- Quasar de Valores* 485
- Saluka* 486
- SD Myers* 482
- Siemens* 485
- Total* 482
- Von Pezold* 71, 371, 380–1, 485
- Whaling in the Antarctic* 486

measure of compensation/valuation of company (with particular reference to expropriation claims) (including ILC(SR) 35/ILC(SR) 36)

- applicable law, absence of provision (BIT) 406
- compensation for unlawful and lawful expropriation distinguished 406, 410
- contributory fault (ILC(SR) 31/ILC(SR) 39): *see* contributory fault (ILC(SR) 31/ILC(SR) 39)
- fair market value 121–2
 - applicability to breaches of treaty other than expropriation 121
 - ECT 13(1)(d) 342
 - market value on date of award 407
- full reparation/*restitutio in integrum* (*Chorzów Factory*) 377, 610–611: *see also* *restitutio in integrum*
- inclusion of *ex post* data, justification for 407, 409–10
- method
 - comparable companies method 342–3
 - discounted cash flow (DCF) 121–2, 406–8
 - present value of net cash flows lost 212–13
- mitigation of damages: *see* mitigation of damages
- valuation date
 - claimant’s right to choose date of taking or date of award 342
 - ex ante* vs *ex post* 611

measure of compensation/valuation of company (with particular reference to expropriation claims) (including ILC(SR) 35/ILC(SR) 36), elements for possible inclusion

- actual damage/loss 651
- “any financially assessable damage including loss of profits” (ILC 36(2)) 651
 - burden of proof 651
- lost cash flows 343
- lost profit, *lucrum cessans*/future profits 651

measure of compensation/valuation of company (with particular reference to expropriation claims) (jurisprudence)

- Bankswitch* 311–12
- Quiborax* 406–8
- Yukos* 342–4

“measure” “relating to” (“concernant”/“relativas a”)

- Cargill* 204
- Methanex* 204

Mercer (background)

- facts
 - Mercer/claimant, status 658
 - supply of electricity in British Columbia (BC)
 - charging arrangements 658
 - responsibility for 658
- history of the dispute in date order
 - BC Hydro/BCUC concerns about pulp mills’ capacity to sell electricity at high prices/ buy at low embedded rates 658–9
 - BC Hydro’s request for proposals (6 February 2008) 659
 - award of EPA to Celgar (2 May 2008)/Celgar–BC Hydro agreement to set GBL 659
 - Skookumchuck Pulp/Port Mellon mills GBL agreements 659
 - Celgar–BC Hydro EPA (27 January 2009) (“2009 EPA”) 659

- BCUC Order G-48-09 agreeing to amendment of BC Hydro–FortisBC 1993 PPA (6 May 2009) 660
- parties' positions (claimant) (BCUC's Order No. G-48-09 and the 2009 EPA, alleged discrimination against NAFTA 1102, NAFTA 1103, NAFTA 1105(1) and NAFTA 1503) 660–1
 - respondent's response 661
- procedural history in date order
 - request for arbitration (30 April 2012) 658
 - registration of request (16 May 2012) 658
 - hearing on jurisdiction and merits (21–31 July 2015) 662
 - Award (6 March 2018) 662
 - request for supplementary decision (Additional Facility Rule 57) (20 April 2018) 662
 - rejection of request (10 December 2018) 662
- Mercer (Award) (Jurisdiction) (6 March 2018)**
 - claims concerning 2009 EPA, Tribunal's conclusions 679
 - claims concerning BCUC Order G-48-09 679
 - rejection of request for supplementary decision on 662
 - delegated governmental authority/exercise of "regulatory, administrative or other governmental authority" (NAFTA 1502(3)(a)) 665, 678–9
 - dissenting opinion (Orrego Vicuña) 679–80
 - mootness 662, 665
 - Tribunal's conclusion 679
 - dissenting opinion (Orrego Vicuña) 662–3, 667–8, 679–80
 - procurement exception (NAFTA 1108(7)(a)) (non-applicability of NAFTA 1102/NAFTA 1103) 55–7, 662, 664, 673–7
 - dissenting opinion (Orrego Vicuña) 680
 - "government procurement" (NAFTA 1001(5))
 - "procurement" 55–6, 674–5
 - relationship between NAFTA Chapter 10 and NAFTA 1108, uncertainty 674–5
 - interpretation (VCLT)
 - context/object and purpose 674
 - French/Spanish texts compared 674
 - "procurement", definition 674–6
 - broad and unrestrictive meaning 55, 674
 - as "buying of goods or services for or by a State or a State enterprise" 674
 - ordinary meaning 674
 - regulatory functions distinguished 664, 673–7
 - "procurement by a Party or a State enterprise"
 - "obtaining by purchase . . . goods, supplies, materials and machinery" 664, 673
 - "State enterprise", listing in appropriate Annex, need for 674–5
 - selling of goods or services (NAFTA 1503(3) (non-discriminatory treatment))
 - distinguished 673–6
 - time-limits for institution of claim (NAFTA 1116(2) and 1117(2)) (three-year rule) 663–4, 668–73
 - dissenting opinion (Orrego Vicuña) 662–3, 667–8, 680
 - "first acquired or should have first acquired, knowledge of alleged breach . . . or loss or damage" 668–73
 - actual knowledge 671–2
 - burden of proof 41, 672–3
 - constructive knowledge 672

Mercer (Award) (Jurisdiction) (6 March 2018) (cont.)

- due diligence obligation 672
- objective standards (claims asserting arbitrariness, irrationality, non-transparency or purely “idiosyncratic, unfair, or unjust” treatment) 663, 669–70, 679
- relative standards (claims asserting discriminatory treatment under NAFTA 1102, NAFTA 1103 and NAFTA 1105) 671–3, 679
- relevant date (30 April 2009), factors determining 668, 670–1
- start date (“time-bar”)
 - knowledge of first comparator’s treatment/exclusion of re-start with each comparator 669
 - three years prior to filing of request for arbitration 664, 668
- Tribunal’s conclusion 661, 662, 671, 673
- Tribunal’s conclusions, delegated government authority (NAFTA 1503(2)) 52, 679

Mercer (Award) (Merits) (6 March 2018)

- alleged breach of fair and equitable treatment requirement (NAFTA 1105(1)) 666–7
- arbitrariness as “a wilful disregard of due process of law, an act which shocks, or at least surprises, a sense of juridical propriety” 667
- minimum standard of treatment under CIL as benchmark 666–7
- transparency, relevance 667
 - “unjust, arbitrary, discriminatory, or [in] violation of due process” requirement 666–7
- non-discrimination, relevance/NAFTA 1605(1) and NAFTA 1605(2) distinguished 667
 - dissenting opinion 668
 - effet utile* considerations 667
- alleged discriminatory treatment (claims relating to BCUC Order G-48-09/Celgar’s GBL under NAFTA Article 1105)
 - BCUC Order G-48-09, Tribunal’s decision 666
 - claimant’s arguments 665
- alleged discriminatory treatment (NAFTA 1102 (national treatment)/NAFTA 1103 (MFN treatment)) 665–6
 - “better of the treatment required by NAFTA 1102/NAFTA 1103” (NAFTA 1104) (“best in jurisdiction”) 665–6
- relevant elements
 - discriminatory intent/application of “facially neutral measure” in a discriminatory manner 666, 668
 - “like circumstances” with identified comparators 665–6, 668
 - treatment less favourable than that accorded to identified comparators 665–6
 - treatment relating to investments (NAFTA 1102(1)/NAFTA 1103(1)) 665–6
- Tribunal’s assessment
 - claimant’s GBL 666
 - claimant’s LDA 666
- costs 667
- dissenting opinion (Orrego Vicuña) 662, 667–8

Mexico (IEPS 2002)

- as discriminatory measure (*Mexico – Tax Measures*) 201–2
- summary of provisions 201

MFN (most favoured nation) treatment

- applicability of base treaty/legality clause, dependence on 57
- applicability to dispute settlement provisions 206

- “like circumstances” (NAFTA 1103) 206
 - comparable investment in the host State, limitation to 206
- “subject to its laws and international agreements” requirement 650
- minimum standard of treatment in accordance with international law**
 - differential treatment, NAFTA 1105(1) and NAFTA 1105(2) distinguished 667, 668
 - as evolving concept 668
 - “in accordance with international law”, CIL as reference point 666–7
 - stability of legal and business framework, whether required by 229–30
 - “stable framework for investment” as treaty purpose, relevance 165–6
 - transparency, relevance 667
- mitigation of damages/offset/deductible elements (ILC(SR) 31, Commentary para. 11)**
 - burden of proof 98–9
 - duty as general principle of international law 98–9
 - obligation of innocent party 98
 - economic crisis 132, 148
 - jurisprudence
 - Cargill* 212–13
 - EDF* 98, 99
 - Hrvatska* 98
 - Saar Papier* 98, 99
 - Yukos* 343
 - negligence 98–9
- Mobil**: see *Mobil* (background); *Mobil* (Award); *Mobil* (Decision on Liability and on Principles of Quantum) (22 May 2012)
- Mobil (background)**
 - alleged breaches (parties’ positions)
 - fair and equitable treatment (NAFTA 1105(1))
 - claimants 228
 - respondent 228
 - performance requirements (NAFTA 1106(1))
 - claimants 228
 - respondent 228–9
 - factual
 - Accord Acts/regulatory system established by 227–8
 - 1987/1988 Guidelines 228
 - 2004 Guidelines (R&D expenditure requirements) 228
 - Canada–Newfoundland Atlantic Accord Implementation Act 1987 (Federal Accord Act) 227
 - Canada–Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act 1990 (Provincial Accord Act) 227
 - Canada–Newfoundland Offshore Petroleum Board 227
 - Projects (Hibernia/Terra Nova)
 - control/ownership of 227
 - operating companies 228
 - project proposals, procedure 228
 - procedural history in date order
 - registration of request for arbitration (Arbitration (Additional Facility) Rules 4) (19 December 2007) 227
 - Hibernia v. Offshore Petroleum* (4 September 2008) 228
 - hearing on merits (19–20 October 2010) 229

Mobil (background) (cont.)

- Decision on Liability and on Principles of Quantum (22 May 2012) 229
- hearing on damages (23 April 2013) 229
- Award (compensation) (20 February 2015) 229
- Ontario Supreme Court's dismissal of application for review of the Award (16 February 2016) 229

Mobil (Award)

- costs 238
- damages
 - burden/standard of proof (reasonable certainty) 237
 - obligation to make a payment, sufficiency 237
- losses for incremental spending
 - assessment in context of continuing breach/likelihood of a future event 237
 - deduction from compensation for incremental spending of amount reflecting benefits 237
 - deduction from compensation to reflect royalty regime deductions, exclusion 237
 - definition 237
 - incremental or ordinary spending, difficulty of distinguishing 237
- pre-judgment interest 238
- shortfall losses
 - definition 237
 - Tribunal's decision 237–8
- Tribunal's decision (summary) 236–7
- sums awarded 238

Mobil (Decision on Liability and on Principles of Quantum) (22 May 2012)

- damages 233–4
 - burden/standard of proof (“reasonable certainty”) 233
 - prospective losses, Tribunal's jurisdiction (NAFTA 1116(1)) 233
- damages, Tribunal's conclusions
 - 2004–8 period (failure to prove enforcement of spending obligations) 234
 - 2009 (January) period (failure to provide evidence of actual expenditure) 234
 - 2010–35 period (future period) 234
 - continuing breach/possibility of further arbitration proceedings 234
 - reasonably certain requirement/evaluation of future damages as “extremely hazardous” 234
- dissenting opinion (Sands) (reservations for existing measures (NAFTA 1108/NAFTA Annex 1), qualification of 2004 Guidelines) 54, 234–6, 287–302
- Canada's reservation as broad and open-ended 234, 290–1
- “consistent with the measure”, whether including any earlier subordinate measure 235–6, 293–302
 - conflict with VCLT 31 and 32 (ordinary meaning) 235–6, 297–8
 - differential treatment of old and new investors 236, 301–2
 - elevation of subordinate measure to status of primary legislation 236, 299–300
 - risk of “constantly evolving standard” 236, 298–9
- “measure” (Annex 1, para. 2(f)(i)) and “subordinate measure” (Annex 1, para. 2(f)(ii)) distinguished 234–5, 292
- “under the authority” and “consistent with”, as cumulative and exhaustive conditions 235, 292–3
- fair and equitable treatment (NAFTA 1105) 229–31
 - arbitrary or discriminatory treatment and 229–30

- measure
 - “grossly unjust” 229–30
 - high threshold/“egregious behaviour” 229–30
 - minimum international standard (CIL), NAFTA 1805 as reflection of 229–30
 - Tribunal’s conclusion 231
- interpretation of NAFTA (NAFTA 1131(1))
 - applicable law (NAFTA 1131(1) (“this Agreement and applicable rules of international law”)) 240
 - Conventions to be used in the NAFTA texts* (9 July 1992) 257
 - FTC Interpretative Note, binding effect 240
 - travaux préparatoires* (VCLT 32), classification as 243–5
- performance requirements (NAFTA 1106(1)(c) (requirement to purchase, use or accord a preference to goods produced or services provided in the host territory)) 238–48
 - interpretation
 - conformity with NAFTA’s overall object and purpose (NAFTA 102) 231, 241
 - dictionary definitions 241, 264–5
 - ordinary meaning 231
 - “requirement”, 2004 Guidelines as 231, 245–8
 - compulsion as key element 231
 - “services” (R&D and E&T) 231, 240–3
 - Tribunal’s conclusion 52, 231, 249
 - “with respect to their management, conduct or operation in the territory” 240
- reservations for existing measures (NAFTA 1108/NAFTA Annex 1), qualification of 2004 Guidelines
 - interpretation (VCLT 31 and 32/balance between the parties) 251
 - “measure” (Annex 1, para. 2(f)(i)) and “subordinate measure” (Annex 1, para. 2(f)(ii)) distinguished 234–5, 252–4
 - “measure” including “any subordinate measure adopted or maintained under the authority of and consistent with the measure” (NAFTA Annex 1, para. 2(f)(ii)) 232–3, 248–9
 - “adopted”/“maintained” 232, 255–7
 - “consistent with the measure” [including any earlier subordinate measure] 232–3, 259–64, 266–9
 - dictionary definitions 274
 - ordinary meaning 258–9, 273–5
 - “under the authority” 232, 264–5, 269–73
- parties’ arguments (claimants) 250, 255, 256, 259–60, 262, 269, 271–2
- parties’ arguments (respondent) 250, 255–6, 260, 262–3, 269–70
- third-party arguments (NAFTA 1128) 250, 256, 260–2, 269–70, 271
- reservations for existing measures (NAFTA 1108/NAFTA Annex 1), qualification of 2004 Guidelines (Tribunal’s decision) 53–5
 - existing subordinate measures
 - Hibernia Benefits Plans and Board Decisions 276–8
 - Terra Nova Benefits Plans and Board Decisions 278–9
 - measures to be compared (Federal Accord Act, existing subordinate measures and the new subordinate measure) 275–85
 - new subordinate measure (2004 Guidelines) 279–85
 - Tribunal’s conclusion 232–3, 285–7
 - summary of Tribunal’s findings 229
- most favoured nation treatment:** *see* MFN (most favoured nation) treatment

NAFTA (1992) by article

Part I, Chapter 1 (objectives)

102 (objectives) 232–3

102(1)(b) (promotion of fair competition) 231

102(1)(c) (substantial increase in investment opportunities) 231

Part V, Chapter 11, Section A (investment)

1101(1) (measures covered) (investment/expenditure in the territory) 204

1103 (MFN treatment) 57, 206

1105 (minimum standard of treatment) 207–9

1105(1) (minimum standard of treatment in accordance with international law including fair and equitable treatment/full protection and security) 207–9

1106(1) (performance requirements: prohibited requirements) 52

non-preclusion clauses compared 78

1106(1)(a) (requirement to export a given level or percentage of goods or services) 247

1106(1)(c) (requirement to purchase, use or accord a preference to goods produced or services provided in the host territory) 231

1106(3)(b) (excluded requirements: preference to goods produced/producers in host country) 209

1106(5) (applicability of NAFTA 1106(1) and (3)) 51, 52

1108(1) (non-applicability to existing non-conforming measures) 53–55: *see also* reservations for existing measures (NAFTA 1108/NAFTA Annex 1)1108(7)(a) (procurement exclusion) 662, 664, 673–7: *see also* procurement exception (NAFTA 1108(7)(a)) (non-applicability of NAFTA 1102/NAFTA 1103)

1112(1) 203–4

Part V, Chapter 11, Section B (Settlement of Disputes)

1116(1) (eligible claims), prospective losses 233

1116(2) (time-limits) 668–73

1117(2) (time-limits) 668–73

1128 (third party/non-disputing party participation) 207, 250

1131(1) (governing law: “this Agreement” and applicable rules of international law) 240: *see also* NAFTA (1992), interpretation, applicable law (NAFTA 1131(1) (“this Agreement” and applicable rules of international law))

1131(2) (binding effect of FTC interpretation of article of NAFTA) 207, 240

Part V, Chapter 15

1503(2) (obligation to ensure compliance with NAFTA Chapters 11 and 14) 678–9

1503(3) (obligation to ensure non-discriminatory treatment in the sale of goods or services in the territory of another Party) 675

Part VIII, Chapter 21 (exceptions), 2103 (taxation) 207

NAFTA (1992), interpretation

Note entries under this heading are limited to points specific to NAFTA. For points common to treaty interpretation in general: *see* treaties, interpretation applicable law (NAFTA 1131(1) (“this Agreement” and applicable rules of international law))

applicable rules of international law

GATT/WTO jurisprudence 163, 182–3

VCLT 240, 251

Conventions to be used in the NAFTA texts (9 July 1992) 257

guidelines specific to NAFTA, inconsistency within NAFTA (NAFTA 1112(1)), presumption against/possibility of overlap 203–4

phrases

“in like circumstances” 205–6, 666

“measure adopted or maintained” 232

“regulatory, administrative or other governmental authority” (NAFTA 1502(3)(a)/
 NAFTA 1503(2)) 665, 678–9

“services” 231, 240–3

procurement classification system (Annex 1001.1b-2) 242

responsibility for: *see* FTC Interpretative Note (31 July 2001)

responsibility for, Free Trade Commission (FTC): *see* FTC Interpretative Note
 (31 July 2001)

national of another contracting State (juridical person) (ICSID 25(2)(b))

acceptability of any “reasonable” test 588

applicable law

BIT 369, 588: *see also individual BITs*

place of incorporation 589

registered seat/*siège social* 589

“*siège social*”, interpretation issues 589–91

siège réel 590–1

claims in respect of assets of local companies 369

foreign control (joint/multiple control) 116

joint/multiple control, by foreign investors of different nationalities under different
 BITs 116

jurisprudence

Orascom 588

Sempra 116

Von Pezold 367, 369

**national of another contracting State (juridical person) (ICSID 25(2)(b)), agreement to
 treat as**

BIT provision for 401

Cortec 746

Quiborax 401

national of another contracting State (natural person) (ICSID 25(2)(a))

dual/multiple nationality, *Von Pezold* 367

“other than the State party” 367

**national security interests: *see* necessity as defence to alleged breach of State
 responsibility**

national treatment

Cargill 205–6

GAMI 205–6

“like circumstances”/“like situations”

context, dependence on

economic circumstances, relevance 205–6

NAFTA 1102/general principles emerging from 205–6

necessity as defence to alleged breach of State responsibility (including ILC(SR) 25)

burden of proof 83

characteristics

as exceptional defence 137

as generally available excuse 82

CIL (ILC(SR) 25) 82–3, 120, 121, 124–5, 134–9, 506–9

jus cogens status 83, 150

necessity as defence to alleged breach of State responsibility (including ILC(SR) 25)
 (cont.)

- text **82**
- treaty provision compared *162, 171–4*
 - CIL rule as preclusion of wrongfulness *162, 172–3*
 - strict (CIL) vs liberal (treaty) rule *162, 173*
 - treaty provision as non-preclusion/derogation clause *162, 171–2*
- compensation for act in question, effect on (ILC(SR) 27(b)) **86, 121, 147–8, 517**
- jurisprudence: *see* necessity/emergency as defence, jurisprudence
- margin of appreciation *163*
- requirements/circumstances justifying application
 - breach of primary norm **81**
 - cumulative nature **83, 139**
 - grave and imminent peril **83, 120, 138, 375, 383–4**
 - “necessary for” *163, 181–95*
 - GATT/WTO case law as preferred standard for ICSID cases *163, 182–3*
 - necessity as objective precondition *505*
 - non-availability of alternative measures (ILC(SR) 35(1)(a)) **83, 120, 163–4, 183–95, 375–6, 566**
 - availability at the time of the challenged measures *185–93*
 - availability to prevent crisis which led to the challenged measures *193–5*
 - “do nothing” vs action against political supporters *375–6, 384–7*
 - “reasonably available” *163–4, 183–5*
 - non-contribution of State to situation of necessity (ILC(SR) 25(2)(b)) **83, 85–6, 120, 139, 164, 197, 376, 390–2**
 - non-exclusion by obligation in question **83**
 - non-impairment of essential interests of other States/international community as a whole (ILC(SR) 25(1)(b)) *138–9*
 - compliance with treaty/BIT obligations *390*
 - racial discrimination as *erga omnes* obligation *376, 387–90*
 - temporary nature (ILC(SR) 27(a)) *121, 147*
 - threat to an essential [security] interest of the State **83, 120–1, 138, 139–40, 146–7, 162–3, 374**
 - “essential” **82–3, 163, 175–6, 506**
 - survival of a political party *374–5, 382–3*
 - UNCTAD Study (2009) *500, 501, 505–6*
 - threat to the maintenance of public order *162–3, 175*
- standard of review
 - broad vs restrictive interpretation **83–4**
 - domestic declaration of emergency as evidence *374*
 - international law *374*
- treaty provision *139–40*
 - in the absence of *505–6*
 - equality of treatment in time of emergency and derogation distinguished *121, 140*
 - interpretation in accordance with CIL (ILC(SR) 25)/separability from *121, 125, 182*
 - as self-judging clause
 - need for express provision *121, 144–6, 149, 152, 500–1*
 - parties’ intention *180–1*
 - UNCTAD Study (2009) *505–6*
- UNCTAD Study (2009) *505*

necessity/emergency as defence, jurisprudence*Al Tamimi* 27*Bourdieu* 133–4*Candor* 83*CMS* 26–7, 82, 83, 84, 137–8, 387, 505*Construction of a Wall* 83*Continental Casualty* 26–8, 29, 162–5, 170–98, 505*Devas* 503–18*Dominican Republic – Cigarettes* 183*EC – Asbestos* 183*EC – Tyres* 183*EDF* 508*El Paso* 505, 508*Enron* 82, 83, 84, 137–8, 383, 387, 505*Gabčíkovo–Nagymaros* 83, 84, 139, 140, 508*Korea – Beef* 183*LG&E* 137–8, 383, 387, 505*Metalpar* 82*Military and Paramilitary Activities* 183*Peralta* 133–4*Provincia de San Luis* 120, 127, 133–4*Rainbow Warrior* 384*Sempra* 26–7, 82, 83, 85–6, 120–1, 127–31, 132–48, 383, 387, 505*Suez* 82, 84–5, 508*US – Gambling* 183*Vivendi* 82*Von Pezold* 82–3, 85, 86, 374–6, 381–92**non-discrimination obligation (Argentina–US BIT (1991)) 119****non-discrimination obligation (NAFTA 1102 (national treatment)/NAFTA 1103 (MFN treatment))**

“better of the treatment required by NAFTA 1102/NAFTA 1103” (NAFTA 1104) (“best in jurisdiction”) 665–6

Mercer 665–6

relevant elements

discriminatory intent/application of “facially neutral measure” in a discriminatory manner 666, 668

treatment less favourable than that accorded to identified comparators 665–6, 668

treatment relating to investments 665–6

non-preclusion clauses

effect

conflation of emergency and necessity defences 26

divergent views on 26–7

protection of national security interests and 26–9

self-judging, whether (jurisprudence)

CMS 28, 500–1*Continental Casualty* 28, 163, 179–81*Devas* 28, 500–1, 505–6, 518–19*El Paso* 28, 500–1*Enron* 28, 500–1*Military and Paramilitary Activities* 28, 500

non-preclusion clauses (cont.)

Oil Platforms 28, 145

Sempra 121, 144–6

opinio juris, as requirement of CIL 207

Orascom (background)

Algeria–EU BIT: *see* Algeria–BLEU BIT (1991)

Algerian measures affecting OTA (2008) 586

claimant’s status 585–6

sale of OTA to VimpelCom (April 2011)/disposal of residual interest in OTA 586–7

procedural history in date order (dispute 1) (Egypt–Italy BIT)

OTH notification of dispute (2 November 2010) 586

OTH notice of arbitration (12 April 2012) 586

FNT/OTH/VimpelCom share purchase agreement (SPA) (18 April 2014) 586

Award on Agreed Terms (15 March 2015) 586

procedural history in date order (dispute 2) (Algeria–Italy BIT), Weather Investments’

notification of dispute (8 November 2010) 586

procedural history in date order (dispute 3) (Algeria–BLEU BIT)

notification of dispute (14 April 2012) 588

request for arbitration (15 November 2012) 588

appointment of arbitrators (9 January/22 March 2013) 587

choice of arbitration rules (AR 2006)/languages (16 May 2013) 587

agreement to claimant’s request for disclosure of documents (1 October 2014)/

redaction to protect commercial confidentiality 587–8

preliminary objections hearing (May 2015) 588

request to Belgium/Luxembourg for BIT *travaux préparatoires* (received October 2015) 588

Award (31 May 2017) 588

Orascom (Award) (jurisdiction/admissibility) (31 May 2017)

admissibility (multiple claims)

claimant’s failure to include carve-out in divestment of Weather Investments 594

OTH Settlement Agreement, effect 593–4

relevant factors including in particular need for losses unique to the claimant 591–4

admissibility (multiple claims) (as abuse of rights)

definition/classification as

exercise of right for purpose other than that intended 42, 44–5, 596

multiple proceedings by entities in a vertical chain for essentially the same harm 44–5, 594–5, 596–9

reasons for not allowing including conflict with BITs’ object and purpose 594–5, 597–8

respondent’s arguments 596

Tribunal’s decision 588, 596, 599

scope/other decisions distinguished 598–9

jurisdiction *rationae materiae* (claimant’s indirect shareholding in OTA as protected investment (BIT 1(2)(b))/ICSID 25) 591–2

“asset”/“contribution”, relationship 591

contribution, duration and risk requirement 591

indirect investment, sufficiency 591–2

Tribunal’s decision 588

jurisdiction *ratione personae* (claimant as protected investor (BIT 1(1)(b)))

BIT 1(1)(b) as autonomous definition vs applicability of domestic law 589

- dissenting opinion (Stern) 590
- requirements (constitution in accordance with the law of Luxembourg, Belgium or Algeria/*siège social* on their territory) 589–91
 - dictionary definitions 589
 - effectiveness (*effet utile*) (VCLT 31(1)) 589
 - English-language model BIT 590
 - ordinary meaning 589
 - other treaties concluded by the same party 590
 - travaux préparatoires* 590
 - “*siège social*”, interpretation/aids (VCLT 31/VCLT 32), unofficial translation 590
 - Tribunal’s decision 588
- procedural matters
 - costs 595
 - language of award (French/English, English prevailing in case of a discrepancy) 588
 - parties’ arguments (claimant) 587–8
 - parties’ arguments (respondent) 587

Pakistan: *see Karkey*

Pakistan–Turkey BIT (1995) by article

- I(2)(b) (“investor”: juridical persons), “constituted under the law in force of a Contracting Party” 608–9, 615
- IV(1) (free transfers) 610

Paris Convention (1979) (use of a trademark “in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered”) (Art. 5(C)(2)) 459

performance requirements (NAFTA 1106)

- jurisprudence
 - ADF* 248
 - Cargill* 209
 - Merrill & Ring* 247, 248
 - Mobil 51–2*, 231, 238–48
 - Myers* 247, 248
 - Pope & Talbot* 247
- requirement to achieve a given level or percentage of domestic content (NAFTA 1106(1)(b)) 248
- requirement to export a given level or percentage of goods or services (NAFTA 1106(1)(a)) 248
- requirement to purchase, use or accord a preference to goods produced or services provided in the host territory (NAFTA 1106(1)(c))
 - “requirement” (compulsion) 231, 245–8
 - “services” 231, 240–3
 - text 238–40
 - “with respect to their management, conduct or operation in the territory” 240

Philip Morris: *see Philip Morris v. Australia* (jurisdiction and admissibility) (17 December 2015); *Philip Morris v. Uruguay* (background); *Philip Morris v. Uruguay* (jurisdiction); *Philip Morris v. Uruguay* (merits) (8 July 2016) (Tribunal’s conclusions)

Philip Morris v. Australia (jurisdiction and admissibility) (17 December 2015) (abuse of rights) 24–5, 43–4

- admissibility and jurisdiction tests distinguished 43

***Philip Morris v. Australia* (jurisdiction and admissibility) (17 December 2015) (abuse of rights) (cont.)**

- burden/standard of proof
 - “high” standard 24–5, 43
 - shift of burden 43–4
- definition/examples/requirements
 - bad faith/good faith, relevance 24, 34, 43
 - foreseeability requirement, reasons for 43–4
 - as objective test established by behaviour rather than motivation 43
 - by unprotected person 43
 - in view of a specific foreseeable dispute 43
 - restructuring of investment in order to gain access to BIT protection 43–4

***Philip Morris v. Uruguay* (background)**

- challenged measures
 - 80/80 Regulation (Presidential Decree 287/009 (15 June 2009)) 452–3
 - SPR (Single Presentation Requirement) (Ordinance 514) (18 August 2008) 452–3
- claimants’ status 452
- parties’ positions 454
- procedural history in date order
 - registration of request for arbitration 452
 - hearings (jurisdiction) (5 and 6 February 2013) 454
 - decision (jurisdiction) (2 July 2013) 454
 - Procedural Orders Nos. 3 and 4 (grant of amici curiae status to non-disputing parties (AR 37(2)) (17 February 2015 and 14 March 2015)) 454, 457, 458
 - hearings (merits) (19–29 October 2015) 454
 - Award and dissenting opinion (Born) (8 July 2016) 454

***Philip Morris v. Uruguay* (jurisdiction and admissibility) (17 July 2015) (Tribunal’s conclusions)**

- alleged failure to meet deadlines
 - 18-month litigation requirement (BIT 10(2)) 455
 - six-month settlement attempt requirement (BIT 10(2)) 455
- burden of proof (*actori incumbit probatio*) 41–2, 43, 455
- claim for denial of justice as incidental or additional claim (ICSID 46/AR 40), admissibility 456–7
- jurisdiction *ratione materiae*
 - alleged exclusion of public health measures from scope of BIT (BIT 2(1)) 455–6
 - “investment” (ICSID 25(1)), absence of ICSID definition/as flexible concept 456
 - Salini* test, simplification of/contribution, duration and risk alternative 456
 - object and purpose of provision (opportunity for host State to address issues) 455
 - summary of decision 454, 455
 - timeliness of challenge to the jurisdiction (AR 41(1)) 455

***Philip Morris v. Uruguay* (merits) (8 July 2016) (Tribunal’s conclusions)**

- arbitrary or discriminatory treatment, analysis of challenged measures 472–81
 - “arbitrary” (*ELSI*) 472–3
 - inadequate official consideration
 - claimants’ allegation 472, 475
 - margin of appreciation considerations 475–8
 - lack of scientific evidence
 - claimants’ allegations 472
 - PAHO amicus brief recording respondent’s compliance with FCTC mandates 474

- Tribunal's conclusion on sufficiency of research available to respondent 474–5
- Tribunal's review of the relevant scientific research 473–4
- reasonable connection between State's objectives and effectiveness of chosen measures, need for
 - claimants' allegation 472
 - WHO/PAHO amici briefs 473
- costs 365
- denial of justice, definitions/applicability
 - exhaustion of local administrative or judicial remedies 464–5
 - fair and equitable treatment and 464
 - high standard of proof 43, 464–5
 - "if and when the judiciary breached the standard by fundamentally unfair proceedings and outrageously wrong, final and binding decisions" 464–5
- dissenting opinion (Born) (fair and equitable treatment (BIT 3(2))) 465–6
 - absence of judicial forum to resolve conflicting judicial decisions as breach of obligation 465–6
 - arbitrary or discriminatory nature of SPR 466
 - non-applicability of ECHR margin of appreciation concept to BIT proceedings 466
- fair and equitable treatment 466–81: *see also* arbitrary or discriminatory treatment, analysis of challenged measures *above*
 - challenged measures as good faith attempt to protect public health/give effect to FCTC obligations 461, 462
 - claimants' needless withdrawal of two brand variants following 80/80 Regulation 459
 - claimants' ownership of banned trademarks, relevance 459
 - compliance of challenged measures with requirement (transparency, freedom from coercion, due process, non-discrimination, proportionality and good faith) 461
 - compliance with requirements for lawfulness (good faith, public welfare purpose, non-discrimination and proportionality) 461
 - continuation of protection of trademarks 459
 - direct expropriation distinguished 458
 - evidence that challenged measures had been successful 461
 - "manifestly unjust"/"grossly unfair" test 461
 - as minimum standard of treatment in accordance with the rules of international law/CIL 461
 - nature of the right conferred by trademark/whether protected from State regulatory action 459
 - reasonable expectation of regulation 459
 - SPR, absence of any evidence of expropriatory effect
 - claimant's acknowledgment of absence of substantial effect/increase in profits 460, 466–7
 - need to treat Abal's business as a whole 460
 - substantial/radical deprivation of rights, need for 458, 466–7
 - trademark as property right 159
 - variants, whether in a form entailing the alteration of the trademark's "distinctive character" (Paris Convention, Art. 5(C)(2)) 459
- indirect expropriation/"any other measure having the same nature or the same effect as" (BIT 5(1)), relevant factors
 - 80/80 Regulation, absence of any evidence of expropriatory effect 460
 - police powers doctrine: *see* police powers doctrine *below*
 - interpretation of BIT (VCLT/CIL) 451, 460, 461

- Philip Morris v. Uruguay (merits) (8 July 2016) (Tribunal's conclusions)*** (cont.)
- “investment” (BIT 1(2)(d) (copyrights, industrial property rights, know-how and goodwill)) 458
 - legitimate expectations (burden of proof/requirements) 461, 463
 - clear and explicit representations to induce investments 463
 - due diligence obligation 463
 - margin of appreciation
 - balancing conflicting interests and 462
 - as European human rights law concept/applicability in the investment dispute context 475–8
 - manifest unreasonableness test 462
 - public interest, State’s right to determine/due deference obligation 462
 - police powers doctrine 460–1, 467–71
 - challenged measures as valid exercise of 461, 470–1, 472
 - compatibility with/differentiation from “public purpose” justification (BIT 5(1)) 460
 - compensation for losses resulting from, exclusion of the need for 468–9
 - creeping/indirect expropriation distinguished 460–1, 467–71
 - as customary international law/development of doctrine 460, 467–70
 - public health protection and 460, 467–8
 - requirements
 - good faith/bona fide action for the protection of public welfare 24, 468–9, 471
 - legal authority/accordance with the law 470–2
 - necessity 471–2
 - non-discrimination 471
 - proportionality 471
 - summary of decision 454, 458
 - umbrella clause (BIT 11), whether trademark a “commitment” for purposes of 463–4
 - police powers doctrine 59–69**
 - burden of proof of wrongful exercise 63, 68–9
 - characteristics
 - as broad rule transcending domestic law/specific aspects of 60–1, 62–3
 - attempted limitation to expropriation 62–3
 - as exercise of sovereignty 60, 61, 62–3
 - rule vs exception status (“what is not prohibited is allowed”) 60, 62–3, 65–6
 - compensation for losses resulting from, exclusion of the need for 60–1, 62, 413–14, 468–9
 - as customary international law/development of doctrine 59–62, 460, 467–70
 - coinage of term (US Chief Justice John Marshall) 59–60
 - etymology (French *police* (policy)) 60
 - Harvard Draft Convention on the International Responsibility of States for Injury to Aliens (1961) 57, 468
 - OECD (“*Indirect Expropriation*” and the “*Right to Regulate*”) 468
 - Restatement of the Foreign Relations Law (Second) (1965) 66–7
 - Restatement of the Foreign Relations Law (Third) (1987) 66–7, 68, 413, 468
 - treaties reflecting 470
 - CETA (2016) 60
 - EU–Singapore FTA (2014) 470
 - US/Canada Model BITs (2004/2012) 470
 - treaty provision
 - applicability in absence of 63–4

- CIL as aid to interpretation **65**
- exclusion of CIL under **64**
- interpretation in accordance with “any relevant rules of international law [including CIL] applicable in the relations between the parties” (VCLT 31(3)(c)) **63–5**, 460, 467
- Vattel’s *Droit des gens* (1758) **60**
- examples of exercise
 - lawful expropriation, creeping/indirect expropriation compared/distinguished 403–4, 412–20, 460–1, 467–71, 649
 - public health protection 460, 467–8
 - summary (*Territorial and Maritime Dispute*) **61**
- margin of appreciation and **71–2**, 300–1
- requirements/tests
 - absence of inconsistent prior specific assurances **63, 66, 67, 68, 69**
 - codifications **66–7**
 - due process **66, 69**
 - good faith/bona fide action for the protection of public welfare **66**, 468–9, 471
 - “in the light of all the circumstances” **67, 68**
 - just compensation **66**
 - legal authority/accordance with the law **62, 63, 66**, 470–2
 - necessity 471–2
 - non-arbitrary application of the law **63, 66, 69**
 - non-discrimination **62, 66, 67, 69**, 471
 - as obligative cumulative list vs test of reasonableness **66, 68**
 - proportionality **66**, 471
 - public purpose **62, 63, 66, 67, 68–9**
- police powers doctrine (jurisprudence)**
 - Azurix* 469
 - Bischoff* 469
 - Certain German Interests in Polish Upper Silesia* **60–1**
 - Chemtura* 469–70
 - CME* **61–2**, 414
 - E energija* 649
 - EDF* 469
 - Genin* 414
 - Laboratoires Servier* **69**
 - Metalclad* 414
 - Methanex* **62, 67**, 469
 - Oscar Chinn* **61**
 - Philip Morris* **64**, 460–1, 467–71
 - Pope & Talbot* **85–6**
 - Quiborax* **66, 67**, 403–4, 413–20
 - Saluka* **62, 63**, 469
 - Suez* **62, 65–6**
 - Swisslion* 414
 - Tecmed* **62**, 414, 468–9
 - Territorial and Maritime Dispute* **61**
 - Waste Management* **67**
- precedent (ICSID arbitral tribunal)**
 - non-binding nature 213, 536

precedent (ICSID arbitral tribunal) (cont.)

previous ICSID tribunal decision 181, 213–14

tribunal's obligation to adopt principles established in series of consistent cases 536

prescriptive extinction: *see also* acquiescence; estoppel

in absence of BIT deadline for the institution of arbitration proceedings 654

IDI Resolution II 40

tribunal's discretion 40

burden of proof 41–2

actual and constructive knowledge distinguished 42

equity and fairness as basis 40

as general principle of law (IDI Res. I) 40 n. 165

laches compared 40

requirements

availability of sufficient factual record to the respondent (IDI Res. III(1)) 41

disadvantage to respondent in defending itself 40

invocation by the respondent (IDI Res. V) 40–1

unreasonable delay without reasonable justification 40

presentation/prosecution of claim, distinguishability 4

prescriptive extinction (jurisprudence)

Alsop 40

Berkowitz 41

Carlos Butterfield 40

E energija 37, 41, 654

Gentini Case 40

Giacopini Case 41

Grand River 40, 41, 42

Mercer 41, 41 n. 177

Philip Morris 41–2

Pious Fund Case 40

Spence 42

Tagliaferro Case 41

Williams Case 40

procurement exception (NAFTA 1108(7)(a)) (non-applicability of NAFTA 1102/ NAFTA 1103)

“government procurement” (NAFTA 1001(5))

“procurement” 674–5

relationship between NAFTA Chapter 10 and NAFTA 1108, uncertainty 674–5

interpretation (VCLT)

context/object and purpose 674

French/Spanish texts compared 674

jurisprudence

ADF 56, 675–6

Mercer 662, 664, 673–7

Mesa 56–7

UPS 676

“procurement by a Party or a State enterprise”

“obtaining by purchase . . . goods, supplies, materials and machinery” 664, 673

“procurement” 674–6

broad and unrestrictive meaning 674

as “buying of goods or services for or by a State or a State enterprise” 674

ordinary meaning 674
 regulatory functions distinguished 664, 673–7
 “State enterprise”, listing in appropriate Annex, need for 674–5
 selling of goods or services (NAFTA 1503(3) (non-discriminatory treatment))
 distinguished 673–6

proportionality

expropriation/nationalization and 461
 as preclusion of wrongfulness of act/defence to breach of BIT 370–1, 380–1
 proportionality of response to breach of obligation by investor distinguished 370–1, 380
 provisional measures and 400

protection and security of investment, State responsibility: *see also* standard of treatment of alien

BITs as implementation of principle 373–4
 as due diligence standard 374, 649
 failure to provide adequate protection 373–4
 fair and equitable treatment requirement and 373
 reasonable preventive measures requirement 374
 scope of protection
 investor’s rights/stability of the commercial and legal environment 648
 physical integrity of investments 648
 use of force, acceptable level 649
Von Pezold 373–4

provisional measures (including ICSID 47)

jurisprudence
Quiborax 398–400
Tokios Tokelés 354–5
Von Pezold 365
 possible measures, suspension of proceedings in domestic court, suspension of criminal proceedings 398
 purpose
 avoidance of irreparable damage, damage which can be made good by financial reparation, exclusion 399
 non-aggravation of dispute 399
 preservation of parties’ rights 399
 protection of life and safety of claimants 365
 protection of procedural integrity 398–9
 requirements
 necessity/urgency 399–400
 proportionality 400
 relationship to the subject-matter, sufficiency 399–400
 respect for sovereignty 400
 as self-standing rights 399

***Quiborax*:** *see Quiborax* (background); *Quiborax* (annulment) (18 May 2018); *Quiborax* (jurisdiction and admissibility) (27 September 2012); *Quiborax* (merits) (16 September 2015); *Quiborax* (provisional measures) (26 February 2010)

***Quiborax* (background)**

history of dispute in date order
 Decreto Supremo (Decree 7150) 1965 396
 Mining Code 1965 396

Quiborax (background) (cont.)

- Salar de Uyuni as fiscal reserve (1965-98) 386
- Environmental Law (Law 1333) 1992 397
- Ley Valda (Law 1854) 1998 396
- submission of legislative bills reversing the Ley Valda 396
- Law 2564 (9 December 2003) repealing the Ley Valda (summary of key provisions) 396
- completion of environmental audit including NMM (March 2004) 397
- legal audit determining loss of priority for NMM concessions and reversion to the State 397
- Revocation Decree (Decree 27589) (23 June 2004) 397
 - text 415
- annulment of 11 NMM mining concessions/rejection of appeal (28 October 2004) 397
 - revocation of Revocation Decree (Decree 28,527) (16 December 2005) 397, 417
- political background
 - general election/change of government (18 December 2005) 396
 - parties' views on 396–7
- procedural history in date order
 - request for BIT X consultations (22 July 2004) 397
 - 2004 Inter-Ministerial Memo analysing options available to the respondent (December 2004) 397
 - request for arbitration (4 October 2005) 396
 - criminal proceedings against NMM shareholders (December 2008) 396–7
 - request for provisional measures (14 September 2009) 398
 - grant of provisional measures to protect procedural integrity (26 February 2010) 398
 - hearing on jurisdiction and admissibility (12–13 May 2011) 398
 - Decision on Jurisdiction (27 September 2012) 398
 - hearing on the merits (28–30 October 2012) 398
 - separate opinion (7 September 2015) 398
 - Award (16 September 2015) 398
 - extension of stay of enforcement (21 February 2017) 398
 - announcement of settlement agreement (7 June 2018) 398
 - rejection of application for annulment of provisional measures and Award (18 May 2019) 398

Quiborax's status/NMM 396, 397

Quiborax (annulment) (18 May 2018)

- annulment of decision on provisional measures, exclusion 410
- costs 411
- grounds
 - failure to state reasons (ICSID 52(1)(e)) 411
 - manifest excess of power (ICSID 52(1)(b))
 - erroneous assumption of jurisdiction 411
 - error in application of *Chorzów Factory* principle 411
 - serious departure from fundamental rules of procedure (ICSID 52(1)(d)) 411
- partial annulment (ICSID 52(3)), possibility of 410
- Quiborax (jurisdiction and admissibility) (27 September 2012) 400–2**
 - admissibility of claims in case of “abuse of nationality” 402
 - admissibility of evidence of claimants' witness, jurisdiction and merits proceedings distinguished 400

- applicable law
 - ICSID 25/BIT provision 400
 - law of host State 400
- jurisdiction *ratione materiae*
 - investment in accordance with the laws of the host State requirement 401–2
 - legality of investment 401–2
 - Tribunal’s conclusion 402
- jurisdiction *ratione personae*
 - nationality of NMM/treatment as national of another contracting State (ICSID 25(2)(b)/BIT X(4)) 401
 - shareholder status
 - burden of proof 400–1
 - evidence of 400–1
 - probative value of documents not publicly available 401
 - Tribunal’s conclusion 401
 - summary of decision 400
- Quiborax (merits) (16 September 2015) 402–9**
 - costs 409
 - expropriation, classification of Revocation Decree as indirect expropriation of Quiborax’s investments 405
 - long-term/permanent deprivation 405
 - non-compliance with BIT
 - III(2) (non-impairment) 405–6
 - IV(1) (fair and equitable treatment) 405–6
 - VI(1)(a) (public policy/national interest and compliance with the law requirement) 405
 - VI(1)(b) (lawful expropriation: non-discrimination) 405
 - VI(1)(c) (lawful expropriation: compensation) 405
 - non-compliance with due process requirement 404, 418–20
 - Revocation Decree text 415
 - Tribunal’s conclusion 404–5, 420
 - expropriation (defences) 402–4
 - failure to exhaust local remedies/bifurcation clause (BIT X(3)) 403
 - Revocation Decree as definitive expropriatory measure 403
 - illegality of investment under Bolivian law 403
 - police power, compliance with requirements 403–4, 412–20
 - impossibility of NMM interference with audit process 404, 414–15
 - insufficiency of alleged tax and customs violations for revocation of concessions 417–18
 - non-compliance of Decree with Bolivian law 404, 416–17
 - fair and equitable treatment (BIT IV(1))/non-impairment (BIT III(2)), breach
 - post-revocation annulment as 406
 - revocation as 405–6
 - measure of compensation
 - absence of BIT provision 406
 - compensation for unlawful and lawful expropriation distinguished 406
 - discounted cash flow (DCF) as preferred method 406–8
 - dissenting opinion (Stern) 402, 409–10
 - inclusion of *ex post* data, justification for 407
 - moral damages, exclusion 409

Quiborax (merits) (16 September 2015) (cont.)

- satisfaction (ILC(SR) 37)
 - declaratory judgment as 408–9
 - respondent’s untimely objection to jurisdictional issues 408, 409
- summary 402
- termination of investment, effect on State’s obligations 406

Quiborax (provisional measures) (26 February 2010) 398–400

- purpose
 - avoidance of damage which cannot be made good by financial reparations 399
 - non-aggravation of dispute 399
 - preservation of parties’ rights 399
- requested measure (suspension of criminal proceedings) 398
 - motivation for prosecution 399, 400
- requirements
 - necessity/urgency 399–400
 - provisional measures 400
 - relationship to the subject-matter, sufficiency 399–400
 - respect for sovereignty 400
- as self-standing rights 399
- summary of decision 398

requisition, compensation for losses caused by (extended war clause) 79–81**reservations for existing measures (NAFTA 1108/NAFTA Annex 1)** 249–87

- interpretation (VCLT 31 and 32/balance between the parties) 251
- “measure” including “any subordinate measure adopted or maintained under the authority of and consistent with the measure” (NAFTA Annex 1, para. 2(f)(ii)) 232–3, 248–9
 - “adopted”/“maintained” 232
 - “consistent with the measure”, whether including any earlier subordinate measure 232–3, 235–6, 259–64, 266–9, 272–5, 293–302
 - differential treatment of old and new investors 236, 301–2
 - elevation of subordinate measure to status of primary legislation 236, 299–300
 - ordinary meaning 235–6, 258–9, 273–5, 297–8
 - risk of “constantly evolving standard” 236, 298–9
 - “measure” (Annex 1, para. 2(f)(i)) and “subordinate measure” (Annex 1, para. 2(f)(ii)) distinguished 234–5, 252–4, 292
 - “under the authority” 271–2
 - domestic law as applicable law 232, 269–71, 272–3
 - as under “power or influence” 232, 264–5
 - “under the authority” and “consistent with” as cumulative and exhaustive conditions 235, 258, 292–3

Mobil 232–3, 234–6, 287–302

text (extracts) 252–3

restitutio in integrum (Chorzów Factory/ILC(SR) 31(1) and 35)

- causation requirement (“as far as possible, wipe out all the consequences of the illegal act”) 651
- jurisprudence
 - Chorzów Factory* 377
 - E energija* 651
 - Karkey* 610–11
 - Von Pezold* 377

as preferred remedy/reasons for choosing 177
 restitution in kind distinguished 651

satisfaction (ILC(SR) 37)

declaratory judgment as 408–9
 treaty-based investor–State arbitration and inter-State dispute settlement distinguished 408

Sempra

annulment of Award, Committee’s decision (29 June 2010) 123–5, 148–54
 costs, loser pays principle 125
 jurisdictional grounds
 failure to state reasons (ICSID 52(1)(e)) 123–4
 manifest excess of powers (ICSID 52(1)(b)) 123–4
 Tribunal’s handling of BIT XI (non-preclusion clause)
 BIT XI and ILC(SR) 25 distinguished 150–1
 BIT XI as non-preclusion clause/relationship with ILC(SR) 25 125, 152–3
 Committee’s conclusion 152–3
 Committee’s decision 154
 failure to apply correct applicable law (ICSID 42(1)) 124–5, 148–53
 failure to state reasons (ICSID 52(1)(e)) 124
 ILC(SR) 25 as guide to interpretation 125, 149–53
 interpretation in accordance with customary international law (ILC(SR) 25)/*jus cogens* status of 125, 149–50
 “manifest” 125, 153
 manifest error of law 124
 manifest excess of powers (ICSID 52(1)(b)) 124, 153–4
 manifest excess of powers and error of law distinguished/as 125
 self-judging clause, whether 149, 152

background
 applicable law (determination of jurisdiction) (ICSID 25/BIT terms) 116
 Argentinian measures to address economic crisis 114: *see also* Argentina
 parties’ arguments (general) (claimant) 114
 parties’ arguments (general) (respondent) 114–15
 procedural history in date order (overview)
 Tribunal’s decision on objections to the jurisdiction 115
 Award (28 September 2007) 115
 application for annulment/stay of execution (25 January 2008) 115
 conditional continuation of stay of investment 15
 termination of stay of execution 115
 application for annulment of Award, Tribunal’s decision on (29 June 2010) 115
 claimant’s resubmission of claims (12 November 2010)/settlement and
 discontinuation (3 April 2015) 115–16

jurisdiction (Tribunal’s decision (11 May 2005)) 115, 116–17
 applicable law (ICSID 42(1)/BITs provisions)/jurisdiction and merits distinguished 116
 diplomatic protection and treaty rights distinguished 117
 forum selection clause in treaty/contract (jurisprudence) 117
 legal dispute arising directly out of investment requirement (ICSID 25(1)) 116
 separability of claimants’ and Licensees’ claims 116
 national of another contracting State (ICSID 25(2)(b))
 joint/multiple control/control by foreign investors of different nationalities under
 different BITs 116
 Sempra’s status as a foreign juridical person/sufficiency of documentation 116, 117

Sempra (cont.)

- ongoing renegotiation process, relevance 116–17
- standing (parallel treaty and contract-based jurisdiction) 116
 - risk of double recovery 116
- treaties, responsibility for interpretation 117
- merits (Award (28 September 2007)) 117–22, 125–48
 - compensation/interest/costs
 - costs 122
 - DCF methodology 121–2
 - dissenting opinion 122
 - fair market value standard/applicability to breaches of treaty other than expropriation 121–2
 - post-judgment interest in absence of parties' request for 122
 - economic crisis, relevance to liability/compensation for breach of obligations 132
 - emergency as defence to alleged breach of State responsibility (including ILC(SR) 25), requirements under Argentinian law 120, 127–31, 132–4
 - ACHR provisions, compliance with 134
 - Argentina's recovery from the economic crisis as counter-indication 128
 - consent to contractual adjustments 120, 130–1
 - grave and imminent peril to the State 134
 - jurisprudence (Argentinian courts) 133–4
 - non-availability of alternative measures 120
 - non-mutation of essential contractual rights 129
 - parties' arguments (claimants) 133
 - parties' arguments (respondent) 132–3
 - reasonableness 129–30
 - temporary nature 128–9
 - expropriation, requirements
 - compliance with BIT IV(1) standard of protection 118
 - creeping expropriation/"measure tantamount to", measure affecting total or substantial part of investment 118
 - transfer of essential component of property right to another party, need for 118
 - fair and equitable treatment/legitimate expectations (BIT II(2)(a)) 119
 - full protection and security 120
 - ILC(SR) 25 as reflection of customary international law 137
 - BIT XI as non-preclusion clause/relationship with ILC(SR) 25 146
 - measures complained of
 - abrogation of PPI adjustments not justified by Argentinian economic crisis 117–18
 - breach of Licence provisions prohibiting the freezing, administration and control of prices/amendment of basic rule without Licensees' consent 118
 - domestic law as justification for non-compliance with terms of Licence 118
 - failure to reimburse promised subsidies 118
 - interference negatively impacting operation of the Licences 118
 - necessity as defence to alleged breach of State responsibility for breach of treaty, requirements (customary international law) (ILC(SR) 25/BIT IV(3) and BIT XI) 134–48
 - BIT IV(3) (loss due to civil war or armed conflict: standard of treatment) 79, 139–40
 - BIT XI (emergency measures/necessity) 140–6
 - compensation for act in question, effect on (ILC(SR) 27(b)) 121, 147–8
 - cumulative nature of obligation 139

- customary international law 120, 134–9
- “essential security interest”, absence of definition (BIT XI) 142–3
- expert opinions 136, 140, 142, 143–4, 148
- grave and imminent peril to the State 120, 138
- interpretation in accordance with customary international law 121, 143–4
- non-availability of alternative measures 120
- non-contribution of State to situation of necessity (ILC(SR) 25(2)(b)) 85–6, 120, 139
- non-impairment of essential interests of other States (ILC(SR) 25(1)(b)) 138–9
- parties’ arguments (claimant) 135–7, 140, 141–2
- parties’ arguments (respondent) 134–5, 139–40, 141, 147
- as self-judging clause, need for express provision 121, 144–6
- temporary nature (ILC(SR) 27(a)) 121, 147
- threat to an essential interest of the State 120–1, 138, 140, 146–7
- treaty provision for equality of treatment in time of emergency (BIT IV(3)) and derogation distinguished 121, 140
- Tribunal’s conclusion 146
- non-discriminatory or arbitrary treatment (BIT II(2)(b)) 119
 - absence of reason or factual basis, need for 119
 - economic crisis as justification 119
 - manifest impropriety, need for 119
- stability of the licence
 - Argentinian Constitution/Civil Code provisions 126
 - force majeure*, requirements 127
 - imprévision* as general principle of law incorporated into Argentinian law 126–7
 - lawfulness of administrative act 131–2
- umbrella clause (BIT II(2)(c)) 119
 - parallel bases in treaty and contract, relevance 119
 - SGS v. Philippines* test 119
- stay of enforcement award, conditional continuation (ICSID AR 52(4)) (7 August 2009) 115, 122–3
 - “if the circumstances so require” (ICSID 52(4)) 122–3
 - party’s unwillingness to meet conditions/pay security 122–3
 - security/assurance of compliance, right to require/Argentina’s unwillingness to meet ICSID compliance obligations 123
- termination of stay of enforcement, Committee’s decision (7 August 2009) 115, 123
 - Argentina’s non-compliance with condition 123
 - rejection of Argentina’s arguments on prohibitive cost/risk of using funds to satisfy third-party creditors’ claims 123
- “*siège social*”, definition 589–91
- Sri Lanka–UK BIT (1980) by article**
 - 4 (compensation for losses), text 79
 - 4(1) (compensation for losses owing to war or armed conflict: non-discrimination) 79–81
 - 4(2) (compensation for requisition or destruction of property) 79–81
- stabilization clause**, legitimate expectations and 688, 689
- standard of proof**: see burden/standard of proof
- standard of treatment of alien**: see also fair and equitable treatment; protection and security of investment, State responsibility
- jurisprudence
 - Neer* 207, 208
 - Von Pezold* 372–4

standard of treatment of alien (cont.)

non-impairment 373

“protection and security by international law” 120

standing (BITS provision), of foreign corporate investor in host-State company against whom challenged measures had been directed 160–1

standing (ICSID), derivative claims 560–1

standing (jurisprudence)

Cargill 205

Continental Casualty 160–1

Sempra 116

Von Pezold 369

standing (NAFTA 1116/NAFTA 1117)

“investor of a Party” (NAFTA 1139) 205

loss or damage arising from breach of NAFTA 1503(2) or 1502(3)(a) (NAFTA 1116(1)), need for, “investment . . . in the territory” (NAFTA 1101(1)) 204

State agency/State organ, classification as (in particular for purposes of State responsibility and State immunity): *see also* State responsibility for, conduct of State organ/entity (ILC(SR) 4)

administrative acts 641–2

applicable law, domestic law (ILC(SR) 4(2)) 512–13

examples, Public Utility Regulator 641–2

jurisprudence

Deutsche Schachtbau 513

Devas 512–13

E energija 641–2

Wintershall 513

obligation to act in accordance with the principles of justice 641–2

test, oversight by Administrative Tribunal 641

State contract

domestic law as justification for non-compliance 118

estoppel: *see* estoppel

formation/requirements, parliamentary approval 308, 312–14

State responsibility, defences/preclusion of wrongfulness (ILC(SR) 20-7): *see also*

necessity as defence to alleged breach of State responsibility (including ILC(SR) 25)

invocation of circumstances precluding wrongfulness, non-prejudicial effect on

compensation (ILC(SR) 27(b)) 121, 147–8

compliance with obligation after termination of the state of necessity (ILC(SR) 27(a)) 121

treaty preclusion clauses, possibility of 115, 125, 146, 150, 151, 152–3

national security, treaty provision 121

State responsibility for

conduct directed or controlled by the State (ILC(SR) 8)

“direct order or control” 370, 608

disclaimer in face of evidence to the contrary, effect 608

jurisprudence

Devas 496, 513–16

E energija 642

Karkey 608

Tulip 515–16

- Von Pezold* 370
- Yukos* 340–1
- “legal person”, applicability to 513–14
- liquidator/administrator 340–1
- State-owned corporation 340–1, 642
- Zimbabwe settlers/war veterans 170
- conduct of political subdivision (ILC(SR) 4(1))
 - failure to protect property 370
 - local/municipal authorities 641
- conduct of private persons or entities exercising elements of governmental authority (ILC(SR) 5)
 - in case of action on basis of a commercial agreement 642
 - empowerment to exercise elements of governmental authority (ILC(SR) 5) 642
- conduct of State organ/entity (ILC(SR) 4): *see also* State agency/State organ
 - applicable law
 - BIT/*lex specialis* 642
 - domestic law (ILC(SR) 4(2)) 512–13
 - government organs 370
 - judicial authorities (ILC(SR) 4(1)) 370
 - regional/local government 641
- stay of enforcement of arbitral award**
 - grounds, irreparable harm 123
 - “if the circumstances so require” (ICSID 52(4)) 122–3
 - party’s unwillingness to meet conditions/pay security 122–3
 - non-automaticity of 122
 - security, provision of, ICSID Convention 122–3
- stay of [ICSID] proceedings**
 - E energija* 641
 - institution of proceedings by respondent, relevance 641
 - pending outcome of proceedings in domestic courts, need for same issues as in arbitration proceedings 641
- Switzerland (Code of Obligations (CO/OR) by article)**
 - 82 (performance of obligations: reciprocity) 430–1, 438
 - 97(1) (obligation to pay damages) 436
 - 103(2) (defences to liability for damages for late performance) 431, 432–3
 - 107(1) (notice of default) 424
 - 107(2) (notice of intention to forgo subsequent performance and claim damages/termination of contract) 424, 429–30, 433–4
- Switzerland–Uruguay BIT (1988) by article**
 - 1(2)(d) (“investments”: copyrights, industrial property rights, know-how and goodwill) 458
 - 2(1) (parties’ right not to allow certain economic activities) 455
 - 3(1) (non-impairment clause) 458, 463
 - 3(2) (fair and equitable treatment) 455, 461–2, 464–6, 472–86
 - 5(1) (expropriation/nationalization)
 - “any other measure having the same nature or the same effect as” 458
 - interpretation (VCLT 31(3)(c)/customary international law) 460, 467
 - “public purpose”, compatibility with existence of police powers doctrine 460
 - 10(1) (amicable settlement) 455

Switzerland–Uruguay BIT (1988) by article (cont.)

10(2) (failure to reach amicable settlement within six months/submission to the courts of the Contracting State) 455

11 (umbrella clause) 463–4

Switzerland–Zimbabwe BIT (1996) 362 n. 3

non-impairment clause/full protection and security (BIT 4(1)) 373–4

tax/taxation measures

classification as for purposes of treaty carve-out provisions

burden/standard of proof 24–5

good faith/bona fide measures, whether limited to 21, 22, 23–4, 340, 348–50, 356–9, 702–4

presumption of good faith 25 n. 70

jurisprudence

Antaris 21, 22, 25, 686–7, 693–704

Burlington (Ecuador–US BIT) 22, 358–9

Eiser 25

EnCana (Canada–Ecuador BIT XII) 21–2, 24 n. 64, 25, 357–8

Quasar (Spain–USSR BIT) 357, 702

RosInvestCo (Russia–UK BIT) 357

Yukos (ECT 21) 21–2, 330, 350–9, 702

“taxation measures” (ECT 21(1)) vs “taxes” (ECT 21(5)(a)), distinguishability 22–3, 352–3

definition/classification as 21, 22, 687, 698–701

“any law, regulation, procedure, requirement or practice” (BIT provision) 22

legal operation of measure vs economic effects 22

“levy” 686–7, 693–704

requirements

non-equivalence/absence of consideration or immediate return 21, 686, 687, 692, 698–9, 714–15

raising general revenue as purpose 21–2, 687, 702–4

ECT: *see* Energy Charter Treaty (1994) (ECT) by article, Part IV (miscellaneous provisions), 21 (taxation)

fair and equitable treatment, non-applicability of NAFTA 1105 207

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” 668–73

actual knowledge 671–2

burden of proof 672–3

constructive knowledge 672

due diligence obligation 672

objective standards (claims asserting arbitrariness, irrationality, non-transparency or purely “idiosyncratic, unfair, or unjust” treatment) 663, 669–70

relative standards (claims asserting discriminatory treatment under NAFTA 1102, NAFTA 1103 and NAFTA 1105) 671–3

jurisprudence

Grand River 669

Mercer 668–73

start date (“time-bar”)

knowledge of first comparator’s treatment/exclusion of re-start with each comparator 669

three years prior to filing of request for arbitration 664, 668

- trademarks:** *see* intellectual property rights; Paris Convention (1979) by article
- transnational public policy:** *see* international public policy
- transparency (standard of treatment of alien)** 208
- travaux préparatoires as supplementary means of treaty interpretation (VCLT 32)**
- Algeria–BLEU BIT (1991), 1(1)(b) 590
 - Argentina–US BIT (1991) 175–6
 - Churchill* 533
 - definition/classification as 243–5
 - ECT 21 (taxation measures) 352–3
 - supplementary nature/use in case of ambiguity 352–3
- treaties**
- individuals, rights and obligations, *Urbaser* 574–5
 - provisional application (VCLT 26(1)) 369–70
 - self-judging provisions
 - examples of: *see also* non-preclusion clauses, self-judging, whether
 - GATT XXI 501
 - India–Singapore Comprehensive Economic Cooperation Agreement (2005) 501
 - Uruguay–USA BIT (2005) 501
 - Gabčíkovo–Nagymaros* 145, 500
 - margin of appreciation compared 163
 - need for express provision 121, 144–6, 149, 152, 518–19
 - Rwanda–USA BIT (2008) 501
 - UNCTAD Study (2009) 505–6
- treaties, interpretation**
- responsibility for, courts/arbitral tribunals 117
 - VCLT 31(1) (general rule: good faith, ordinary meaning, context, object and purpose)
 - effectiveness (*ut res magis valeat quam pereat*) (*effet utile*) 574, 667
 - jurisprudence
 - Antaris* 695, 696
 - Churchill* 533
 - Continental Casualty* 175–6
 - Devas* 504
 - Mobil* 240, 249–87
 - Orascom* 589
 - Sempra* 117, 149
 - literal approach/adherence to the terms of the treaty (including limitations on) 241
 - [natural and] ordinary meaning 149, 231
 - in context 589
 - dictionary definitions 241, 264–5, 274, 589
 - Limitation Clause (ECT 45(1)) 336, 337
 - “procurement” 674
 - “provision relating to taxes” (ECT 21(7)(a)) 696
 - “public order” 175
 - “services” 231, 240–3
 - “shall assent” (Indonesia–UK BIT) 533
 - siège social* 589
 - strict adherence to rule, importance 504
 - “under the authority of and consistent with” (NAFTA Annex 1, para. 2(f)(ii)) 258–9, 273–5
 - object and purpose, NAFTA 102 231

treaties, interpretation (cont.)

VCLT 31(2) (context)

decisions of other tribunals 664, 675–6

other treaties concluded by the same parties, multilateral conventions 664, 675

similar terms in same treaty 241

structure and content of treaty 533

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)), including customary international law 63–5, 460, 467

VCLT 32 (supplementary means)

examples

English-language model BIT 590

other treaties concluded by the same party 590

unofficial translation 590

manifestly unreasonable or absurd result and (VCLT 32(b)) 504

VCLT 33 (multilingual treaties/treaties authenticated in two or more languages)

dictionaries as aid 590

effectiveness (*effet utile*) (VCLT 31(1)) 589

equal authenticity 590

jurisprudence

Merger 674

Orascom 589–91

ordinary meaning of term in one of the authentic texts as aid 674

umbrella clause (undertaking to observe domestic commitments)

jurisprudence

CMS 167

Continental Casualty 167–8

Philip Morris 463–4

Sempra 119

SGS v. Philippines 119

parallel bases in treaty and contract, relevance 119

specific obligations concerning the investment, need for 167

trademarks, whether “commitments” for purposes of 464

UNCITRAL Arbitration Rules (1976) by article

11(1) (challenge to an arbitrator: fifteen-day time-limit) 492–4

21(3) (challenge to jurisdiction: time-limits) 307

34 (form and effect of award) 306–7

40(1) (costs: allocation of: unsuccessful party/reasonable apportionment) 344

unforeseeability: *see* *imprévision*/unforeseeability or hardship**unilateral declaration, effect**

ADC 325

Bankswitch 309–10, 322–30

Fraport 324–5

King of Spain's Award 323–4

Temple of Preah Vihear 324, 325

Urbaser: *see* *Urbaser* (background); *Urbaser* (Jurisdiction) (19 December 2012); *Urbaser* (Merits); *Urbaser* (Merits) (respondent's counterclaim)

Urbaser (background)

history of the dispute in date order

Urbanos/CABB shareholder status in AGBA 556

- grant of concession to AGBA (“Concession”) 556
- conclusion of Concession Contract (7 December 1999) 556
 - summary of provisions 557
- emergency measures (January 2002) 557
- termination of Concession Contract (12 July 2006) 557
- transfer of AGBA services to Aguas Bonaerenses (13 July 2006) 557
- parties’ arguments (claimants) 557–8
 - response to counterclaim 559
- parties’ arguments (respondent) 558–9
 - counterclaim 559
- procedural history in date order
 - request for arbitration (1 October 2007) 556
 - constitution of Tribunal (13 October 2009) 556
 - death of Sir Ian Brownlie/appointment of Professor Campbell McLachlan (3 January 2010/26 February 2010) 556
 - challenge to Professor McLachlan (ICSID 57) (manifest lack of impartiality) 556
 - dismissal of challenge to Professor McLachlan (12 August 2010) 556
 - decision on jurisdiction (19 December 2012) 550
 - Award (8 December 2016) 553
- Urbaser (Jurisdiction) (19 December 2012)***
 - CABB’s authority to consent to arbitration, relevance of ICSID 25(3) 561
 - costs 562
 - decision (rejection of challenge) 559
 - exhaustion of local remedies (BIT XI(2)), requirements
 - availability of compensation 560
 - claimant’s standing to bring claims 560
 - effective and adequate remedy 560
 - timeliness of decision (18-month rule) 560
 - jurisdiction/admissibility, distinguishability (ICSID) 560
 - standing (ICSID)
 - derivative claims 560–1
 - legality of acquisition of AGBA shareholdings 561
 - legality of transfer of CABB’s shares in AGBA 561
- Urbaser (Merits)***
 - contractual breaches
 - contractual nature of alleged breaches/irrelevance to claims of BIT breaches 562
 - limitation of review to potential indirect effect on claims of BIT breaches 562
 - unsatisfactory performance (AGBA)/mitigation claims
 - Argentina’s economic crisis 563
 - failure to secure necessary funds 562
 - Province’s delays in constructing wastewater treatment plants 563
 - Tribunal’s conclusion 563
 - costs 562, 568
 - discriminatory and unjustified measures (BIT III(1))
 - applicable law (general principles of international law/host State’s domestic laws (BIT X)) 565
 - “discriminatory” 565–6
 - “like circumstances” 566
 - legitimate expectation and 566
 - “unjustified measures” 566
 - non-availability of alternative measure 566

Urbaser (Merits) (cont.)

- expropriation (BIT V), reasons for finding of “no taking”, termination of contract for serious breaches 595
- fair and equitable treatment (BIT III) 563–5
 - high threshold/“intensity or gravity” requirement 564
 - legitimate expectation/relevant factors 563
 - “actual social and economic environment of the host State” 564
 - attribution of claimants’ problems to breaches of contract 564–5
 - legal framework at time of investment 504, 564
- transparency, need for 564
- Tribunal’s decision 559, 562, 568
 - contractual breaches 563
 - discriminatory and unjustified measures 566
 - expropriation 565
 - fair and equitable treatment 564–5
 - operation of concession at a loss due to contractual breaches 565
 - respondent’s intention to renegotiate the Concession Contract 565
 - temporary effect of emergency measures 565

Urbaser (Merits) (respondent’s counterclaim)

- jurisdiction/admissibility
 - applicable law (BIT X(5))
 - general principles of international law 573–4
 - “other treaties in force between the Parties” 74–5, 577
 - applicable law (ICSID 42(1))
 - domestic law of Contracting State/such rules of international law as may be applicable, Tribunal’s right to decide between 577
 - “such rules of international law as may be applicable” 577
 - “such rules of law as may be agreed between the parties” 577
 - applicable law (*ius cogens* principles) 577
 - “arising directly out of the subject-matter of the dispute” (ICSID 46) 73, 567
 - alleged breach of fundamental right to water as link 567, 571–2
 - manifest factual link between claim and counterclaim 571–2
 - “within the scope of the consent of the parties”/exclusion of unilateral determination of Tribunal’s competence 73, 570
 - investor’s right to restrict scope of State’s offer to arbitrate/absence of evidence of restriction by claimant 569–71
 - neutrality/right of either investor or State to bring a claim/counterclaim against the other 73, 567, 569
 - prima facie presumption of jurisdiction 73–4, 572
 - respondent’s alleged failure to exhaust local remedies (BIT X(1)/BIT X(2)) 571
 - timeliness of submission (AR 40(2)) 73, 570
 - absence of specific BIT exclusion 572–3
 - BIT VII(1) (applicable law options: more favourable terms principle) 574
 - BIT IX/BIT X (State’s procedural rights) 573
 - BIT as independent/autonomous source of investment law, whether 573–4
 - effectiveness/*effet utile* principle (VCLT 31(1)) 574
 - merits (alleged asymmetry of BIT/absence of State party rights), applicable law (BIT provisions), BIT IX(1) and BIT X(2), differences of terminology 473
 - merits (claimants’ human rights obligations/right to water) 574–83: *see also* human rights, obligations of individuals/corporations; water, right to

individual/corporation as subject of international law/rights and obligations 574–5
 State's obligation to ensure vs investor's obligation not to impede 578–80
 State's obligation (international law) vs investor's obligation (domestic law/contract)
 75–6, 578–83

Uruguay

Constitution (2004) by article
 7 (human rights) 470–8
 44 (public health) 470
 public health legislation
 Public Health Law 1934 471
 Tobacco Control Law 2008 471, 474

Von Pezold (background)

history of Zimbabwe 363–5
 parties' positions (claimants) (alleged breaches) 364–5
 parties' positions (respondent)
 challenge to the jurisdiction 365
 defence to allegations 365
 procedural history in date order
 Joint First Session (7 February 2011) 365
 refusal of leave for amici curiae participation (AR 37(2)) (26 June 2012), grounds 365
 provisional measures (ICSID 47) (necessary measures to protect the life and safety of
 the claimant) (3 April 2013) 365
 provisional measures to prevent persons coming onto claimants' estates, rejection of
 request (22 July 2013) 365
 hearing on jurisdiction, liability and quantum (28 October to 2 November 2013) 366
 Award (28 July 2015) 366
 application for annulments/requests for stay of enforcement (21 October 2015) 366
 stay of enforcement (2 November 2015) 366
 rejection of provisional measures relating to alleged leak of Award (17 March 2016) 366
 rejection of provisional measures relating to argument on merits of annulment in stay
 of enforcement proceedings 366
 termination of provisional stay of proceedings (ICSID 52(5)) (24 April 2017) 366–7
 procedural matters
 admissibility of amici curiae statements (AR 37(2)) 363
 claims
 Border Claimants 363
 joint hearing and parallel decisions 361
 von Pezold 362–3
 Zimbabwe land reform programme
 constitutional amendments (2000/2005) 364
 historical background 363
 Land Acquisition Act 1992 as amended 363–4

Von Pezold (annulment)

grounds
 manifest excess of power (ICSID 52(1)(b))
 failure to apply correct applicable law (ICSID 42(1)) 379
 incorrect assessment as matter of jurisdiction or admissibility 379
 serious departure from fundamental rules of procedure (ICSID 52(1)(d)) 378–9
 waiver of right to object (AR 26/AR 27) 379

Von Pezold (annulment) (cont.)

procedural matters

annulment as exceptional remedy 378

costs

Centre/committee costs (A&FR 14(3)(e)), (“loser pays” principle) 379

parties’ 379

new argument, inadmissibility 378

Von Pezold (Award)

costs

arbitration/tribunal costs, unsuccessful party/“loser pays” principle 378

parties’, unsuccessful party to pay 378

expropriation

debiting of money from investors’ bank account 372

deprivation of use or reasonably expected economic benefit of property 371–2

legitimate expectation, frustration 373

payment for seized property below the market rate 372

refusal to release funds for repayment of loan 373

requirements 371

respondent’s arguments 371

transfer of title, sufficiency 371

Tribunal’s decision 371

jurisdiction *ratione materiae*

claims in respect of assets of local companies 369

parties’ claims (respondent) 368

Salini test, simplification of/contribution, duration and risk alternative 368jurisdiction *ratione personae*

juridical persons (ICSID 25(2)(b)), von Pezold family’s control over Border Claimants 367

natural persons (ICSID 25(2)(a))

dual nationality, relevance 367

“other than the State party” 367

jurisdiction *ratione temporis*, provisional application of the Germany–Zimbabwe BIT (VCLT 26(1)) 369–70

margin of appreciation

balancing competing human rights and 380–1

customary international law, whether 371, 380–1

as European human rights law concept of limited applicability 371, 380–1

public interest, State’s right to determine 380–1

regulatory powers, State’s exercise of and 371, 380–1

necessity as defence to alleged breach of State responsibility (including ILC(SR) 25), requirements

grave and imminent peril 375, 383–4

non-availability of alternative measures (ILC(SR) 35(1)(a)) 375–6, 383–4

non-contribution of State to situation of necessity (ILC(SR) 25(2)(b)) **85**, 120, 139, 164, 197, 376, 390–2

alleged contribution of international community 391–2

non-impairment of essential interests of other States/international community as a whole (ILC(SR) 25(1)(b))

compliance with treaty/BIT obligations 390

racial discrimination as *erga omnes* obligation 376, 387–90

- threat to an essential interest of the State/survival of a political party **85**, 374, 382–3
 - Tribunal's conclusion 376, 392
- necessity as defence to alleged breach of State responsibility (including ILC(SR) 25),
 - standard of review
 - domestic declaration of emergency as evidence 374
 - international law 374
- proportionality
 - as preclusion of wrongfulness of act/defence to breach of BIT 370–1, 380–1
 - proportionality of response to breach of obligation by investor distinguished 370–1, 380
- remedies
 - compensation as alternative to restitution 377
 - damages
 - double recovery, risk of 378
 - moral damages 378
 - restitutio in integrum* (*Chorzów Factory*) 377
- standard of treatment of alien
 - fair and equitable (“manifestly unjust”/“grossly unfair” as test) 372, 373
 - non-impairment/full protection and security 373–4
- State responsibility for
 - conduct directed or controlled by the State (ILC(SR) 8), “direct order or control” 370
 - conduct of political subdivision (ILC(SR) 4(1)), failure to protect property 370
 - conduct of State organ/entity (ILC(SR) 4)
 - government organs 370
 - judicial authorities (ILC(SR) 4(1)) 370
 - protection and security of investment
 - BITs as implementation of principle 373–4
 - as due diligence standard 374
 - failure to provide adequate protection 373–4
 - fair and equitable treatment requirement and 373
 - reasonable preventive measures requirement 374
- summary 366, 367
- war clauses**
 - examples
 - Argentina–US BIT IV(3) (loss due to civil war or armed conflict: standard of treatment) **78–9**, 139–40
 - Sri Lanka–UK BIT IV (compensation for losses) **79–81**
 - “extended war clauses” (compensation for losses caused by requisition or destruction) **79–81**
 - compensation requirements distinguished **79–81**
 - jurisprudence
 - AAPL* **80–1**
 - Sempra* **79**
 - non-discrimination/compensation requirements **78–9**
- water, right to**
 - ESCR Committee's General Comment 15 (2002) 576
 - ICESCR 11(1) and 12/UNHCR 25(1) 575–6
 - as State obligation 578–80
 - State's obligation to ensure vs investor's obligation not to impede 578–83

water, right to (cont.)

State's obligation (international law) vs investor's obligation (domestic law/contract)
 578–83

UNGA Resolution 64/292 (28 July 2010) 576

Urbaser 574–83

wilful blindness: *see also* due diligence

international public policy and **49–50**

jurisprudence

Churchill **49–51**, 538, 545

Europe Cement **49**

lack of due diligence compared **49**

stage of intervention **49–50**

Yukos: *see* tax/taxation measures; *Yukos* (background); *Yukos* (Final Award (jurisdiction/merits)) (18 July 2014); *Yukos* (Interim Award (jurisdiction and admissibility)) (30 November 2009)

Yukos (background)

claimants/initiation of arbitration **332–3**

parties' positions

claimants 333–4

respondent 334

procedural matters

challenged measures, Tribunal's summary of 333

objections to jurisdiction and admissibility, dismissal/joiner to the merits 334

parallel hearings of the three arbitrations/single award 333

related proceedings

ECtHR (30 September 2011) 335

enforcement proceedings (including setting aside of award for want of jurisdiction)
 334–5

Yukos (Final Award (jurisdiction/merits)) (18 July 2014)

bifurcation/fork in the road clause (ECT 26(3)(b)(i)) 339

“clean hands” principle (jurisdiction)

bad faith or illegal conduct as bar to ECT relief, applicability to claimants 340, 348–50

Tribunal's conclusion 350

breach of law of host State in performance of contract, relevance 346–7

general principle of international law, whether 339–40, 347–8

good faith interpretation of treaties (VCLT 31) and 344, 345

Tribunal's conclusion 348, 350

contributory fault (ILC(SR) 31/ILC(SR) 36), wilful or negligent behaviour as 342

costs (UNCITRAL 40(1)) 344

exhaustion of local remedies/referral to competent tax authority (ECT 21(5)(B)(i)) in case
 of fertility **23**, 354–6

measure of damages/quantification (ECT 13(1)(d)/ILC(SR) 35/ILC(SR) 36) 342–4

causal link to breach of treaty 343

fair market value 342

interest (ECT 13(1)(d)) 343

mitigation obligation (ILC(SR) 31) 343

risk of double recovery 343

sum awarded 343–4

valuation date (claimant's right to choose date of taking or date of award) 342

- State responsibility for conduct directed or controlled by the State (ILC(SR) 8)
 - bankruptcy administrator 340–1
 - State-owned company (Rosneft) 340–1
- summary 334, 339
- taxation measures (ECT 21(1)) (“carve-out”) (jurisdiction) 340, 350–9
 - joinder of jurisdiction and merits, reasons for 350–1
 - limitation to bona fide taxation actions 23–4, 356–9
 - non-application to ECT 13 expropriatory measures (ECT 21(5)) (“claw-back”) 350–9
 - review of the jurisprudence 357–9
 - “taxation measures” (ECT 21(1)) vs “taxes” (ECT 21(5)(a)), distinguishability 22–3, 352–3
 - travaux préparatoires* 352–3
- taxation measures as expropriation (ECT 13)
 - bankruptcy of Yukos and appropriation of assets as primary motive 341
 - lawfulness requirements (ECT 13(1)) 341–2
- Yukos (Interim Award (jurisdiction and admissibility)) (30 November 2009)** 334, 335–9
 - bifurcation/fork in the road clause (ECT 26(3)(b)(i)) 339
 - compatibility of ECT dispute settlement mechanism with Russian law 337
 - denial of benefits (ECT 17), requirements
 - ownership or control by nationals of third State and absence of substantial business interests as a double requirement (ECT 17(1)) 338–9
 - “third State” 338–9
 - reservation of right 338
 - “investment” (ECT 1(6))/“investor” (ECT 1(7)) (exclusion of modification of treaty requirements by Tribunal) 337–8
 - provisional application of ECT (ECT 45(1)) (Limitation Clause) 335–7
 - compatibility of provisional application of treaties with domestic law 337
 - declaration of non-acceptance of provisional application (ECT 45(2)) 335–6
 - plain and ordinary meaning (VCLT 31) 336, 377
 - whether dependent on ECT 45(2) declaration 336
 - summary of decision 335
- Zimbabwe**
 - Constitution 1980 as amended 2000/2005 364
 - Water Act 1976 373