The Bilateral Investment Treaty between Spain and Uruguay: Legal Framework

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1. INVESTOR AND INVESTMENT CONCEPTS

Investor

A) Individual: national legislation of each Party (Art. 1.3.a-1.3.c)

B) Legal person: constitution and establishment in the host State (Art. 1.3.d)
1. INVESTOR AND INVESTMENT CONCEPTS

Investment

Broad definition:
A) Direct investment + Portfolio investment (Art. 1.2 )

B) Movable and immovable property, mortgages, shares, intellectual property rights…(Art. 1.2)
2. TERRITORIAL AND TEMPORAL APPLICATION

Territorial application

Bi-dimensional concept
(territory and maritime spaces)
(Art. 1.4)
2. TERRITORIAL AND TEMPORAL APPLICATION

Temporal application

A) **Investments** made *before* and *after* the entry into force of the BIT (only from 1-4-1974) (Art. 2.2)

B) **Disputes** arisen *after* the entry into force of the BIT (Art. 11)
2. TERRITORIAL AND TEMPORAL APPLICATION

Temporal application

In case of termination

Investments made during the term of the BIT will be protected 10 additional years
(Art. 12.2)
3. THE DUTIES OF PROMOTION AND PROTECTION

Promotion + Admission
according to legislation of the Host State

(general clause)
(Art. 2.1)
3. THE DUTIES OF PROMOTION AND PROTECTION

Protection

A) Fair and Equitable Treatment (Art. 4.1)

B) National Treatment (Art. 4.5)

C) Most-Favored Nation Treatment (excludes Maffezini effect) (Art. 4.2)
3. THE DUTIES OF PROMOTION AND PROTECTION

D) Compensation for losses (Art. 5)

E) Repatriation of investments (Art. 6)

F) Discriminatory Expropriation/Nationalization/Measure of equivalent effect (Art. 7)
3. THE DUTIES OF PROMOTION AND PROTECTION

Exceptions to MF Treatment

A) Any customs union/free trade area (Art. 4.3)

B) International taxation agreements (Art. 4.4)
4. DISPUTE SETTLEMENT

Inter State (Art. 10)

Diplomatic Channels

(within 6 months)
 Arbitral Tribunal
4. DISPUTE SETTLEMENT

Investor - State (Art. 11)

No fork-in-the-road
18 months waiting period

- National Courts
  (Host State)
- UNCITRAL
  Tribunal
  (if not agreed)
- ICSID
  Tribunal
  (if agreed)
5. OTHER PROVISIONS

Subrogation

State of origin (or designated Agency) may guarantee and pay their national investors and then claim or exercise rights against the Host State (Art. 9).
5. OTHER PROVISIONS

\textit{Favor inversionis}

Any most favorable treatment granted to the investor by International or national Law shall prevail over the BIT (Art. 8)