

# EU Investment Protection Law

Keller

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# EU Investment Protection Law

Chapter Eight of CETA,  
the Vietnam and Singapore Free Trade  
Agreements and EU Regulations 1219/2012,  
912/2014 and 2019/452

Article-by-Article Commentary

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## Foreword

This book owes its existence to the original idea germinated by Professor Dr Christoph Herrmann of the University of Passau to expand a previous German language publication on the EU legal framework on investment protection<sup>1</sup> into a comprehensive work, for which I owe him great thanks. The resulting text represents the culmination of a truly international in-depth research project on the significance and impact of the new approach to investment protection of the European Union ('EU'), as implemented in the Comprehensive Economic and Trade Agreement ('CETA') as well as the EU's agreements with Singapore and Vietnam and certain surrounding legislation. With contributors from across our Clifford Chance continental European network, spanning arbitration practices in Amsterdam, Düsseldorf, Frankfurt, Madrid, Paris and Warsaw (and including cooperation with previous esteemed colleagues now undertaking new endeavours), our colleagues have applied their knowledge and expertise in this specialised area, providing unique insights into the issues raised by these new legal frameworks. It should be noted that the authors of this book have contributed such insights in a personal capacity.

This book is intended to constitute a comprehensive reference work, providing the reader with a complete picture of the current status of EU investment protection law through detailed commentaries by experienced international dispute resolution and EU law practitioners. Accordingly, in the following chapters, after a detailed introduction, the reader will find comprehensive analysis of Chapter Eight of CETA,<sup>2</sup> provision by provision, drawing on the jurisprudence of ISDS tribunals under other multilateral trade agreements, such as the North American Free Trade Agreement ('NAFTA'), as well as various bilateral investment treaties ('BITs'). Also provided is a comparative overview of the provisions of Chapter Eight of CETA against the investment protection provisions in two other trade agreements that the EU has recently concluded, namely the EU-Vietnam agreement (consisting of the EU-Vietnam Free Trade Agreement<sup>3</sup> (the 'EU-Vietnam FTA') and the EU-Vietnam Investment Protection Agreement<sup>4</sup> (the 'EU-Vietnam IPA')) and the EU-Singapore agreement (consisting of the EU-Singapore Free

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<sup>1</sup> Keller and Schmitt, 'Verordnung (EU) Nr. 1219/2012 des Europäischen Parlaments und des Rates zur Einführung einer Übergangsregelung für bilaterale Investitionsschutzabkommen zwischen den Mitgliedstaaten und Drittländern' in Krenzler, Hermann, Niestedt, *EU-Außenwirtschafts- und Zollrecht*, vol 2 (18<sup>th</sup> supp, 2021); Keller and Schmitt, 'Verordnung (EU) Nr. 912/2014 des Europäischen Parlaments und des Rates zur Schaffung der Rahmenbedingungen für die Regelung der finanziellen Verantwortung bei Investor-Staat-Streitigkeiten vor Schiedsgerichten, welche durch internationale Übereinkünfte eingesetzt wurden, bei denen die Europäische Union Vertragspartei ist' in Krenzler, Hermann, Niestedt, *EU-Außenwirtschafts- und Zollrecht*, vol 2 (18<sup>th</sup> supp, 2021).

<sup>2</sup> Comprehensive Economic and Trade Agreement (CETA) between Canada, of the One Part, and the European Union and its Member States, of the Other Part [2017] OJ L11/23. This book reproduces the text of the Articles of Chapter Eight CETA, and the footnotes thereto, in accordance with the Official Journal version and follows the original footnote numbering. The reader should note that other versions of the text, for example the versions published by Canada, contain different footnote numbering.

<sup>3</sup> Free Trade Agreement Between the European Union and the Socialist Republic of Viet Nam [2020] OJ L186.

<sup>4</sup> Proposal for a Council Decision on the Conclusion of the Investment Protection Agreement Between the European Union and its Member States, of the One Part, and the Socialist Republic of Viet Nam, of the Other Part COM/2018/693 final.

## Foreword

Trade Agreement<sup>5</sup> (the ‘EU-Singapore FTA’) and the EU-Singapore Investment Protection Agreement<sup>6</sup> (the ‘EU-Singapore IPA’)). In each chapter, the reader will also find a specialised bibliography for further reference. A comparative annex is also included which shows in tabular form the parallel provisions of CETA, the EU-Singapore FTA and IPA, and the EU-Vietnam FTA and IPA.

Commentary is also provided on three central EU Regulations which interface with CETA, namely (i) Regulation (EU) No 1219/2012 establishing transitional arrangements for bilateral investment agreements between Member States and third countries<sup>7</sup> (‘Regulation 1219/2012’), (ii) Regulation (EU) No 912/2014 establishing a framework for managing financial responsibility linked to investor-to-state dispute settlement tribunals established by international agreements to which the European Union is party<sup>8</sup> (‘Regulation 912/2014’), and (iii) Regulation (EU) 2019/452 establishing a framework for the screening of foreign direct investments into the EU<sup>9</sup> (‘Regulation 2019/452’). In this way, the reader can gain a contextualised understanding of how this area of law operates as a whole, including the role that the supporting EU legislation plays within the framework.

Where the CETA text refers extensively to, or incorporates, other documents, such as decisions of the CETA Joint Committee, or the CETA Committee on Services and Investment, these have been included as annexes to the relevant chapters for the reader’s convenience. Accordingly, as well as the relevant decisions of the CETA committees, this book also contains the full texts of (i) the UNCITRAL Rules on Transparency in Treaty-based Investor-State Arbitration (‘UNCITRAL Transparency Rules’), (ii) the International Bar Association Guidelines on Conflicts of Interest in International Arbitration (‘IBA Guidelines on Conflicts of Interest’), and (iii) the text of Chapter Eight of CETA. In this way, the reader has easy access not only to quality practitioner insights, but also to the full surrounding legal context.

Finally, as editor of this work, it is my task to also draw the reader’s attention to those contributors who, although not named in the authorships, made substantial contributions to this book. Many hours have been dedicated by Leticia Diehl Tomkowski, Alexander Dünkelsbühler, Marie Orf, Jessica Sblendorio, Hanna Shalbanava and Katerina Strataridaki. I am so grateful for your excellent support – without you, this book would not have been possible.

Dr Moritz Keller  
Frankfurt, September 2022

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<sup>5</sup> Free Trade Agreement Between the European Union and the Republic of Singapore [2019] OJ L294.

<sup>6</sup> Proposal for a Council Decision on the Conclusion of the Investment Protection Agreement Between the European Union and its Member States, of the One Part, and the Republic of Singapore of the Other Part COM/2018/194 final – 2018/0095 (NLE).

<sup>7</sup> Regulation (EU) No 1219/2012 of the European Parliament and of the Council of 12 December 2012 Establishing Transitional Arrangements for Bilateral Investment Agreements Between Member States and Third Countries [2012] OJ L 351/40.

<sup>8</sup> Regulation (EU) No 912/2014 of the European Parliament and of the Council of 23 July 2014 Establishing a Framework for Managing Financial Responsibility Linked to Investor-to-State Dispute Settlement Tribunals Established by International Agreements to which the European Union is Party [2014] OJ L 257/121.

<sup>9</sup> Regulation 2019/452 of the European Parliament and of the Council of 19 March 2019 Establishing a Framework for the Screening of Foreign Direct Investments into the Union [2019] OJ L1 79/1.

## Table of Contents

Foreword.....	V
List of contributors.....	XI
List of abbreviations (general).....	XV
List of abbreviations (journals).....	XVII

### INTRODUCTION

<b>Towards an EU investment protection law framework.....</b>	<b>1</b>
Annex: Joint Interpretative Instrument on the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union and its Member States.....	46

### PART I

#### CHAPTER EIGHT OF CETA

<b>Section A. Definitions and scope.....</b>	<b>53</b>
Article 8.1 Definitions.....	53
Article 8.2 Scope.....	76
Article 8.3 Relation to other chapters.....	82
<b>Section B. Establishment of investments.....</b>	<b>98</b>
Article 8.4 Market access.....	98
Article 8.5 Performance requirements.....	107
<b>Section C. Non-discriminatory treatment.....</b>	<b>119</b>
Article 8.6 National treatment.....	119
Article 8.7 Most-favoured-nation treatment.....	132
Article 8.8 Senior management and boards of directors.....	153
<b>Section D. Investment protection.....</b>	<b>158</b>
Article 8.9 Investment and regulatory measures.....	158
Article 8.10 Treatment of investors and of covered investments.....	173
Article 8.11 Compensation for losses.....	213
Article 8.12 Expropriation.....	224
Article 8.13 Transfers.....	247
Article 8.14 Subrogation.....	258
<b>Section E. Reservations and exceptions.....</b>	<b>266</b>
Article 8.15 Reservations and exceptions.....	266
Article 8.16 Denial of benefits.....	282
Article 8.17 Formal requirements.....	296
<b>Section F. Resolution of investment disputes between investors and states.....</b>	<b>300</b>
Article 8.18 Scope.....	300
Article 8.19 Consultations.....	321

## Table of Contents

Article 8.20	Mediation.....	341
	Annex: Committee on Services and Investment Decision No 2/2021 of 29 January 2021 Adopting Rules for Mediation for Use by Disputing Parties in Investment Disputes.....	363
Article 8.21	Determination of the respondent for disputes with the European Union or its Member States.....	367
Article 8.22	Procedural and other requirements for the submission of a claim to the Tribunal.....	378
Article 8.23	Submission of a claim to the Tribunal.....	388
Article 8.24	Proceedings under another international agreement.....	404
Article 8.25	Consent to the settlement of the dispute by the Tribunal.....	411
Article 8.26	Third party funding.....	417
Article 8.27	Constitution of the Tribunal.....	427
Article 8.28	Appellate Tribunal.....	450
	Annex: CETA Joint Committee Decision No 1/2021 of 29 January 2021 Setting Out the Administrative and Organisational Matters Regarding the Functioning of the Appellate Tribunal.....	469
Article 8.29	Establishment of a multilateral investment tribunal and appellate mechanism.....	472
Article 8.30	Ethics.....	482
	Annex I: Committee on Services and Investment Decision No 1/2021 of 29 January 2021 Adopting a Code of Conduct for Members of the Tribunal, Members of the Appellate Tribunal and Mediators.....	496
	Annex II: International Bar Association Guidelines on Conflicts of Interest in International Arbitration.....	499
Article 8.31	Applicable law and interpretation.....	511
	Annex I: CETA Joint Committee Decision No 2/2021 of 29 January 2021 Adopting a Procedure for the Adoption of Interpretations in Accordance with Articles 8.31.3 and 8.44.3(a) of CETA as an Annex to its Rules of Procedure.....	522
	Annex II: CETA Joint Committee Decision No 001/2018 of the CETA Joint Committee of 26 September 2018 adopting its Rules of Procedure and of the Specialised Committees.....	524
Article 8.32	Claims manifestly without legal merit.....	529
Article 8.33	Claims unfounded as a matter of law.....	543
Article 8.34	Interim measures of protection.....	554
Article 8.35	Discontinuance.....	583
Article 8.36	Transparency of proceedings.....	592
	Annex: UNCITRAL Rules on Transparency in Treaty-based Investor-State Arbitration.....	610
Article 8.37	Information sharing.....	615
Article 8.38	Non-disputing Party.....	624
Article 8.39	Final award.....	642
Article 8.40	Indemnification or other compensation.....	656
Article 8.41	Enforcement of awards.....	659
Article 8.42	Role of the Parties.....	677
Article 8.43	Consolidation.....	686
Article 8.44	Committee on Services and Investment.....	697
Article 8.45	Exclusion.....	711

## Table of Contents

Comparative table of provisions of Chapter Eight of CETA against the EU-Vietnam FTA and IPA and the EU Singapore FTA and IPA .....	714
--	-----

### PART II

#### EU REGULATIONS RELATING TO EU INVESTMENT PROTECTION

REGULATION (EU) No 1219/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 12 December 2012 establishing transitional arrangements for bilateral investment agreements between Member States and third countries....	839
---	-----

REGULATION (EU) No 912/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 July 2014 establishing a framework for managing financial responsibility linked to investor-to-state dispute settlement tribunals established by international agreements to which the European Union is party.....	868
---	-----

REGULATION (EU) 2019/452 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union.....	937
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### Appendix

Text of Chapter Eight of CETA .....	987
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