

Multilateral investment court: Council gives mandate to the Commission to open negotiations

Press contacts

Maria Tomasik

Press officer

+32 2 281 24 63

+32 470 88 23 83

On 20 March, the Council adopted the negotiating directives authorising the Commission to negotiate, on behalf of the EU, a **convention establishing a multilateral court for the settlement of investment disputes**. The Council also decided to make the negotiating directives public.

The overall objective for creating a multilateral investment court (MIC) is to set up a **permanent body to settle investment disputes**. This multilateral investment court would adjudicate disputes under future and existing investment treaties. For the EU, **the MIC would eventually replace the bilateral investment court systems** included in EU trade and investment agreements.

The initiative is part of the **EU's new approach to investment dispute resolution**, moving away from the traditional arbitration framework towards a **court system**. It aims at responding to some of the legitimate public concerns raised in the context of the traditional investor-to-state dispute settlement, by bringing key features of domestic and international courts to investment arbitration.

On the basis of the mandate provided by the Council, the Commission will start negotiations with its trading and investment partners in the framework of the **United Nations Commission on International Trade Law (UNCITRAL)**.

While the exact features of the MIC (such as the composition of the court, its budget, the possibility of getting support from a secretariat, etc.) will depend on the outcome of the upcoming negotiations between the countries that will sign up to the new system, the **EU will favour a system based on the following principles:**

- the court should be a permanent international institution;
- the judges should be tenured, qualified and receive permanent remuneration. Their impartiality and independence should be guaranteed;
- proceedings before the court should be conducted in a transparent manner;
- the court should give the possibility of appeal against a decision;

- effective enforcement of the decisions of the court would be vital;
- the court should rule on disputes arising under future and existing investment treaties that countries decide to assign to the authority of the court.

[Visit the meeting page](#) [Download as pdf](#)