



---

## Laws & Treaties

### UNCITRAL Working Group III unveils Draft Convention on Investor-State Mediation

In a key step toward broadening access to alternative dispute resolution, UNCITRAL Working Group III released the latest draft of its proposed Convention on mediation and early resolution of investor-state disputes. The draft, published in July 2025, sets out a legal framework for facilitating mediation between investors and states, offering a structured yet flexible alternative to arbitration.

This draft is part of UNCITRAL's wider ISDS reform programme, which aims to reduce the time, cost, and adversarial nature of investor-state proceedings. By providing a uniform instrument to support mediation, the convention could do for consensual settlement what the New York Convention did for arbitration.

While not yet adopted, the convention is gaining interest among states and institutions, particularly as a complementary path to arbitration. Its eventual adoption could reshape investor-state dispute resolution by making mediation a more viable, enforceable and procedurally coherent option on the global stage.

### US considers amending FSIA arbitration exception

In July 2025 the US Congress advanced legislative discussions on a bill to amend the Foreign Sovereign Immunities Act (FSIA), focusing specifically on the arbitration exception under Section 1605(a)(6). The proposed changes seek to streamline procedures for serving foreign states in arbitration enforcement actions and clarify US jurisdictional standards when sovereigns are involved.

The bill responds to recent enforcement challenges where procedural ambiguities hindered award recognition against state entities. If passed, the amendment would strengthen the legal toolkit available to award creditors and reinforce the United States' reputation as an arbitration-friendly jurisdiction.

Though still at the debate stage, the bill signals bipartisan recognition of the need to modernize sovereign immunity provisions to keep pace with the global arbitration framework and the increasing complexity of enforcement against state actors.

---

## Arbitration centres

### Swiss Arbitration Centre introduces TEF rules for private wealth disputes

On 1 July 2025, the Swiss Arbitration Centre officially launched its Supplemental Rules for Trust, Estate and Foundation Disputes (TEF Rules). Designed to meet the unique demands of high-net-worth and private wealth disputes, the TEF Rules offer tailored procedures for complex inheritance, fiduciary, and charitable foundation matters.

The rules address specific challenges such as notification of unascertained beneficiaries, joinder of interested parties, and appropriate tribunal composition in estate-related arbitrations. They also provide clear guidance on the choice of law and language in cross-border trust disputes.

By introducing a specialised framework within a leading arbitration institution, the TEF Rules are poised to make Switzerland a hub for resolving trust and estate conflicts confidentially and efficiently. The development also reflects the broader trend of institutions adapting their rules to meet the demands of increasingly sophisticated commercial and personal disputes.

## Tashkent hosts a permanent forum on arbitration during Eurasia Arbitration Week 2025

Eurasia Arbitration Week 2025, held this July in Tashkent, marked a pivotal moment for Central Asia's arbitration landscape with the formal inauguration of the Tashkent Arbitration Forum (TAF). Backed by the Uzbek Ministry of Justice and regional legal stakeholders, TAF aspires to become a permanent institutional platform for dialogue, development, and dispute resolution across the broader Eurasian region.

TAF's mandate extends beyond annual conference programming. It introduces a comprehensive toolkit of regional arbitration guidelines, recommended model clauses, and multilingual case management resources, aimed at handling commercial, infrastructure, and investor-state disputes. The Forum will also provide capacity-building workshops, practitioner exchanges, and advisory support for regional courts and arbitral institutions.

The initiative aligns closely with Uzbekistan's ongoing legal and judicial reforms, which have included amendments to its arbitration law, improved recognition of foreign awards, and investment-friendly procedural guarantees. Collectively, these developments signal the country's ambition to position Tashkent as a neutral, modern, and accessible seat for international arbitration.

TAF's creation also reflects a broader trend toward geographical diversification in global arbitration, offering users operating in or with Eurasian markets a dispute resolution mechanism that is both regionally embedded and globally minded. By institutionalising regional collaboration and setting shared standards, TAF may emerge as a key player in shaping the next generation of arbitration practice in Central Asia.

---

## Investment Arbitration

### *US Court confirms legal force of ICSID Annulment Decision in LBKM v. Armenia, ICSID Case No. ARB/20/35.*

On 14 July 2025, the US District Court for the District of Columbia confirmed the legal effect of an ICSID annulment decision in LBKM LLC v. Republic of Armenia. The ruling offers rare judicial guidance on the enforceability of annulment decisions under the ICSID Convention.

The underlying arbitration arose under the Armenia-Italy BIT. LBKM's claim was initially dismissed by the tribunal for lack of jurisdiction, with costs awarded against the investor. However, in 2023, an ICSID ad hoc committee annulled the award, reinstating LBKM's claim and vacating the costs order. LBKM then applied to confirm the annulment decision in the US, while Armenia objected on the grounds that annulments are not "awards" and are thus unenforceable.

Judge Walton rejected this argument, holding that under the ICSID Convention, "once annulled, the initial award no longer exists for enforcement purposes... The Committee's ruling stands as the operative outcome." The Court affirmed that annulment decisions, though not awards per se, are an integral part of the ICSID system and must be given full effect by domestic courts.

This judgment is significant in three ways:

- It clarifies that annulment decisions are binding and enforceable in recognition jurisdictions.
- It reaffirms the self-contained nature of the ICSID system and the limited scope of domestic judicial review.
- It underscores the importance of procedural integrity in ICSID proceedings, as the annulment committee cited serious departures from fundamental rules of procedure.

For both investors and states, LBKM v. Armenia is a timely reminder that ICSID annulment

proceedings are not mere formalities—they are decisive instruments of procedural control with concrete legal consequences.

agreements. It also reinforces the English courts' active role in scrutinizing jurisdiction under section 67, particularly where inconsistent clauses create ambiguity over the agreed arbitral framework.

---

## Case note: England & Wales

### *Técnicas Reunidas UK Ltd v [Confidential Respondent] [2025] EWHC 1785 (Comm)*

**Facts:** This dispute arose from a construction project governed by multiple interrelated contracts, each containing differing arbitration clauses. One contract provided for ad hoc arbitration, while another referred to ICC arbitration rules. When a dispute emerged, the respondent commenced proceedings under the ICC Arbitration Rules. Técnicas Reunidas objected, arguing that the parties had agreed to ad hoc arbitration across the contractual framework. Despite the objection, the ICC tribunal assumed jurisdiction and issued a significant award against Técnicas Reunidas. The claimant challenged the award under section 67 of the Arbitration Act 1996, arguing that the tribunal lacked substantive jurisdiction.

**Held:** The Commercial Court upheld the challenge. Mr Justice Bryan held that, when the contracts were read together, the parties had agreed to ad hoc arbitration, and the ICC tribunal lacked jurisdiction. The award was set aside in full. The Court reaffirmed that under section 67 of the Arbitration Act 1996, challenges to jurisdiction are subject to a full de novo review, with no deference given to the arbitral tribunal's determination. As the judge stated, "jurisdictional determinations are not protected from review; the Court must make its own findings." The Court also criticized the respondent's interpretative method as a "pick and mix" approach that failed to respect the coherence of the dispute resolution provisions. The judgment underscored the fundamental differences between ad hoc and institutional arbitration, noting that such distinctions directly affect a tribunal's authority.

This decision highlights the need for consistency in dispute resolution clauses across related

---

## Tip of the Month:

### Can partial awards be enforced under the New York Convention?

Article I(2) of the New York Convention allows for the enforcement of "differences between persons" resulting in "final and binding" awards. Courts in many jurisdictions have interpreted this to include partial awards—for example, on jurisdiction, liability, or specific issues of quantum—so long as the decision is final in respect of that issue. However, enforcement may be refused if the award is considered procedurally or substantively incomplete under local law. Some jurisdictions apply a stricter standard, requiring that the award fully resolve the dispute before enforcement.

Before seeking to enforce a partial award, assess whether it constitutes a final determination of the issue in question and whether the forum recognises partial awards as enforceable. If in doubt, seek declaratory clarity on finality within the seat or enforcing court.

For more information, please contact any of the following members of our Arbitration Team:



Albert Badia



Ana Maria Daza



Erman Ozgur



Rowsheen Dawood

**This publication does not constitute legal advice.**

**An International Law Firm**



**AACNI (England) Limited**

25 Southampton Buildings | WC2A 1AL London | United Kingdom | Phone: +44 02071291271 | Email: [aacni@aacni.com](mailto:aacni@aacni.com)  
AACNI (England) Ltd. is a Private Limited Company with number 14021820 and registered office address in Palladia, Central Court, 25 Southampton Buildings, London WC2A 1AL, United Kingdom. It is recognised by the Solicitors Regulation Authority and its SRA no. is 8000602. AACNI is a trademark registered in the EU.