



Laws & Treaties

Honduras rejoins the ICSID Convention

On 6 March 2026, the President of the Republic of Honduras gave notice of the country's intent to rejoin the Convention on the Settlement of Investment Disputes between States and Nationals of Other States ("ICSID Convention"). After the signature and ratification, Honduras shall become the 166th Contracting State to the ICSID Convention.

Honduras first ratified the ICSID Convention in 1989. In 2024, Honduras denounced it and became the fourth State to withdraw from it. The three other States that previously withdrew were Bolivia, Ecuador and Venezuela in 2007, 2009 and 2012 respectively.

The ICSID Convention is a multilateral treaty that entered into force in 1965. It establishes ICSID, an institution that is part of the World Bank Group and provides specialized facilities for the resolution of investment disputes through conciliation and arbitration.

Infringement proceedings against 16 EU Member States for failure to withdraw from ECT

On 30 January 2026, the European Commission ("Commission") commenced infringement proceedings and sent formal letters to 16 EU Member States that, despite EU and Euroatom's withdrawal on 28 June 2025, remain contracting parties to the Energy Charter Treaty ("ECT"). The Member States identified by the Commission are Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Estonia, Finland, Greece, Hungary, Ireland, Latvia, Malta, Romania, Slovakia and Sweden.

The Commission called on those States to withdraw from the ECT "without undue delay" and grant them a period of two months to submit their responses. In the event of non-compliance, reasoned opinions will be issued.

The EU withdrew from the ECT In the Council Decision (EU) 2024/1638 of 30 May 2024 on the withdrawal of the Union from the Energy Charter Treaty.

China arbitration law is modernised

On 12 September 2025, the State Council Standing Committee of the National People's Congress passed a revision of the Arbitration Law of the People's Republic of China ("the 2025 PRC Arbitration Law"), which will take effect on 1 March 2026.

The reforms introduced in the 2025 PRC Arbitration Law aim for a greater involvement of China in the resolution of cross-border commercial and investment treaty disputes.

- Non-Chinese arbitral institutions shall be allowed to set up business in certain pilot free trade zones in China (the FTZs), Hainan Free Trade Port (the Hainan FTP) and other areas approved by the State Council of China. They will be permitted to administer foreign related disputes but not domestic disputes.
- Ad hoc arbitration will be permitted but only for: (i) foreign-related maritime disputes; and (ii) disputes between enterprises both registered in the designated FTZs, the Hainan FTP and other areas prescribed by the state.
- The notion of the "seat" (i.e., legal place) of arbitration will be recognised, though only in relation to foreign-related disputes. In these, the parties may agree the seat in writing, and this will be the basis for determining both the procedural law applicable to the arbitration and the court with supervisory jurisdiction, unless the parties have agreed otherwise. Where parties do not specify the seat, it shall be determined in accordance with the agreed arbitral rules, failing which the tribunal shall decide.
- Partial adoption of the Kompetenz-kompetenz, allowing the arbitral tribunal to rule on the validity of the arbitration agreement. However, parties may also apply to a Chinese court for a ruling on the same issue, which, in case of

conflict, will always prevail over the tribunal's ruling.

- Disclosure will be required of any circumstances that may cause parties to have reasonable doubts as to an arbitrator's independence and impartiality.
- The use of online arbitration proceedings will be permitted unless parties disagree.
- A party seeking to set aside an arbitral award must do so within three months of receipt, as opposed to the six months under the current regime.

Arbitration centres

ICC approves revised rules of arbitration

The International Chamber of Commerce ("ICC") has approved a revised version of its Rules of Arbitration. The new Rules will enter into force on 1 June 2026 and will apply to all requests for arbitration filed after that date.

According to the ICC, the revisions aim to enhance efficiency, clarity and usability, while ensuring that ICC Arbitration continues to meet the needs of users worldwide. They follow the previous update, which entered into force in January 2021, and reflect the ongoing evolution of arbitration practice.

The updated Rules introduce new procedures and improvements to existing provisions, with a focus on streamlining proceedings and supporting effective case management. At the same time, they preserve the flexibility that characterises ICC Arbitration, including the ability of parties to select arbitrators and tailor procedures within the framework of the Rules.

FOSFA arbitration rules are amended

To enhance procedural clarity and ensure consistency in the arbitration process, the Federation of Oils, Seeds and Fats Association ("FOSFA") have revised its Rules of Arbitration

and Appeal, the Small Claims Single Tier Rules of Arbitration and The Guide to Arbitration and Appeals. With effect from 1 April, the amendments are as follows:

Rules of Arbitration and Appeal:

- Rule 3 (Lapse of Claim) clarifies that only one annual renewal is permitted per arbitration.
- Rules 4 (Procedure for Arbitrations) and 9 (Procedure at Appeals) introduce an explicit rule to ensure all written / oral submissions are to be made in English or with English translations

Small Claims Single Tier Rules of Arbitration:

- Rule 3 (Lapse of Claim) clarifies that only one annual renewal is permitted per arbitration.
- Rules 4 (Procedure for Arbitrations) introduces an explicit rule to ensure all written / oral submissions are to be made in English or with English translations.

The Guide to Arbitrations and Appeals has been amended to reflect the above changes.

AAA-ICDR announces the establishment of ICDR Ireland

Ireland will be a new international arbitration hub that will support cross-border disputes involving businesses across Europe and beyond, according to sources of the American Arbitration Association - International Centre for Dispute Resolution ("AAA-ICDR").

The initiative will establish ICDR Ireland, serving international commercial arbitration matters across Europe, the Middle East, and Africa (EMEA), with an advisory board and a panel of Irish arbitrators available for international cases.

With more than 970 U.S. companies operating in Ireland, the Irish Government is keen to support the establishment of ICDR Ireland and to work with partners to develop Ireland as a leading international arbitration hub.

The AAA is one of the largest private providers of alternative dispute resolution (ADR) services in the world, making its centennial in 2026.

LMAA unveils statistics of appointments and awards

The statistics of the London Maritime Arbitrators Association (“LMAA”) for arbitrations conducted on LMAA Terms and Procedures in 2025 are now published and are available on their website.

In 2025, the LMAA reports a total of 3,469 appointments on LMAA Terms and Procedures and an estimated 2,015 references. Arbitrators made a total of 563 awards in 2025 of which 83 awards were made after oral hearings.

Investment Arbitration

AS Windoor v. Republic of Kazakhstan, ICSID Case No. ARB/18/32

Award signed on 24.01.26 pursuant to the Estonia-Kazakhstan BIT (2011)

An ICSID Tribunal held that a Stockholm Chamber of Commerce commercial arbitral award (“SCC Award”) constituted a protected “investment” under the Estonia-Kazakhstan BIT (2011). By refusing to enforce the SCC Award and invalidating a guarantee issued by a state-owned entity, Kazakhstan was found by the ICSID Tribunal to have breached the Fair and Equitable Treatment standard of the said treaty. Issued on 24.01.26, the award (“ICSID Award”) remains confidential, but the publicly available information gives some clues to appraise the findings of the Tribunal.

One of the key issues was whether the SCC Award qualified as an “investment” under the Estonia-Kazakhstan BIT, and the ICSID Tribunal could, therefore, unfold jurisdiction *rationae materiae* over the investor’s claim.

The definition of “investment” in the Estonia-Kazakhstan BIT embraced “every kind of asset invested by investors of one Contracting Party in the territory of the other Contracting Party”, and included “returns reinvested, debentures, claims to money or any other rights to legitimate performance having financial value related to an investment”. In its proper construction, that

definition was found to comprise an arbitral award such as the SCC Award, which arose from a substantial construction project carried out in Kazakhstan and was supported by a state-owned enterprise’s guarantee.

The approach adopted in the ICSID Award is aligned with *Saipem v. Bangladesh*, where another tribunal held that an ICC arbitral award arising from a construction contract formed part of the protected investment because it represented the “residual contractual rights under the investment as crystallized in the ICC Award.” In the same vein, *ATA v. Jordan* acknowledged that the rights embodied in an arbitral award are an integral component of the investment.

Case note: England & Wales

Toziwepi Ropa v Kharis Solutions Ltd [2026] EWHC 259 (Comm)

Facts: The parties entered into two joint venture agreements, each of which contained dispute resolution clauses as follows:

54. *The members submit to the jurisdiction of the court of the Country of England for the enforcement of this Agreement and for any arbitration award or decision arising from this Agreement.*

55. *In the event a dispute arises out of or in connection with this Joint Venture Agreement, the Members will attempt to resolve the dispute through friendly consultation.*

56. *If the dispute is not resolved within a reasonable period, then any or all outstanding issues may be submitted to mediation in accordance with any statutory rules of mediation. If mediation is not successful in resolving the entire dispute or is unavailable, any outstanding issues will be submitted to final and binding arbitration in accordance with the laws of the Country of England. The arbitrator’s award will be final, and judgment may be entered upon it by any court having jurisdiction within the Country of England.”*

A dispute arose between the parties, and the Claimant served a Notice to Arbitrate dated 18 February 2025. The Defendant said that there was no binding arbitration clause and that the Notice to Arbitrate was invalid due to defects in its form and its service. In April 2025 the Claimant issued a Part 8 Arbitration Claim Form at the High Court. The parties then attended mediation, which was unsuccessful.

The Claimant's case is that the provisions set out above amount to an arbitration clause, requiring the Defendant to submit the dispute to arbitration and to appoint an arbitrator. The main question was whether the agreements, on their true construction, contained a compulsory arbitration clause.

Held: According to the Court, it was unlikely that parties who chose to include an arbitration provision in their agreement intended for arbitration to be optional and conditional on whether a party wished or was willing to attempt mediation before moving to determination of the dispute. To support that, the Court highlighted that when the agreements were made in 2017 and 2018, the current approach of the courts to compel mediation in suitable cases was not present. Accordingly, the arbitration provision only made sense if it enabled a party to a dispute to compel the submission of that dispute to arbitration.

The Court said that *“clause 56 does not create any obligation to submit a dispute to mediation as a condition precedent to submission of the dispute to arbitration. according to the multi-tier dispute resolution clauses, mediation was not a condition precedent to arbitration (...) Therefore, the fact that there had been no mediation when the Claimant purported to serve the Notice to Arbitrate is not fatal to his application.”*

Accordingly, the Claimant was allowed to refer the dispute to arbitration, and an order was made for the appointment of an arbitrator.

Tip of the Month:

When does an award become binding?

Article V (l)(e) of the New York Convention of 1958 allows the domestic courts to refuse the recognition or enforcement of a foreign award if the party opposing enforcement establishes that the award has not yet become binding on the parties.

Some courts have relied on their own interpretation of what a binding award under article V (1) (e) should be. Others have assessed the binding nature of the award by reference to the law of the country in which the award was rendered. In some instances, the two approaches have been applied in combination. The question will ultimately depend on the decision of every court. However, the fact that an action to set aside the award still lies in the jurisdiction of the seat does not necessarily mean that an award is non-binding for the purposes of enforcement.

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This publication does not constitute legal advice.

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