

Preface

Mikael Ouaniche and Stéphane Prigent's unique book presents in a single package the legal principles and evaluation methods that apply to compensation in investment arbitration. This dual approach reflects the debates that take place in investment arbitration. As in the reality of the proceedings, the book begins with the characterization of the expropriation before addressing its financial consequences. The transition from legal principles to valuation methods is thus very natural.

The introduction provides a particularly vivid picture of the advent of investment arbitration and the extraordinary growth it has experienced in recent decades. The following are explained with the help of examples: concepts essential for understanding investment protection mechanisms, the multilateral and bilateral treaties on which they are based and the standards of protection.

The first three chapters deal with the legal principles governing expropriation and reparation for wrongful acts. These developments are both synthetic and well documented. The analysis of numerous arbitral awards provides a concrete picture of the practice of arbitral tribunals. Accordingly, lawyers will find a wealth of arguments to support theirs.

The next two chapters are devoted to methods of assessing damages and other consequences of the claim for compensation. They describe how arbitral tribunals have been led to apply increasingly sophisticated methods and present the different approaches. The very clear and didactic presentation makes it easy for even non-specialists in financial assessment to understand complex mechanisms.

This book is primarily intended for investment arbitration practitioners. Lawyers and arbitrators will be able to improve their understanding of economic and financial valuation methods; experts will be able to improve their understanding of the underlying legal mechanisms.

The presentation is both comprehensive and objective. The main themes of investment arbitration are addressed through reparation, which is the very purpose of investment arbitration. The bias towards

objectivity shows the richness of the debates that animate it. When a subject is not definitively decided, the authors present the terms of the controversy rather than adopting a doctrinal position. The result is a balanced picture of investment arbitration and an outline of its future developments.

It took all the experience and talent of Mikael Ouaniche and Stéphane Prigent to marry law, economics and finance so harmoniously.

Laurent Jaeger

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Chairman of the French Arbitration Committee