**HIGHLIGHTS**

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**SPECIAL EDITION: LATIN AMERICAN ARBITRATION**

In May 2005, an ICSID Tribunal rendered the first final award in an arbitration involving Argentina’s liability under a BIT. The disputes involved the controversial economic measures taken by the Argentine government in 2001-2002 in regard to foreign investment. The award was for US $133 million plus interest; it was rendered in favor of a U.S. company that had claimed that Argentina violated its obligation to treat investors fairly and equitably under the BIT. (The story begins on page 72.)

In *Gas Natural SDG, S.A. v. Republic of Argentina*, an ICSID Tribunal found that the Most-Favored-Nation clause in the Spain-Argentina BIT allowed a claimant to avoid the obligation in the treaty to exhaust domestic remedies prior to arbitration given the more favorable provision in the U.S.-Argentina BIT. The ruling represents an emerging trend in ICSID cases to allow claimants to “treaty-shop” for better treaty protections when the relevant BIT contains a Most-Favored-Nation Clause. (The story begins on page 75.)

In May 2005, an ICSID Tribunal rendered an arbitral award against Chile for US $5.87 million plus interest in favor MTD Equity. The claimant alleged a violation of the Malaysia-Chile BIT. According to Chilean government officials, it was the first international arbitral award rendered against Chile in modern history. (The story begins on page 75.)

In *Bear Service S.A. v. Cerveceria Modelo S.A. de C.V.*, the Supreme Court of Argentina recognized the lack of jurisdiction of the local courts to decide a commercial claim based on the breach of a purchase of goods contract which contained an arbitration clause. (The story begins on page 78.)

In *L’Aiglon S.A. v. Textil União S.A.*, the Brazilian Superior Court of Justice enforced a foreign arbitral award against a Brazilian company for the first time since Brazil ratified the New York Arbitration Convention in 2002. The award was for US $900 million. It involved a Swiss company and a Brazilian company and the purchase of 1500 metric tons of crude cotton. (The story begins on page 79.)

Philip Dunham and Simon Greenberg of Dechert LLP, Paris provide a comprehensive account of the developments in Brazilian arbitration law. (The article begins on page 80.)

Nigel Blackaby and Sylvia Noury provide an overview of arbitration in Latin America. (The article begins on page 90.)
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