

International Court of Arbitration: Final Award in TV NOVA Case

IRIS 2003-4:1/1

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On 14 March 2003 the UNCITRAL (United Nations Commission on International Trade Law) International Court of Arbitration in Stockholm published its final award in the TV NOVA case. An international arbitration panel ordered the Czech Republic to compensate the company CME Czech Republic B.V. (CME) with the sum of USD 269,814,000.- and interest at a rate of 10 % on this sum from 23 February 2000 until the date of payment.

The Court of Arbitration in Stockholm had initiated the proceedings on the basis of an Agreement on Encouragement and Reciprocal Protection of Investments between the Kingdom of The Netherlands and the Czech and Slovak Federal Republics of 1991. In September 2001 the Tribunal rendered a Partial Award, which stated that the Czech Republic had violated the provisions of the Treaty and was obliged to pay compensation for the loss CME suffered as a result of the violation of the Treaty in accordance with the fair market value of CME's investment (regarding the factual background see IRIS 2001-10: 2). After resolving the issue of liability in the first phase of the proceeding, the remaining issue in the second phase of the arbitration was to determine the reparation for the "genuine value" of the CME's investment in the Czech republic. The tribunal ruled that the appropriate form of relief would be full reparation corresponding to "the fair market value of CME's investment as it was before the respondent breached the Treaty". CME itself estimated the value of its investment to be USD 500 million.

Arbitrážní řízení UNCITRAL CME Czech Republic B.V. (Nizozemi) vs. Česká republika

<http://www.cnts.cz/doc10/cz/pdf/FinalAwardQuantum.pdf>

Arbitration Award in TV NOVA Case, 14 March 2003

