



**COUNCIL OF
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Investor-state dispute settlement: Council confirms deal with EP

The Permanent Representatives Committee (Coreper) today approved, on behalf of the Council, an agreement reached with the European Parliament on a framework for managing financial responsibility linked to investor-state dispute settlement proceedings.

The draft regulation, part of a broader EU framework for investment protection policy, establishes rules for managing the financial consequences of investor-state disputes, specifying how cooperation between the Commission and the member states should be structured in specific cases.

Agreement with the Parliament was reached on 2 April. The negotiations were led by the presidency on the basis of a mandate given by Coreper on 9 October last year. Today's agreement should enable the regulation to be adopted at first reading, before the Parliament adjourns for elections at the end of May. The Council would subsequently adopt the regulation without further discussion.

International agreements may include the possibility for an investor to bring a claim against a state where the state is alleged to have acted in a manner that is inconsistent with the agreement. Where such litigation takes place, the state will incur costs and may, if it loses, be required to pay compensation.

The Commission presented its proposal after the Treaty of Lisbon brought foreign direct investment within the scope of the EU's common commercial policy, making it also an EU competence.

P R E S S

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The draft regulation is a key element of the EU's investment policy. This new policy involves, on the one hand, the negotiation of new rules on investment with key trading partners and, on the other hand, the continued application of existing bilateral investment treaties between member states and third countries.
