

Inversión y Gestión de Bienes, IGB, S.L. and IGB18 Las Rozas, S.L.
v. Kingdom of Spain
(ICSID Case No. ARB/12/17)

Excerpts of the Award dated August 14, 2015 made pursuant to Rule 48(4) of the
ICSID Arbitration Rules of 2006

Claimants

Inversión y Gestión de Bienes, IGB, S.L. and IGB18 Las Rozas, S.L. (Spanish corporations)

Respondent

Kingdom of Spain

Tribunal

Rodrigo Oreamuno Blanco (Sole Arbitrator; Costa Rican), appointed by agreement of the parties

Award

Award of August 14, 2015 (original in Spanish)

Instrument relied on for consent to ICSID arbitration

Agreement between the Kingdom of Spain and the Republic of Venezuela on the Reciprocal Promotion and Protection of Investments signed on 2 November 1995, which entered into force on 10 September 1997 (“Spain-Venezuela BIT”)

Procedure

Applicable Arbitration Rules: ICSID Arbitration Rules of 2006

Place of Proceedings: Washington, D.C., United States of America

Procedural Language: Spanish

Full procedural details: Available at
<https://icsid.worldbank.org/apps/icsidweb/cases/Pages/casedetail.aspx?CaseNo=ARB/12/17&tab=PRD>

Factual Background

This dispute arose out of the Government’s alleged breach of an urbanistic agreement requiring it to requalify certain plots of land acquired by the Claimants to build a residential complex in Las Rozas, a municipality of Madrid (the “Agreement”).

According to the Claimants, they had acquired certain property in 2005 (the “Property”), with the expectation that pursuant to the Agreement, it would be requalified for multifamily residence use. The Claimants further permitted the Ayuntamiento de Las Rozas to take part of the Property to build a public road. Due to alleged further requirements for the requalification, the Claimants acquired an additional adjoining property in 2006.

In Claimants' view, the failure to requalify the Property by the Ayuntamiento de Las Rozas and the Comunidad de Madrid, despite previous negotiations and allegedly complying with the applicable requirements, breached a number of investment protection provisions under the Spain-Venezuela BIT.

The Claimants, two Spanish companies controlled by a Venezuelan national, filed a request for arbitration with ICSID in 2012. Spain raised jurisdictional objections and the Sole Arbitrator bifurcated the proceedings with the agreement of the parties. The Sole Arbitrator subsequently rendered a decision in which it upheld jurisdiction over the dispute. On August 14, 2015, the Sole Arbitrator rendered an award dismissing all of Claimants' claims, *inter alia*, on the basis that the explicit language of the Agreement determined that it was a preparatory document that only envisaged the possibility, but not a guarantee, to requalify the Property.
