ECONOMIC SANCTIONS AND INTERNATIONAL ARBITRATION: A COMPARATIVE ANALYSIS OF THEIR INTERPLAY.

SUMMARY: 1. The escalating use of economic sanctions – 2. The role of Bilateral Investment Treaties – 3. Enforcement Issue I: Arbitrability – 4. Enforcement Issue II: Public Policy – 5. Enforcement Issue III: Frozen Assets – 6. Conclusion – 7. Methodology – 8. Essential Bibliography.

1. The escalating use of economic sanctions

Up until World War II, nations would coerce allegedly offending states to comply with the law by means of armed forces—*i.e.,* war. Over the past few decades, however, restrictive measure, also known as sanctions, have become the chief tool in international relations.[1] Oftentimes, sanctions are designed to force targeted individuals into given behaviors by subjecting them to devastating, far-reaching economic constraints.[2] Multiple states and international organizations have brandished economic sanctions as a way of inducing international compliance in recent times. To mention some: in 1979 the United States applied economic sanctions against Iran in response to the latter's nuclear program and support for terrorist organizations, in 1990 the United Nation Security Council imposed sanctions to compel Iraq to withdraw from Kuwait, in 2006 the European Union adopted autonomous sanctions against North Korea to halt its nuclear weapons program. Although it is commonly claimed that sanctions are not meant to punish, they effectively are the modern substitute for armed conflict.[3] As such, it comes as no surprise that said utilization of economic sanctions as a foreign policy tool has been powerfully described as "lawfare."[4] And

[1] JENNIFER L. ERICKSON, *Punishing the violators? Arms embargoes and economic sanctions as tools of norm enforcement*, 46 Rev. Int'l Studies 96 (2020). See also FRANCESCO GIUMELLI, *Coercing, Constraining and Signalling: Explaining UN and EU Sanctions After the Cold War* 32 (2011) (contending that "[s]anctioning is an exercise of power in foreign policy, and power has been described in three dimensions: winning conflicts, limiting alternatives, and shaping normality, which can be translated in coercing, constraining, and signalling").

[2] Economic sanctions take a variety of forms, including embargoes, asset freezes, capital restraints, import or export bans on certain goods, investment bans, prohibitions on supplying certain services, etc.

[3] Commission (EU), *Overview of Sanctions and Related Tools*, available at https://ec.europa.eu/info/business-economy-euro/banking-and-finance/international-relations/restrictive-measures-sanctions/overview-sanctions-and-related-tools_en (declaring that "[i]n spite of their colloquial name 'sanctions', EU restrictive measures are not punitive. They are intended to bring about a change in policy or activity by targeting non-EU countries, as well as entities and individuals, responsible for the malign behavior at stake").

[4] *See* CHARLES J. DUNLAP JR., *Lawfare Today: A Perspective,* 3 Yale J. Int'l Aff. 146, 146 (2008) (defining lawfare "as the strategy of using - or misusing - law as a substitute for traditional military means to achieve an operational objective."

the unprecedented economic sanctions imposed against Russia following the invasion of Ukraine represents the most significant showcase of lawfare.

Within this framework, this research project aims at analyzing the legal consequences that lawfare has for international arbitration, both in its commercial and investment treaty forms.

Namely, the research will first review the challenges that economic sanctions have traditionally posed to the rendering and later enforcement of international arbitration awards. This part of the project will be characterized by a comparative approach devised to highlight the different opportunities and hurdles provided by the main western jurisdictions. Essentially, at this early stage of litigation, the core issue is whether disputes involving economic sanctions are arbitrable under domestic law. Secondly, the focus will shift to investment treaty arbitration. Here, the question begged is to what extent, if any, it is admissible for investors to invoke the protections afforded by bilateral investment treaties to challenge economic sanctions. Lastly, the research will scrutinize the obstacles to be overcome in order to obtain the recognition and enforcement of arbitral awards in the presence of economic sanctions. It is unclear under what circumstances domestic courts are prone to refuse enforcement on the grounds that economic sanctions fall within Article V(2)(b) of the New York Convention ("NYC"). On that note, particularly touchy is the question of whether economic sanctions can constrain the finality enjoyed by ICSID awards. Likewise, it is not clear the legality of executing an international arbitration award against assets frozen as a result of economic sanctions. Each of these issues will now be expounded in the following sections.

The ultimate goal of the research project is to provide a comparative, comprehensive picture of how international arbitration fits into the implementation of economic sanctions in each jurisdiction. Said picture will prove to be particularly valuable when considered against the more-than-conceivable backdrop of decades of arbitration proceedings addressing the economic sanctions springing from the Russian invasion of Ukraine. Once complete, the research will facilitate the projection as to how the lawfare conducted by and against Russia (and/or Russian entities) will ultimately play out.

2. The role of Bilateral Investment Treaties ("BIT").

BITs serve the primary function of promoting investments made by foreign investors within the territory of one state by affording them several substantial and procedural protections.[5] Typical investment protections range from the prohibition of unlawful expropriation to the guarantee of a fair and equitable treatment of the investments made in the host state. Should a dispute arise between an investor and the host state, this is typically resolved by way of an ICSID or UNCITRAL arbitration.[6]

The imposition of economic sanctions may result in the state breaching multiple provisions commonly found in investment treaties. For instance, freezing an investor's assets in the state could amount to an indirect expropriation as it almost completely deprives the investor of the management, enjoyment, and economic use of its investment.[7] Likewise, sanctions against another state or foreign individuals could cause the violation of the fair and equitable treatment standard if such measures upset the investor's legitimate expectations.[8] The sanctions related to the Ukraine-Russia war neatly highlight these issues. On the one hand, Russian oligarchs whose assets have been frozen by western government will likely challenge the legality of these sanctions under BIT.[9] In fact, two Russian banks already moved along those lines by threatening international arbitration against Ukraine after its parliament passed measures for the seizure of their assets.[10] On the other hand, the Russian countersanctions carry a high risk of violating several BIT provisions as well, especially when it comes to the different treatment reserved to investors of "unfriendly" states.[11]

---

[5] KENNETH J. VANDEVELDE, *Bilateral Investment Treaties: History, Policy, and Interpretation* 4 (2010) ("In their preambles, BITs profess that they seek to promote economic prosperity through facilitating foreign investment flows . . . promotion occurs, if at all, through the guarantee of protection").

[6] For BITs where controversies are devolved to an ICSID tribunal *see*, *e.g.*, China- Netherlands BIT (2001), Switzerland-Turkmenistan BIT (2008), and Croatia-United States of America BIT (1996). For BITs providing for an UNCITRAL arbitration *see, e.g.,* Russian Federation-Ukraine BIT (1998), Argentina-United States of America BIT (1991).

[7] *Técnicas Medioambientales Tecmed, S.A. v. The United Mexican States*, ICSID Case No. ARB (AF)/00/2, Award dated May 29, 2003 (holding that an indirect expropriation occurs when "the rights or assets subject to such measure have been affected in such a way that 'any form of exploitation thereof' has disappeared; i.e. the economic value of the use, enjoyment, or disposition of the assets").

[8] *Id.* at § 154 (interpreting fair and equitable treatment as requiring that states "provide to international investments treatment that does not affect the basic expectations that were taken into account by the foreign investor to make the investment").

[9] Among other, *see* Articles 2(2) and 5(1) of the Italy-Russian Federation BIT (1996), and Articles 3(2) and 5(1) of the Russian Federation-United Kingdom BIT (1989).

[10] COSMO SANDERSON, *Russian state banks warn of claims against Ukraine*, Global Arb. Rev. (May 12, 2022), available at https://globalarbitrationreview.com/article/russian-state-banks-warn-of-claims-against-ukraine.

[11] Presidential Decree on "Foreign States and territories committing unfriendly actions" (Mar. 5, 2022).

However, whether BIT protections are available to investors targeted by a state's economic sanctions is far from being clear. Some countries have signed and ratified BITs that are silent on this issue, thus allowing the inference that traditional treaty protections should be applied regardless.[12] Conversely, other states baked into their BITs clauses expressly qualifying as exceptions states' economic sanctions designed to coerce compliance with international policies.[13] Notably, Article 18 of the 2012 US Model BIT recognizes each party's ability to apply "measures that it considers necessary for the fulfillment of its obligations with respect to the *maintenance or restoration of international peace or security*, or the protection of its own essential security interests" (emphasis added).

As investment claims are arguably the most powerful arrow in the quiver of targeted entities, understanding the interaction between economic sanctions and the BITs' language is paramount for states to fend off the risk of multimillion awards. After illustrating the different ways countries have drafted BITs, this research will proceed with a particular emphasis on the lawfare currently accompanying the Ukraine-Russia conflict. It is indeed probable, if not a certainty, that questions concerning the legality of these sanctions will dominate the landscape of investment arbitration for years to come.

3. Enforcement issue I: Arbitrability.

Creditors can have a hard time enforcing commercial or treaty arbitration awards if their disputes are intertwined with economic sanctions. The first hurdle is provided by Article V(2)(a) of the NYC, according to which "the recognition and enforcement of an arbitral award may be refused if the competent authority in the country where recognition and enforcement is sought finds that the dispute is not capable of settlement by arbitration under the law of that country."[14] Scholars and western countries have parted ways as to the arbitrability of controversies ensuing from the imposition of sanctions.

---

[12] *See, e.g.,* Germany-Russian Federation BIT (1989), Russian Federation-United Kingdom BIT (1989), and Italy-Libya BIT (2000).
[13] *See, e.g.,* Argentina-United States of America BIT (1991).
[14] Convention on the Recognition and Enforcement of Foreign Arbitral Awards, New York (June 10, 1958). *Cf.* Article 34(2)(b)(i) of the UNCITRAL Model Law on International Commercial Arbitration (2006) (providing that "[a]n arbitral award may be set aside by the court if the court finds that the subject-matter of the dispute is not capable of settlement by arbitration under the law of this State").

The first approach advocates for the non-arbitrability based on the idea that there are certain matters of public policy that cannot be undermined nor scrutinized by private individuals like arbitrators.[15] In other words, the imposition of sanctions is perceived as a sovereign act that takes the availability of the dispute away from the parties. Among national courts that have espoused this reasoning, Italian ones have traditionally shown great diffidence towards arbitration in the context of international economic sanctions. In 1994, a dispute arose between two Italian companies and the government of Iraq since the companies declared the contract terminated due to the U.N. sanctions imposed against Iraq. Although Iraq relied on the arbitration clause incorporated in the contract at stake, the Genoa Court of Appeal ruled that the dispute was non-arbitrable because international sanctions had made the rights at stake "unavailable to the parties."[16] A similar approach has been taken by German courts that have consistently highlighted the risk of international arbitral tribunals derogating from German mandatory provisions.[17] Therefore, in this countries a creditor would be unable to enforce a favorable award.

By contrast, many practitioners have argued that the mere fact that the arbitral tribunals would have to consider and/or apply economic sanctions does not automatically import the non-arbitrability of the dispute.[18] In the above-mentioned dispute between Italian companies and Iraq, the Swiss Federal Tribunal disavowed the Italian courts and ruled that the international sanctions do not hinder the arbitrability of the dispute.[19] Similarly, the Paris Court of Appeal refused to recognize and enforce the Italian judgment by holding that the Italian court lacked jurisdiction due to the presence of an arbitration clause.[20] Canadian case law embraces the same conclusion as testified by the *Air France v. Libyan Arab Airlines* in which the Quebec Court of Appeal held that the arbitrability of the parties' dispute was not impacted by the U.N. sanctions against Libya.[21] Accordingly, enforcing an award in these countries does not appear to pose any risk to creditors.

---

[15] Nigel Blackaby, Constantine Partasides, Alan Redfern, & Martin Hunter, *Redfern and Hunter on International Arbitration* 112-116 (2015).

[16] *Fincantieri-Cantieri Navali Italiani SpA v Iraq*, Genoa Court of Appeal, (1994). *See Government & Ministries of Iraq v. Armamenti & Aerospazio S.p.A*, Italian Supreme Court (2015) (declaring that an originally valid arbitration clause becomes null and void in the case of supervening sanctions because they "make the object of the controversy unavailable to the parties").

[17] *See* OLG München, 17 May 2006 – 7 U 1781/06, IPRax 322 (2007).

[18] MATHIAS AUDIT, *L'effet des sanctions éecnomiques internationales sur l'arbitrage international*, in L'ordre public et l'arbitrage: actes du colloque des 15 et 16 mars 2013, Dijon (Mar. 2013).

[19] Fincantieri Cantieri Navali Italiani SpA et OTO Melara Spa v. ATF, Swiss Federal Tribunal (June 23, 1992).

[20] Legal Department du Ministère de la Justice de la République d'Irak v Société Fincantieri Cantieri Navali Italiani, Société Finmeccanica et Société Armamenti E Aerospazio, Paris Court of Appeal (June 15, 2006).

[21] La Compagnie Nationale Air France v. Libyan Arab Airlines, Quebec Court of Appeal (Mar. 31, 2003).

Upon exploring the weeds of the foregoing case law, this research will strive to spot the recent trend displayed by western jurisdictions in response to new international challenges and conflicts. The picture emerging will thus identify where award creditors are more likely to seek enforcement given the greater likelihood of prevailing on the arbitrability issue. The analysis of the reaction to the war in Ukraine by international creditors and investors will provide crucial data to buttress the findings of the research.

4. Enforcement issue II: Public Policy.

A second, extremely relevant issue that award creditors must be ready to litigate at the post-award stage is whether an award involving sanctions should not be enforced because at odds with the public policy of the country where enforcement is sought. Per Article V(2)(b) of the NYC, a court can deny recognition and enforcement of an arbitral award when doing so "would be contrary to the public policy of that county."[22] When it comes to sanctions, there are two colorable arguments for refusing to enforce an award. First, in its award, the arbitral tribunal disregarded or directly contradicted a prohibition of the relevant sanctions. Second, the award does not conflict with any sanctions, but paying the award creditor would place the award debtor in violation of sanctions. To date, it is though unclear whether and under what circumstances economic sanctions fall under the qualification of public policy for purposes of Article V(2)(b) of the NYC.

The traditional approach adopted by national courts is that the public policy defense should be construed narrowly. Specifically, scholars and courts have repeatedly cautioned as to the need of distinguishing between a state's domestic or foreign policy as opposed to the international public policy as defined in the NYC.[23] For decades public policy has indeed been understood as encompassing only fundamental and basic legal principles.[24] Since sanctions are transient measures caused by current political clashes, many jurisdictions have refused to apply Article

[22] Convention on the Recognition and Enforcement of Foreign Arbitral Awards, New York (June 10, 1958). *Cf.* Article 34(2)(b)(ii) of the UNCITRAL Model Law on International Commercial Arbitration (2006) (providing that "[a]n arbitral award may be set aside by the court if the court finds that award is in conflict with the public policy of this state").

[23] GEORGE A. BERMANN, *Recognition and Enforcement of Foreign Arbitral Awards – The Interpretation and Application of the New York Convention by National Courts* 935-936 (2017) (distinguishing between an international or trans-national public policy and domestic public policy. "This means that not all fundamental principles of the Swiss legal system belong to public policy, but only 'universal' principles, i.e. such principles, which – under Swiss understanding of law and sense of justice – should be considered as fundamental by all countries in the world").

[24] See MARK A. BUCHANAN, *Public Policy and International Commercial Arbitration*, 26 Am. Bus. L.J. 511, 513 (1988).

V(2)(b) of the NYC to deny enforcement of arbitral awards. Said jurisdictions include the United States,[25] Switzerland[26] and, to some extent, France.[27]

Although historically minority, the opposite approach, under which sanctions are considered part of a country's public policy and can therefore lead to the non-enforcement of awards, has recently gained momentum. After all, economic sanctions are an integral part of the body of mandatory provisions, and national courts must abide by overriding rules. It follows that awards afoul of sanctions should not be enforced. France,[28] Australia,[29] EU,[30] and Russia[31] are among those jurisdictions that have adopted this line of reasoning.

A fundamental goal of this research is to outline where western jurisdictions are heading toward in light of the recent geopolitical events. It is in fact beyond a doubt that deciding whether economic sanctions trigger the public policy defense is a touchy issue that is subject to a great deal of political pressure. Glaring evidence is provided by the polar opposite responses given by the Ukrainian Supreme Court, in the span of only 34 days, to two nearly identical issues involving awards in favor of Russian claimants. In January 9, 2020, the Supreme Court adhered to the traditional approach and confirmed that "the mere fact that the claimant is put on the [sanctions] list . . . does not mean that the enforcement of the ICAC award . . . will violate Ukrainian public order, as the award concerns only private relations between the commercial entities in relation to

---

[25] *See* the controlling case of *Parsons & Whittemore Overseas Co. v. Societe General de l'Industrie du Papier*, 508 F2d 969, 974 (2d Cir. 1974) (holding that the U.S. sanctions against Egypt did not justify the utilization of the public policy defense because "[i]n equating "national" policy with United States "public" policy, the appellant quite plainly misses the mark").

[26] *Fincantieri*, *supra* note 19 (rejecting the argument that paying an award to Iran would breach Swiss public policy and provide financial assets to Iran in violation of the international sanctions).

[27] *Sofregaz v. NGSC*, Paris Court of Appeal, Case No. (19-07261) (2020) (holding that U.S. sanctions on Iran did not constitute international public policy because they could "not be regarded as an expression of international consensus" due to past E.U. and French opposition").

[28] *Id.* (reaching the opposite conclusion with respect to E.U. and U.N. sanctions, which were considered "mandatory rules fully integrated into the French conception of international public policy" because aimed at "contributing to the maintenance or restoration of international peace and security").

[29] *Resort Condominiums International Inc v. Ray Bolwell*, 118 ALR 655 (1995) 1 Qd R 406 at 431-32 (refusing to enforce an award because "[m]any of the orders . . . [in the award] are contrary to the public policy of Queensland . . . in the sense that many of them as drafted would not be made in Queensland").

[30] Although there is not any case expressly addressing this issue, the European Court of Justice held that national courts shall refuse to enforce an award if it is at odds with mandatory provisions of the European law. Case C-126/97, *Eco Swiss China Time Ltd. v. Benetton International NV*, 1999 E.C.R. I-3055 (refusing to enforce an award that conflicted with Article 81 of the TFEU). *See* TAMAS SZABADOS *EU Economic Sanctions in Arbitration*, 35 J. Int'l Arb. 439, 459 (2018).

[31] Case 05-87/2019, Commercial Court of the Moscow Circuit (2019) (refusing enforcement of an award rendered in favor of an Ukrainian claimant whose director was later included in the sanctions list imposed by virtue of the Presential Decree No. 592/2018 "On Special Economic Measures in Connection with Ukraine's Unfriendly Actions toward Citizens and Legal Entities of the Russian Federation").

the performance of a contract they have entered into."[32] Due to the political backlash that the decision had engendered, after only a month the Ukrainian Supreme Court had to retrace its steps and declared that the enforcement of awards involving sanctions shall be denied because "sanctions represent one of the new aspects of the public policy in Ukraine."[33]

Whether the liberal approach elaborated by U.S. courts toward the public policy defense will be abandoned by other countries due to the current war in Ukraine and the harsh sanctions attached thereto is a question for this research to answer.

5. Enforcement issue III: Frozen Assets.

One last practical question remains to be considered at the enforcement time, and it regards the assets which the favorable award will be executed against. All too often debtors attempt to fraudulently conceal funds and other assets from creditors, but economic sanctions can prevent that. In fact, one of the most heavily utilized sanctions consists of the freezing of the assets of targeted persons or entities so as to prevent "the transfer, conversion, disposition or movement" of those funds or assets.[34] As such, economic sanctions might prove to be a powerful aid for the enforcement of international arbitration award.

With respect to commercial arbitration awards, the main issue is whether creditors are permitted to satisfy their award against frozen assets without violating the sanctions regime. The question is extremely complicated given the current legal framework. For instance, the E.U. Regulation governing sanctions expressly prohibits European operators from making "funds or economic resources . . . available, directly or indirectly, to or for the benefit of any natural or legal persons, entities or bodies as listed in Annex I."[35] Although the regulation provides for some exceptions,[36] it is unclear whether arbitral awards rendered after the imposition of sanctions can be satisfied against frozen assets. Indeed, only few months ago the European Court of Justice ruled that the freezing of assets under the E.U. restrictive measures precludes protective measures by

[32] Case 761/46285/16-C, Ukrainian Supreme Court (2020) (upholding the enforcement of an arbitral award where the creditor was a sanctioned Russian company).
[33] Case 824/100/19, Ukrainian Supreme Court (2020) (upholding the refusal to enforce an arbitral award rendered in favor of the same creditor as the case before).
[34] U.N. Security Council Resolution S/RES/1267(1999).
[35] Article 2(2) of the Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine
[36] *Id.* at Articles 4, 5, 6, 6b, 6c, 7.

creditors.[37] The reasoning, which was that conservatory measures "the effect of changing the destination of frozen funds,"[38] may well be applied to enforcement of arbitral awards too. Accordingly, part of this research will be devoted to understanding whether and how western jurisdictions allow for the enforcement of arbitral awards against frozen assets.

When it comes to investment treaty arbitration, the enforcement problem is slightly different because the award debtor is always a state. This means that enforcing the award inevitably entails the disposition of assets owned by states, which typically enjoy sovereign immunity.[39] While freezing a state's assets does not encroach on its sovereign immunity in that no court is involved, executing an award appears to be in direct violation of this international law principle. However, economic sanctions usually result in a great deal of central bank assets being frozen, thus potentially available to award creditors.[40] Therefore, award creditors usually resort to some exceptions to sovereign immunity, such as the "commercial activity" exception according to which sovereign immunity does not extend to goods used for a state's commercial activity.[41] Oftentimes, it is, though, a stretch the argument that central bank assets are used for a commercial activity, thus waving sovereign immunity.[42] Political climate can, however, get around this obstacle by creating new exceptions.[43] And the current sanctions climate against Russia may prove to be a fertile soil for a western turnabout in the traditional protections afforded to foreign states' assets irrespective of the imposition of sanctions.

[37] Case 340/20, Request for a preliminary ruling from the Cour de cassation (France) in *Bank Sepah v Overseas Financial Limited*, O.J. C 339/4 (2021).
[38] Id.
[39] *See, e.g.,* the U.S. Foreign Sovereign Immunities Act (FSIA) ("subject to existing international agreements to which the United States is a party at the time of enactment of this Act the property in the United States of a foreign state shall be immune from attachment, arrest, and execution"). *See also* the U.N. Convention on Jurisdictional Immunities of States and Their Property (Dec. 2, 2004) and the U.K. State Immunity Act (1978).
[40] Within the context of the Ukraine-Russia war, hundreds of billions of dollars of Russian Central Bank assets are not frozen. *See* NBCNews, *Graphic: Russia stored large amounts of money with many countries* (Mar. 18, 2022).
[41] *See* Article 5(3) of the Singapore State Immunity Act (2014) and 28 U.S.C. § 1605(a)(2).
[42] *See* INGRID WUERTH, *Does Foreign Sovereign Immunity Apply to Sanctions on Central Banks?*, lawfareblog.com (Mar. 7, 2022) (holding that "[i]f the Russian central bank assets are used to satisfy Russian creditors or if those assets are otherwise subjected to measures related to a judicial process, like civil forfeiture or something similar, then immunity will apply").
[43] *Bank Markazi v. Peterson*, 136 S. Ct. 1310 (2016) (declaring constitutional a law that had created an exception to the FSIA which had been designed to be applied only in a single, specific case).

6. Conclusion.

The foregoing sections highlighted various questions as to the functioning of international arbitration in the context of economic sanctions, to which jurisdictions have responded in disparate ways. Yet, a clear picture of these differences is paramount for creditors whose primary interest is not a mere abstract award but rather an enforceable one. Accordingly, this research will first focus on the current approaches adopted by (mainly western) states with respect to both their own and foreign sanctions. However, since economic sanctions are nowadays employed as a political weapon in the landscape of international lawfare, this research will also attempt to analyze how the geopolitical mutations of the twenty-first century will impact on each state's traditional approach. Namely, the disputes ensuing from the Russian invasion of Ukraine will provide an invaluable amount of raw data to support the ultimate findings of the research.

7. Methodology.

The purpose of this section is to illustrate the method that will be adopted to conduct this research project. The first year will be mainly devoted to the collection and study of the relevant material, which will include case law, bibliography, and governmental decisions dealing with economic sanctions. Given the particular focus on the current Russia-Ukraine situation, the researcher will closely monitor the developments of the sanctions and counter-sanctions regime, as well as their treatment in international arbitration. Upon establishing a comprehensive framework of the foregoing issues, the second year will primarily address how economic sanctions play out in commercial (as far as arbitrability goes) and investment arbitration proceedings (as to BIT claims). Since the enforcement of an award comes at play at a significantly later stage than the handing-down thereof, the issues of public policy defense and use of frozen assets will be elaborated upon primarily during the third, last year. The second and third year will also be characterized by an intense collection of empirical data from the major arbitration institutions. Specifically, the researcher plans to carefully monitor the seminars and other events organized in Paris, London, Stockholm, New York City, D.C., and Miami as they are the most popular arbitration seats. The hands-on experience and empirical data provided by these practitioners, combined with the theoretical analysis of the existent case law, will provide a clearer understanding of where each jurisdiction is going.

As already done throughout this research project, all the citations will comport with the rules provided by "The Bluebook: A Uniform System of Citation" (21st ed., 2020).

8. Essential Bibliography.

JENNIFER L. ERICKSON, *Punishing the violators? Arms embargoes and economic sanctions as tools of norm enforcement*, 46 Rev. Int'l Studies 96 (2020).

KENNETH J. VANDEVELDE, *Bilateral Investment Treaties: History, Policy, and Interpretation* (2010).

ALI Z. MAROSSI & MARISA R. BASSETT, *Economic Sanctions under International Law: Unilateralism, Multilateralism, Legitimacy, and Consequences* (2015).

KARL HEINZ BÖCKSTIEGEL, *Applicable Law in Disputes Concerning Economic Sanctions: A Procedural Framework for Arbitral Tribunals*, 30 Arb. Int'l 605 (2014).

FARSHAD GHODOOSI, *Combatting Economic Sanctions: Investment Disputes in Times of Political Hostility, a Case Study of Iran*, 37 Fordham Int'l L.J. 1732 (2014).

TAMÁS SZABADOS, *EU Sanctions in Arbitration*, 35 J. Int'l Arb. 439 (2018).

GEORGE A. BERMANN, *Recognition and Enforcement of Foreign Arbitral Awards – The Interpretation and Application of the New York Convention by National Courts* (2017).

MARK A. BUCHANAN, *Public Policy and International Commercial Arbitration*, 26 Am. Bus. L.J. 511, 513 (1988).

INGRID WUERTH, *Does Foreign Sovereign Immunity Apply to Sanctions on Central Banks?*, lawfareblog.com (Mar. 7, 2022)

ALBERTO POMARI