

# **Legitimate Expectations as Part of the Fair and Equitable Treatment Standard in Investment Arbitration**

## **Abstract**

This thesis introduces the conceptual overview of the fair and equitable treatment standard in international investment arbitration with focus on its protection of legitimate expectations. The first part of the thesis is divided into five chapters. Firstly, the standard is introduced and set into historical context. In the second chapter the author explains the relationship between the FET standard of treatment and the minimum standard of treatment of foreigners under international customary law. The third chapter showcases the different formulations of FET provisions and the effects of the wording on the application of the norm. The fourth chapter deals with the substantive contents of the standard, introducing them in separate subchapters. These contents are stability and consistency, legitimate expectations, transparency, judicial propriety, and other contents are also briefly introduced. The last chapter introduces the other standards of treatment, existing next to the FET and the relationship among them. These standards are protection from expropriation without due compensation, full protection and security, protection from discriminatory and arbitrary measures and the national or MFN treatment.

The second part focuses further on the protection of legitimate expectations of the investor under the FET standard. This part consists of three chapters and offers the overview of legitimate expectations and its contents, explains the relationship with the FET standard and introduces the different sources of legitimate expectations. It showcases the two main sources of legitimate expectations, the regulatory framework of the state and the possible representations of the state or its agents. The final chapter deals with the delicate balance of interests between the investor's right to maximalise the investment and the state's sovereign right to regulate. The conclusion offers a summary of the main findings of the thesis.

**Keywords:** Investment arbitration, Investor-state dispute settlement, FET, Standards of Treatment, Legitimate Expectations