

Cabinet approves Joint Interpretative Notes on the Agreement between India and Bangladesh for Promotion and Protection of Investments

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its approval for the Joint Interpretative Notes (JIN) on the Agreement between India and Bangladesh for the Promotion and Protection of Investments.

The JIN would impart clarity to the interpretation of the existing Agreement between India and Bangladesh for the Promotion and Protection of Investments (BIPA). The JIN includes interpretative notes to be jointly adopted for many clauses, including, the definition of investor, definition of investment, exclusion of taxation measures, Fair and Equitable Treatment (FET), National Treatment (NT) and Most Favoured Nation (MFN) treatment, expropriation, essential security interests and Settlement of Disputes between an Investor-and a Contracting Party.

Joint Interpretative Statements in general play an important supplementary role in strengthening the investment treaty regime. With increasing Bilateral Investment Treaty (BIT) disputes, issuance of such statements is likely to have strong persuasive value before tribunals. Such pro-active approach by States can foster a more predictable and coherent reading of treaty terms by arbitration tribunals.

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