

PROPER INTERPRETATION OF CORPORATE NATIONALITY UNDER INTERNATIONAL INVESTMENT LAW TO PREVENT TREATY SHOPPING

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ABSTRACT

In order to solve the problem of treaty shopping, drafters of some investment treaties introduced the Control Rule into the definition of investors. Some treaty drafters also inserted the Denial of Benefits Clause to confine the scope of eligible investors. However, neither of them is workable under the tendency of broadly defined scope of investors in modern investment treaties. It is desirable to enhance the method of treaty interpretation by arbitral tribunals to prevent treaty shopping. The Denial of Benefits Clause should also be modified for such purpose.

KEYWORDS: *treaty shopping, Control Rule, Denial of Benefits Clause, treaty interpretation*

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