

BAKER MCKENZIE ADVISED DUTCH CLIENT ON ICSID DISPUTE WITH VENEZUELA

Posted on 13 November 2017



Category: [News](#)



Baker McKenzie has won an ICSID award for a Dutch client in a long running dispute with Venezuela.

The dispute started when the Venezuelan government nationalised Compañía Anónima Café Fama de América, a 120-year old coffee company in which the claimant, Longreef Investments, had invested.

On November 6, 2017 an ICSID tribunal issued an award in the amount of about \$53 million in favor of Longreef, finding that Venezuela illegally expropriated Longreef's interest in Café Fama de América and breached its obligation to provide fair and equitable treatment to the claimant, by taking control of the coffee company through an agrarian court injunction in 2010, and failing to comply with expropriation proceedings required by Venezuelan law.

Notably, in the jurisdiction award dated 12 February 2014, the tribunal found it had jurisdiction notwithstanding the termination of the Netherlands-Venezuela BIT before the arbitration started. In the final Award, the tribunal determined that Venezuela had significantly undervalued Café Fama de América. Venezuela was also required to pay two thirds of the costs of arbitration, including a substantial amount of the claimant's legal and expert fees.

The Baker McKenzie team advising Longreef was led by Grant Hanessian and Derek Soller in New York and Eugenio Hernandez-Breton, Maria Eugenia Salazar and Hector Martínez in Caracas.