

# STOCKHOLM CONVENTION ON THE USE OF BLOCKCHAIN TO BOOST CLIMATE ACTION

as adjusted and amended in  
October 2018

Brussels, Belgium

## **AUTHOR OF THE FIRST DRAFT**

*As submitted to the STOCKHOLM TREATY LAB in Feb 2018*

The Stockholm Treaty Lab is an innovation contest. It is the initiative of the Arbitration Institute of the Stockholm Chamber of Commerce (SCC), together with Arbitration Institute of the Stockholm Chamber of Commerce, Stockholm Chamber of Commerce, International Bar Association, HagaInitiative Business for active responsibility, TRINE, Stockholm Environment Institute (SEI) and Transnational Dispute Management (TDM issn 1875-4120) + OGEMID.

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### **DISCLAIMER**

The October 2018 version of the Stockholm Convention on the use of Blockchain to Boost Climate Action is a substantial different version of the first draft submitted to the STOCKHOLM TREATY LAB in Feb 2018. José Rafael Mata Dona is most grateful to the efforts of the initial contributors, but he alone is responsible for this upgrade and the flaws or errors it may contain.

## **FUNDING**

This submission received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

We welcome your comments on the draft of this convention. Please send them to the contact information below.

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# STOCKHOLM CONVENTION ON THE USE OF BLOCKCHAIN TO BOOST CLIMATE ACTION

## Preamble

*The Parties to this Convention,*

*Recalling* the Climate Change Regime developed since 1992 under the United Nations Framework Convention on Climate Change (UNFCCC) and the 2015 Paris Agreement,

*Mindful* that human activities have been substantially increasing the atmospheric concentrations of greenhouse gases, that these increases enhance the natural greenhouse effect, and that this will result on average in an additional warming of the Earth's surface and atmosphere and may adversely affect natural ecosystems and humankind,

*Reaffirming* the need to strengthen global promotion and protection of foreign investments, aimed at reducing greenhouse gas emissions in response to the threat of climate change, as a prerequisite for attaining the United Nations Sustainable Development Goals,

*Conscious* that these goals can only be achieved through concerted efforts of the entire international community and only in close and fair cooperation with the private sector,

*Recognizing* the developmental needs of developing countries,

*Acknowledging* the importance of promoting international cooperation in the research, development, use and transfer of alternative cutting-edge technologies and relevant scientific knowledge relating to the control and reduction of emissions of greenhouse gases,

*Acknowledging* the potential of Blockchain's distributed nature to improve governance and sustainability in support of collective action and its applications in inter-organizational cooperation, including as an efficient way to keep records of transactions and manage data,

*Noting* the potential of Blockchain in improving carbon emission trading, facilitating clean energy trading, enhancing climate finance flows and improving the tracking and reporting of greenhouse gas (GHG) emissions reduction and avoidance of double counting,

*Noting* that the magnitude of funds necessary is predictable,

*Aware* of the precautionary measures for controlling emissions of greenhouse gases that have already been taken at national and regional levels,

*Determined* to protect natural ecosystems and humankind, by enforcing compliance and replacing nationally determined contributions with clear achievable commitments,

*Recognizing* the principle of systematic integration as the master key to international investment law,

*Acknowledging* that the right to a healthy environment is a human right of each and every person,

*Reaffirming* the principle of sovereignty of States in international cooperation to address climate change, and the principle of proportionality as a tool to resolve conflict or collisions between different rights and interests by providing for an appropriate balance between individual rights and the public interest,

*Aiming* at creating a balance between the protection of human rights and climate policy, on the one hand, and the protection of foreign investments and economic policy, on the other, also considering their intertwined nature,

*Recognizing* that efficient international judicial and alternative mechanisms of dispute resolution, including Inter-State, Investor-State, local affected communities and third interested parties are required to ensure the achievement of these objectives,

*Acknowledging* the importance of the States Parties' domestic legal systems for furthering these objectives of the international community,

*Conscious* that certainty and predictability are key drivers for business, and the need for a high level of the Rule of Law in all States;

HAVE AGREED AS FOLLOWS

## **PART I**

### **GENERAL PROVISIONS**

#### **Article I.I**

##### **Use of terms**

1. For the purposes of the present convention:

(a) 'Treaty' means any bilateral or multilateral treaty, whether embodied in a single instrument or in two or more related instruments and whatever its particular designation, including any treaty commonly referred to as a free-trade agreement, economic integration agreement, trade and investment framework or cooperation agreement, or bilateral investment treaty, which contains provisions on the protection of investments or investors and a right for home or host States, investors, or local affected communities to resort to litigation or any alternative mechanisms of dispute resolution against contracting parties to that investment treaty or local communities.

(b) 'Green investment' means investment projects implemented in State Parties that:

- i. pursues the achievement of the goals of the Paris Agreement
- ii. respect or promotes the achievement of the United Nations Sustainable Development Goals
- iii. respect the general principles of law recognized by civilized nations
- iv. recognize the right to a healthy environment as a human right
- v. maximize, where possible, co-financing by private and public-sector capital
- vi. are technically and economically viable

(c) ‘Cryptocurrency’ means digital currencies represented by line items on the Blockchain. Instead of relying on a financial institution to record transactions, Blockchain leverages the resources of large peer-to-peer networks to verify and confirm each cryptocurrency transaction. In its purest form, cryptocurrency is a peer-to-peer version of electronic cash. It allows online payments to be sent directly from one party to another without going through a financial institution.

(d) ‘Ledger’ means is a view of the current state of a marketplace, and all of the transactions that led to that current state.

(f) ‘Shared distributed ledger’ means an immutable record of all transactions on the network, a record that all network participants can access. With a shared ledger, transactions are recorded only once, eliminating the duplication of effort that is typical of traditional business networks. The shared ledger has the following characteristics:

- i. It records all transactions across the business network; the shared ledger is the system of record, the single source of truth.
- ii. It is shared among all participants in the network; through replication, each participant has a duplicate of the ledger.
- iii. It is either permissioned or permissionless.

(g) ‘Blockchain’ means a distributed ledger network.

(h) ‘Tokens’ mean a representation of a particular asset or utility, that usually resides on top of another Blockchain. Tokens can represent basically any assets that are fungible and tradeable.

(i) ‘Initial Coin Offerings’ (ICOs) means cryptocurrency crowdfunding.

(j) ‘Initial Token Offerings’ (ITOs) means token crowdfunding.

(k) ‘Smart contracts’ means a computerized transaction protocol that executes the terms of a contract.

(l) ‘Ethereum’ means a crypto-platform that introduces a scripting language allowing for the creation of smart contracts. The intent of Ethereum is to allow developers to create arbitrary consensus-based applications that have the scalability, standardization, feature completeness, ease of development and interoperability offered by these different paradigms all at the same time. Ethereum allows anyone to write smart contracts and decentralized applications where they can create their own arbitrary rules for ownership, transaction formats and state transition functions.

(m) ‘Node’ means a computer connected to the Blockchain network. It participates in the network by relaying transactions and blocks, validating transactions and storing part of or the full Blockchain.

(n) ‘Static token supply with a specific limit for project funding’ means that every token has a pre-designated price that does not change during the ICO period.

(o) ‘Static supply with a dynamic funding goal’ means that the distribution of tokens is made according to the funds received, or that the price for each token is static but every time a payment is made by the clients of the platform to the machines executing the requested operations a new token is created. A limit can be set in terms of goals or time frame.

## **Article I.2**

### **Scope of application**

This Convention applies to arbitration between an investor and a State or a regional economic integration organization, to Inter-State Impartial Fact-Finding, including regional economic integration organizations, and to Inter-State Arbitration, or any voluntary procedure of dispute resolution at large conducted on the basis of an investment treaty.

## **Article I.3**

### **The Opt-in Clause**

#### *Bilateral or multilateral application*

1. This Convention shall apply to IIAs between two or more Parties who have not made a relevant reservation under article V.2(1)(a).

#### *Unilateral offer of application*

2. Where the mechanisms of dispute resolution of this convention do not apply pursuant to paragraph 1, they shall apply to disputes in which the respondent is a Party that has not made a reservation under article V.2(1)(b), and the claimant agrees to the application of the Stockholm Convention on the use of Blockchain to boost Climate Action.

#### *Most favoured nation provision in an investment treaty*

3. The Parties to this convention agree that a claimant may not invoke a most favoured nation provision to seek to apply, or avoid the application of, the Stockholm Convention on the use of Blockchain to boost Climate Action.

## **Article I.4**

### **Application to claims**

This convention and any reservation, or withdrawal of a reservation, shall apply only to claims that are commenced after the date when the Convention, reservation, or withdrawal of a reservation, enters into force or takes effect in respect of each Party concerned.

## **PART II**

### **JOINT INVESTMENT PROTECTION REGIME**

#### **CHAPTER I**

#### **CLIMATE STRATEGIC BLOCKCHAIN INVESTMENTS**

##### **Article II.1**

##### **Complementary Investment Protection Regime**

1. Traceable green investment implemented in State Parties with foreign funds collected either by ICO or ITO transactions benefit of the joint investment protection regime of this convention.

##### **Article II.2**

##### **Transparency and public disclosure of information**

Access to distributed ledgers must comply with the data protection legislation in force regulating ICOs and ITOs protected under the respective domestic laws of the State Parties.

##### **Article II.3**

##### **Anti-fraud measures**

It is mandatory for State Parties to use Anti-Money Laundering software such as Chainalysis's Application Programming Interface (API), to obtain real time Blockchain transaction analysis on ICOs or ITOs in their jurisdictions. Such tool must determine which unique entity a transaction originates from and provide State Parties with transaction route investigation, private annotation of entities and transactions, and automated report generation.

##### **Article II.4**

##### **Excluded activities and non-cooperative jurisdictions**

In financing and investment operations covered by this convention, ICOs and ITOs shall comply, where applicable, with the global best-practices and standards of national regulatory organizations such as The ICO Governance Foundation (IGF), the U.S Securities and Exchange Commission (SEC), The European Securities and Markets Authority (ESMA), the China Securities Regulatory Commission (CSRC), The Monetary Authority of Singapore (MAS) and others. ICOs and ITOs shall not support projects under this convention that contribute to money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion.

In addition, ICOs and ITOs shall not enter into new or renewed operations with entities incorporated or established in jurisdictions that do not effectively comply with internationally agreed tax standards on transparency and exchange of information.

## **PART III**

### **MITIGATION AND ADAPTATION**

#### **Article III.1**

##### **Climate Accountability**

1. To progress in transparency, protection and surveillance, the States Parties consent to make use of a Blockchain decentralized database and earth observation data, known as Geographic Information System (GIS).
2. In the decentralized Blockchain database investors, businesses and governments shall have a profile that keeps track of relevant information related to climate change, e.g. carbon emission, clean energy trading, funding allocation, social impact, etc. Every update from the record-keeping functionality is held in nodes in the Blockchain. All quantifiable information (e.g. carbon emission) shall be reported through a standard unit.
3. Earth-observation satellite data shall monitor and verify the accuracy of the information registered by the users in the Blockchain platform.

#### **Article III.2**

##### **Border Adjustment Carbon Tax**

1. States Parties must apply a carbon tax on both domestic and imported 'like' products at the time of their sale or distribution based on the amount of greenhouse gases emitted in the production of the product.

In the event that the carbon content of a good may not be established because companies, importers, or countries are unwilling or unable to provide the necessary data, the amount of the carbon tax must be based on the best information available.

2. States Parties must grant a remission to producers who paid the domestic carbon tax but ultimately export their 'like' products. State parties expressly agree in that the remission of the carbon tax imposed on a product when that product is exported must not be considered as a subsidy, provided that the amount of the remission is not higher than the amount of the carbon tax paid.
3. Importing States Parties must put in place a nondiscriminatory labelling scheme and a distributed ledger network in the Ethereum to collect necessary information to determine the carbon footprint of each specific imported 'like' products.

To the effect of this convention, States Parties agree in submitting the carbon footprint of all products to the Agreement on Technical Barriers to Trade (TBT Agreement). This labelling scheme must be similarly applied to imported products and domestic 'like' products and be no more trade restrictive than necessary in order to fulfil the objective of protecting the environment.

**PART IV**  
**SETTLEMENT OF DISPUTES**

**CHAPTER I**

**GENERAL PROVISIONS**

**Article IV.1**

**Obligation to settle disputes by peaceful means**

States Parties, or any State Party and any investor shall settle any dispute between them as to the interpretation or application of this convention by peaceful means in accordance with Article 2, paragraph 3, of the Charter of the United Nations and, to this end, shall seek a solution either by voluntary or compulsory procedures entailing binding decisions.

**Article IV.2**

**Obligations under regional agreements**

(1) If the parties to a dispute concerning the interpretation or application of this convention have agreed, through a regional agreement, that such dispute shall, at the request of any of the parties in conflict, be submitted to a procedure that entails a binding decision, that procedure shall apply in lieu of the procedures provided for in this part, unless the parties to the dispute can otherwise agree.

(2) This convention prevails over Regional law applicable to Intra-BITs or Intra-Multilateral Investment Treaties when the settlement of the dispute takes place between:

(a) Member States of the regional agreement and other States Parties Not-Members of the same regional agreement

(b) Member States of the regional agreement and investors who are not citizens of the Members States of the regional agreement

(3) In the event of a dispute between two States Parties, one of which is a member State of a Regional Community, the other Contracting Party shall address the request for arbitration both to the member State and to the Community, which jointly shall notify, whether the member State or the Community, or the member and the Community jointly, shall be party to the dispute. In the absence of such notification within 15 calendar days, the member State and the Community shall be considered as being one and the same party to the dispute for the purposes of the application of the provisions governing the constitution and procedure of the arbitration tribunal. The same shall apply when the member State and the Community jointly present themselves as a party to the dispute.

**Article IV.3**  
**Obligation to exchange views**

1. When a dispute arises as to the interpretation or application of this convention between States Parties, or between any State Party and any investor, the parties shall proceed expeditiously to an exchange of views regarding its settlement by voluntary procedures.
2. The parties shall also proceed expeditiously to an exchange of views in the event that a dispute has not been settled pursuant a voluntary procedure within 90 days of filing an invitation to an amicable settlement, or within such other period as the parties may agree in writing.

**Article IV.4**  
**Multiple proceedings**

1. During an Investor-State Arbitration, an Inter-State Impartial Fact-Finding, or an Inter-State Arbitration, the parties may choose a voluntary procedure for the resolution of their dispute provided that the parties agree in writing.
2. If a claim is brought pursuant to this Convention and to another international agreement, and:
  - (a) there is some potential for overlapping compensation; or
  - (b) the other international claim could have a significant impact on the resolution of the claim brought pursuant to this Convention, the Tribunal or the fact-finding Commission shall, as soon as possible after hearing the disputing parties, stay its proceedings or otherwise ensure that proceedings, brought pursuant to another international agreement, are taken into account in its decision, order or award.

**Article IV.5**  
**Admissions or proposals**

No admission or proposal formulated during the course of voluntary procedures, either by one of the Parties or the good offices of a third party, can be considered as prejudicing the rights of the contentions of either Party in the event of failure of the procedure.

**CHAPTER II**  
**VOLUNTARY PROCEDURES**

**Article IV.6**  
**Mediation**

Any dispute concerning the interpretation or application of this convention may be submitted to mediation at the request of any parties to the dispute. The parties must apply *mutatis mutandis* either:

- a) the International Bar of Association (IBA) Rules on Investor-State Mediation and use the International Centre for Settlement of Investment Disputes (ICSID) facilities and administrative services throughout the process,
- b) the Mediation Rules of the Arbitration Institute of the Stockholm Chamber of Commerce,
- c) the ICC Mediations Rules or
- d) the Mediation Rules of the Singapore International Mediation Centre.

**Article IV.7**  
**Conciliation**

(1) A party may invite its counterpart to submit their dispute to conciliation in accordance with:

- (a) the ICSID Convention, the ICSID Rules of Procedure for the Institution of Conciliation and Arbitration Proceedings (Institution Rules), the ICSID Rules of Procedure for Conciliation Proceedings (Conciliation Rules); and ICSID Administrative and Financial Regulations, in particular by Regulations 16, 22(1), 23, 24, 30 and 34(1);
- (b) *Permanent Court of Arbitration Optional Rules for Conciliation of Disputes Relating to Natural Resources and/or the Environment*; or,
- (c) another conciliation procedure.

(2) If the invitation is not accepted or the parties do not agree upon the procedure, the conciliation proceedings shall be deemed to be terminated.

(3) Unless the parties otherwise agree, when a dispute has been submitted to conciliation, the proceedings may be terminated only in accordance with the agreed conciliation procedure.

**Article IV.8**  
**Settlement of disputes by any peaceful means chosen by the parties**

(1) Nothing in this part impairs the right of State Parties, or of State Parties and investors, to settle a dispute concerning the interpretation or application of this convention by any other voluntary procedure mutually agreed.

(2) If the parties concerned fail to settle such dispute by means of a voluntary procedure, either party may refer the matter to arbitration or, in case of an Inter-State dispute, to Inter-State Impartial Fact-Finding.

(3) If the parties have agreed on a time limit for the resolution of their dispute through a voluntary procedure, the provisions of Chapter III, Part V of this Convention will be only admissible upon the expiration of that time limit.

## CHAPTER III

### COMPULSORY PROCEDURES ENTAILING BINDING DECISIONS

#### Article IV.9

##### Investor-State Arbitration

1. Any investor-state dispute, or unresolved aspects of an investor-state dispute notwithstanding the terms of a settlement agreement reached pursuant to Chapter II, shall, failing settlement through voluntary procedures, be finally settled by binding arbitration.
2. Either a disputing investor or a Party State may submit a dispute referred to in paragraph 1 to arbitration in accordance with:
  - (a) the Permanent Court of Arbitration Optional Rules for Arbitration of Disputes relating to Natural Resources and/or the Environment, in force on the date the Request is submitted, in which case the appointing authority shall be the Secretary General of the Permanent Court of Arbitration;
  - (b) the Convention on the Settlement of Investment Disputes States and Nationals of other States, opened for signature at Washington, DC on 18 March 1965, (provided that both Contracting Parties are Parties to the said Convention)
  - (c) the Rules Governing the Additional Facility for the Administration of Proceedings by the Secretariat of the International Centre for Settlement of Investment Disputes Additional Facility Rules of ICSID, provided that either the State Party or the home State of the investor, but not both, is a party to the ICSID Convention;
  - (d) the Rules of Arbitration of the International Chamber of Commerce (ICC) by one or more arbitrators appointed in accordance with the said Rules;
  - (e) the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce;
  - (f) in accordance with the Investment Arbitration Rules of the Singapore International Arbitration Centre (SIAC IA) Rules.
3. ICSID arbitration Rule 37.2 shall apply *mutatis mutandis* to third party interventions.

#### Article IV.10

##### Inter-State Impartial Fact-finding

- (1) Any dispute on damage prevention related to non-compliance with the obligations established hereunder may be submitted, at the request of States Parties in conflict, to impartial fact-finding, in which case a Fact-Finding Commission shall be established. Unless the parties agree on a single-member Commission, the Fact-Finding Commission must be composed of one member nominated by each State Party concerned and another member not having the nationality of any of the States Parties concerned chosen by the nominated members who shall serve as Chairman.
- (2) If the members nominated by the States Parties are unable to agree on a chairman within 15 days of the request for the establishment of the Commission, any State Party concerned may request the Secretary General of the Arbitration Institute of the Stockholm Chamber of Commerce (SCC) to appoint the Chairman who shall not have the nationality of any of the States Parties to the dispute. If one of the parties fails to nominate a member within 15 days of the initial request pursuant to paragraph 1, any other State Party concerned may request the

Secretary General of the SCC to appoint a person who shall not have the nationality of any of the States Parties to the dispute.

(3) The Commission shall determine its own procedure.

(4) The parties concerned have the obligation to provide the Commission with such information as it may require and, on request, to permit the Commission to have access to their respective territory and to inspect any facilities, plant, equipment, construction or natural feature relevant for the purpose of its inquiry.

(5) The Commission shall bring a decision by a majority vote, unless it is a single-member Commission, and shall notify its decision to the parties concerned setting forth its findings, the reasons therefore and a list of binding provisional non-monetary sanctions in respect of non-compliance as it deems appropriate for an equitable solution of the dispute.

(6) The expenses of the Commission shall be borne equally by the parties concerned.

#### **Article IV.11 Inter-State Arbitration**

1. Any dispute between States Parties concerning the interpretation or application of this convention, that is not resolved through a voluntary procedure, shall be submitted on the request of any State Party in conflict, to arbitration for a final and binding decision. The latter, in accordance with applicable rules of international law. In the absence of an agreement by the parties to the contrary, either:

(a) the Permanent Court of Arbitration Optional Rules for Arbitration of Disputes relating to Natural Resources and/or the Environment, in force on the date the Request is submitted, shall govern, except as modified by the Parties or by this Convention, in which case the appointing authority shall be the Secretary General of the Permanent Court of Arbitration; or

(b) the UNCITRAL Arbitration Rules shall govern except as modified by the Parties or by this Convention.

2. Unless the States Parties party to the dispute otherwise agree, the tribunal shall comprise three arbitrators, one arbitrator appointed by each party and the third, who shall be the presiding arbitrator, appointed by agreement of the parties. If a tribunal has not been constituted within 75 days from the date that a claim is submitted to arbitration under this chapter, the Secretary General of the Permanent Court of Arbitration, on the request of any party, shall appoint, in his or her discretion, the arbitrator or arbitrators not yet appointed.

3. Expenses incurred by the arbitrators, and other costs of the proceedings, shall be paid for equally by the parties. However, the tribunal may, in its discretion, direct that a higher proportion of the costs to be paid by one of the parties.

4. A joint decision of the parties, each acting through its representative designated for purposes of this article, declaring their interpretation of a provision of this convention shall be binding on a tribunal, and any decision issued by a tribunal must be consistent with that joint decision.

5. ICSID arbitration Rule 37.2 shall apply *mutatis mutandis* to third party interventions.

**PART V**  
**FINAL PROVISIONS**

**Article V.1**  
**Applicable law**

1. The function of the adjudicators implementing the Dispute Settlement Mechanisms herewith provided is to decide in accordance with international law such disputes as are submitted to them. They shall apply:

- a) International conventions, whether general or particular, establishing rules expressly recognized by the contesting states;
- b) International custom, as evidence of a general practice accepted as law; the general principles of law recognized by civilized nations;
- c) Judicial decisions and the teachings of the most highly qualified publicists of the various nations, as a subsidiary means for the determination of rules of law.

2. This provision shall not prejudice the power of the adjudicators to decide a case *ex aequo et bono*, if the parties agree thereto.

**Article V.2**  
**Reservations**

1. A Party may declare that:

(a) It shall not apply the Stockholm Convention on the use of Blockchain to boost Climate Action to a specific investment treaty, identified by title and name of the contracting parties to that investment treaty;

(b) It excludes from compulsory dispute settlement certain categories of disputes.

2. In the event of a revision of the Stockholm Convention on the use of Blockchain to boost Climate Action, a Party may, within six months of the adoption of such revision, declare that it shall not apply that revised version of the Convention.

**Article V.3**  
**Formulation of reservations**

1. Reservations may be made by a Party at any time, save for a reservation under article V.2 (2).

2. Reservations made at the time of the signature shall be subject to confirmation upon ratification, acceptance or approval. Such reservations shall take effect simultaneously with the entry into force of this convention in respect of the Party concerned.

3. Reservations made at the time of ratification, acceptance or approval of this convention or accession thereto shall take effect simultaneously with the entry into force of this convention in respect of the Party concerned.

4. Except for a reservation made by a Party under article V.2 (2), which shall take effect immediately upon deposit, a reservation deposited after the entry into force of the Convention for that Party shall take effect twelve months after the date of its deposit.

5. Reservations and their confirmations shall be deposited with the depositary.

6. Any Party that makes a reservation under this convention may withdraw it at any time. Such withdrawals are to be deposited with the depositary and shall take effect upon deposit.

#### **Article V.4 Amendment**

1. Any Party may propose an amendment to the present Convention by submitting it to the Secretary General of the SCC.

(a) In case of a multilateral IIA that has incorporated the provisions of this convention, the Secretary General shall thereupon communicate the proposed amendment to the Parties with a request that they indicate whether they favour a conference of Parties for the purpose of considering and voting upon the proposal. In the event that within four months from the date of such communication at least one third of the Parties favour such a conference, the Secretary General shall convene the conference under the auspices of the SCC.

(b) In case of a BIT that has incorporated the provisions of this convention, the Secretary General shall thereupon communicate the proposed amendment to the other Party with a request that that Party indicates whether it favours a conference of the two Parties for the purpose of considering and voting upon the proposal. In the event that within four months from the date of such communication the Parties favour such a conference, the Secretary General shall convene the conference under the auspices of the SCC.

2. In case of a multilateral IIA, the conference of Parties shall make every effort to achieve consensus on each amendment. If all efforts at consensus are exhausted and no consensus is reached, the amendment shall, as a last resort, require for its adoption a two-thirds majority vote of the Parties present and voting at the conference. In case of a BIT, for adoption each amendment shall be mutually unanimously agreed.

3. An adopted amendment shall be submitted by the Secretary General of the SCC to all the Parties for ratification, acceptance or approval.

4. In case of a multilateral IIA, an adopted amendment enters into force six months after the date of deposit of the third instrument of ratification, acceptance or approval. In case of a BIT, an adopted amendment enters into force six months after the date of deposit of the second instrument of ratification, acceptance or approval. When an amendment enters into force, it shall be binding on those Parties which have expressed consent to be bound by it.

5. When a State or a regional economic integration organization ratifies, accepts or approves an amendment that has already entered into force, the amendment enters into force in respect

of that State or that regional economic integration organization six months after the date of the deposit of its instrument of ratification, acceptance or approval.

6. Any State or regional economic integration organization which becomes a Party to the Convention after the entry into force of the amendment shall be considered as a Party to the Convention as amended.

### **Article V.5 Depositary**

1. The Secretary General of the Arbitration Institute of the Stockholm Chamber of Commerce (SCC) is hereby designated as the depositary of this convention.

2. The depositary shall transmit certified copies of this convention to regional economic integration organization and States members.

3. The depositary shall notify all signatory States of the following:

- (a) signatures in accordance with Article V.6 (1);
- (b) deposits of instruments of ratification, acceptance and approval in accordance with Article V.6 (2);
- (c) the date on which this Convention enters into force in accordance with Article V.8;
- (d) exclusions from territorial application pursuant to Article V.6 (3);
- (e) the date on which any amendment of this Convention enters into force in accordance with Article V.4; and
- (f) denunciations in accordance with Article V.9.

### **Article V.6 Signature, ratification, acceptance, approval, accession**

1. This Convention shall be open for signature at the Stockholm City Hall on 1 May 2018, and thereafter at the Stockholm Chamber of Commerce in Stockholm by any (a) State; or (b) regional economic integration organization that is constituted by States and is a contracting party to an investment treaty.

2. This Convention is subject to ratification, acceptance or approval by the signatories to this convention in accordance with their respective constitutional procedures.

3. This Convention shall apply to all territories for whose international relations a Contracting State is responsible, except those which are excluded by such State by written notice to the depositary of this convention either at the time of ratification, acceptance or approval or subsequently.

4. This Convention is open for accession by all States or regional economic integration organizations referred to in paragraph 1 which are not signatories as from the date it is open for signature.

5. Instruments of ratification, acceptance, approval or accession are to be deposited with the depositary.

6. Each Contracting State and regional economic integration organizations shall take such legislative or other measures as may be necessary for making the provisions of this convention effective in its territories.

#### **Article V.7**

##### **Participation by regional economic integration organizations**

1. When depositing an instrument of ratification, acceptance, approval or accession, a regional economic integration organization shall inform the depositary of a specific investment treaty to which it is a contracting party, identified by title and name of the contracting parties to that investment treaty.

2. When the number of Parties is relevant in this convention, a regional economic integration organization does not count as a Party in addition to its member States which are Parties.

#### **Article V.8**

##### **Entry into force**

1. In case of a multilateral IIA, this convention shall enter into force six months after the date of deposit of the third instrument of ratification, acceptance, approval or accession. In case of a BIT, this convention shall enter into force six months after the date of deposit of the second instrument of ratification, acceptance, approval or accession.

2. In case of a multilateral IIA, when a State or a regional economic integration organization ratifies, accepts, approves or accedes to this convention after the deposit of the third instrument of ratification, acceptance, approval or accession, this convention enters into force in respect of that State or regional economic integration organization six months after the date of the deposit of its instrument of ratification, acceptance, approval or accession. In case of a BIT, the same apply but after the deposit of the second instrument of ratification, acceptance, approval or accession.

#### **Article V.9**

##### **Denunciation of this Convention**

1. A Party may denounce this convention at any time by means of a formal notification addressed to the depositary. The denunciation shall take effect twelve months after the notification is received by the depositary.

2. This Convention shall continue to apply to any litigation or any alternative mechanisms of dispute resolution commenced before the denunciation takes effect.

3. Notice by a Contracting Party pursuant to article V.6 (3) or V.9 (1) shall not affect the rights or obligations under this convention of that State or of any of its constituent subdivisions or agencies or of any national of that State arising out of consent to the jurisdiction provided by this convention given by one of them before such notice was received by the depositary.

DONE at Brussels, in the English, Arabic, Chinese, French, Russian and Spanish languages, all six texts being equally authentic, in a single copy which shall remain deposited in the

archives of the SCC, which has indicated by its signature below its agreement to fulfil the functions with which it is charged under this convention.

**IN WITNESS WHEREOF**, the undersigned plenipotentiaries, being duly authorized by their respective Governments, have signed the present Convention.