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# Hughes Hubbard & Reed

## Firm Helps Crystallex Win \$1.4B Arbitration Award Against Venezuela

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Hughes Hubbard & Reed helped Canadian mining company Crystallex International Corp. win a \$1.4 billion award in a bilateral investment treaty claim against Venezuela over an investment in a gold-mining project.

On April 4, 2016, a tribunal constituted under the Additional Facility to the World Bank's International Centre for Settlement of Investment Disputes (ICSID) upheld Crystallex's claims that Venezuela failed to accord fair and equitable treatment to the Vancouver-based company's investment in the Las Cristinas mining project and unlawfully expropriated the company's investments without compensation.

The Washington-based tribunal issued a unanimous award to Crystallex worth \$1.386 billion (\$1.2 billion for the value of Crystallex's investment in Las Cristinas plus interest), one of the largest awards in the history of investment treaty arbitration.

Crystallex won a contract in 2002 to develop Las Cristinas, one of the largest untapped gold mines in the world. However, former president Hugo Chavez's government refused to issue a key permit in April 2008.

Crystallex filed its arbitration request in February 2011 after Venezuela terminated its exclusive rights to build, operate and exploit the gold mine. The claim was brought under the Canada/Venezuela Bilateral Investment Treaty and the ICSID Additional Facility Rules.

The tribunal held that Venezuela breached Articles II(2) and VII(1) of the treaty by failing to accord Crystallex's investments in Venezuela fair and equitable treatment and by unlawfully expropriating those investments

The ruling made headlines in Bloomberg, Reuters, Global Arbitration Review, Investment Arbitration Reporter and other news outlets.

Freshfields Bruckhaus Deringer served as co-counsel in the matter.

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