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ASIAN-AFRICAN LEGAL CONSULTATIVE ORGANIZATION

INTERNATIONAL TRADE AND INVESTMENT LAW

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INTERNATIONAL TRADE AND INVESTMENT LAW

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I. INTRODUCTION

A. Background

1. International Trade Law and International Investment Law, though historically treated as distinct branches of international law, have increasingly converged in practice and scholarship. Recognising this interconnection, the Asian-African Legal Consultative Organization (AALCO) merged the two subjects into a single agenda item at its Fifty-Seventh Annual Session in Tokyo, Japan in 2018. Since then, "International Trade and Investment Law" has been addressed in a unified Secretariat brief and discussed as a combined item at AALCO's Annual Sessions, enabling Member States to identify shared concerns and explore synergies between the two regimes.

2. AALCO's engagement with international trade law dates to 1995, when the subject "WTO as a Framework Agreement and Code of Conduct for World Trade" was first introduced at the Thirty-Fourth Annual Session in Doha, Qatar. The impetus for the inclusion of the topic was undoubtedly its coinciding with the conclusion of the Uruguay Round negotiations and the establishment of the World Trade Organization (WTO). Thereafter, the topic featured regularly on AALCO's agenda, with deliberations covering the promotion of multilateral trade, adoption of international instruments, and the strengthening of the binding dispute settlement system. The Secretariat was tasked with monitoring WTO developments, particularly those of the Dispute Settlement Body (DSB) and the Appellate Body, and with preparing reports on their jurisprudence.

3. AALCO's inter-sessional work has emphasised capacity-building and legal analysis. In 1998, a two-day seminar on the WTO Dispute Settlement Mechanism was held in New Delhi in partnership with the Government of India. At the Forty-Second Annual Session in Seoul (2003), the Secretariat published a Special Study on "Special and Differential Treatment under WTO Agreements." In February 2010, the Centre for Research and Training (CRT) of the Secretariat conducted a five-day "Basic Course on the World Trade Organization (WTO)." This was followed by a training workshop organised jointly with the Institute for Training and Technical Cooperation (ITTC) and the WTO from 28 March to 1 April 2011 at AALCO Headquarters in New Delhi, covering Principles of International Trade Law, the General Agreement on Trade in Services (GATS), and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Further, from 14 to 16 November 2017, AALCO and the Institute of Malaysian and International Studies (IKMAS) jointly organised a WTO training programme in Bangi, Malaysia, as preparatory training for participants from Member States, AALCO Regional Arbitration Centres, and certain Non-Member States ahead of the 11th WTO Ministerial Conference in Buenos Aires.

4. AALCO's engagement with issues concerning international investment law can be traced to its Fourth Annual Session held in Tokyo, Japan in 1961, wherein the host State referred the topic of "Status of Aliens" for the consideration of the Organization (Committee then). The topic resulted in the adoption of principles accompanied by commentaries that provide for rights protecting the property of aliens including the right to acquire, hold and dispose of property, compensation for the nationalisation of property as well as the right to access to Courts of law and legal assistance to enforce their rights.

5. Further, within the broader framework of Economic and Trade Law Matters, International Investment Law and Agreements were considered as part of Regional Cooperation in the context of the New International Economic Order (NIEO). At the Twenty-First Annual Session in Jakarta (1980), a report on Bilateral Investment Treaties (BITs), investment guarantees, and petroleum exports was presented, and the Secretariat was directed to draft Model Investment Agreements based on existing BITs. After review by an Expert Group, three model options were adopted by the Member States at the Twenty-Fourth Annual Session in Kathmandu in 1985.

6. Interest in International Investment Agreements (IIAs) was renewed when they were discussed under the agenda item "Report on the Work of UNCITRAL and other International Organizations in the field of International Trade Law." At the Fifty-Fourth Annual Session in Beijing (2015), prominent issues included transparency in arbitration, costs and duration of proceedings, lack of expertise, and restrictive host-nation policies, particularly concerning Investor-State Dispute Settlement (ISDS) were brought to the forefront revealing their relevance in Investor-State Dispute Settlement (ISDS).

7. At the Fifty-Seventh Annual Session in Tokyo (8–12 October 2018), AALCO considered International Trade Law and International Investment Law together in a single general meeting and combined them into one agenda item. This approach encouraged the identification of shared concerns and potential synergies between the two regimes. Since then, "International Trade and Investment Law" has been addressed in a unified Secretariat brief and discussed as a single agenda item at the Annual Session.

8. Further, a seminar on "Reform of the International Investment Regime and Investor-State Dispute Settlement (ISDS)", co-hosted by the African Institute of International Law (AIIL) and AALCO, took place in Arusha, Tanzania, from 19 to 21 November 2018. Participants included representatives from AALCO Member States, UNCITRAL, the Energy Charter Treaty Secretariat, the Japan International Cooperation Agency, and other organizations and the seminar addressed both substantive and procedural reforms to ISDS.

9. The legitimacy crisis and reform of ISDS were discussed under this combined agenda at the Fifty-Seventh Annual Session in Tokyo (2018) and the Fifty-Eighth Annual Session in Dar es Salaam (2019).

10. Continuing its focus on capacity building in international trade and investment law AALCO has hosted public lectures by Ms. Anna Joubin-Bret, Secretary of UNCITRAL at its Permanent Headquarters in New Delhi at regular intervals (2019, 2023 and 2026). In her most recent address earlier this year, she outlined UNCITRAL's work programme and highlighted key issues before Working Group III and discussed reform proposals from the perspective of various institutions and stakeholders. She also kindly answered some questions from the audience during the Q&A session. With a view to promote the wider dissemination of this capacity building initiative the AALCO Secretariat has published the report on the event.

11. The agenda item was included as a non-deliberated item at the Fifty-Ninth Annual Session in Hong Kong SAR (2021), accompanied by a Secretariat report on recent developments. The topic has been regularly on the agenda of the Organization including the Sixtieth, Sixty-First and Sixty-Second and Sixty-Third Annual Sessions of AALCO where discussions focused on the

deliberations within UNCITRAL on the reform of ISDS, and its various elements and work products.

12. Further the Secretariat has also considered the guidance of UN Trade and Development (UNCTAD) for the reform International Investment Agreements (IIAs) with a view to further realization of the Sustainable Development Goals (SDG) and ensure that international investment law and policy promotes investment flows towards attainment of SDGs rather than hinder progress. At the Annual Sessions Member States shared their experiences with implementing reform proposals both at the national and international levels and expressed support for continued engagement and collaboration with UNCITRAL and UNCTAD.

13. In relation to the private law aspects of the agenda item, AALCO has been engaging with the work of the Hague Conference on Private International Law (HCCH) and the International Organization for the Unification of International Private Law (UNIDROIT). While AALCO has been providing updates on legal developments concerning instruments under deliberation in these two organisations, it has also entered into cooperation agreements with them to further collaborate on issues of common interest. AALCO and HCCH entered into a cooperation agreement on 1 September 2016. More recently, UNIDROIT and AALCO cemented their cooperation through the signing of a Memorandum of Understanding (MoU) on 16 February 2024.aalco

14. The Secretariats of AALCO and HCCH jointly organised a webinar in 2022 on the Apostille Convention of 1961, which witnessed enthusiastic participation and was followed up with a report of proceedings. In January 2025, the Secretary-General of AALCO and legal staff at the AALCO Secretariat participated in a seminar on "The 2019 Hague Judgments Convention and UNIDROIT Principles on Digital Assets and Private Law", organised by the Ministry of External Affairs of the Republic of India, where representatives of the Secretariats of HCCH and UNIDROIT made detailed presentations on the two key instruments.

15. Representatives from UNCITRAL, UNIDROIT and HCCH have been regular attendees of the Annual Session of AALCO delivering statements on the topic during deliberations.

16. Against this background, it is useful to provide a brief overview of AALCO's ongoing involvement with International Trade and Investment Law, which has been a recurring item at the Annual Sessions since 2018. The merged agenda has enabled AALCO to address the growing interconnection between trade and investment regimes, to support Member States in capacity-building and reform efforts, and to foster cooperation with key international organisations such as UNCITRAL, UNCTAD, HCCH, and UNIDROIT. This consolidated approach continues to inform the Secretariat's brief and the deliberations of Member States at each Annual Session.

B. Deliberations at the Sixty-Third Annual Session of AALCO [Kampala, the Republic of Uganda, 8-12 September 2025]

17. The **Secretary-General of AALCO, H.E. Dr. Kamalinne Pinitpuvadol** delivered an introductory statement on the agenda item "International Trade and Investment Law." He recalled that AALCO had historically considered international trade and investment law under separate agenda items, including the WTO framework, treatment of aliens, regional cooperation in the context of the New International Economic Order, and the work of UNCITRAL and other international organizations. Since the Fifty-Seventh Annual Session in Tokyo in 2018, these matters had been consolidated under the present agenda item to reflect the close relationship between trade and investment regimes. The agenda had subsequently expanded beyond the WTO, UNCTAD and UNCITRAL to include the work of UNIDROIT and the HCCH

18. Introducing Secretariat brief document titled AALCO/63/KAMPALA/2025/SD/S4, the Secretary-General drew particular attention to Tanzania's proposal for the development of an AALCO Model Investment Treaty. He recalled AALCO's work on investment promotion and protection beginning in 1980 and the subsequent preparation of three alternative model agreements models A, B and C to accommodate different State practices and developmental requirements. Noting that the United Republic of Tanzania had revived the matter at the Sixty-First Annual Session in Bali in 2023, he invited Member States to consider the scope, form and core elements of a contemporary AALCO model agreement. He also suggested that Member States might examine appropriate modalities for preparing it, including the possible establishment of an open-ended working group to consider substantive and procedural issues and make recommendations.

19. **The Republic of the Philippines** emphasized that international trade should promote fairness, inclusivity and economic stability through the rule of law It outlined domestic reforms intended to establish a transparent, competitive and investor-friendly environment, referring to constitutional and legislative rules governing foreign investment, public services, customs, investment incentives, ease of doing business, competition and data protection It also highlighted its adoption of the UNCITRAL Model Law through national alternative-dispute-resolution legislation, its long-standing participation in the New York Convention, and reforms concerning e-commerce, secured transactions, financial rehabilitation and insolvency

20. At the multilateral level, the Republic of the Philippines reaffirmed the WTO's central place in the rules-based trading system and stressed that trade rules should remain inclusive and should not disadvantage developing economies It referred to its renewed election to UNCITRAL in June 2025 and its participation in UNCITRAL's fifty-eighth session, including support for the Toolkit on the Prevention and Mitigation of International Investment Disputes and support in principle for the Advisory Centre on International Investment Dispute Resolution The delegation explained that its international engagement followed a "One-Country-Team Approach", coordinating the relevant governmental, legal, financial and trade institutions.

21. The delegation called for international trade law to respond to technological, financial and environmental change In particular, it supported harmonized rules on e-commerce, secured transactions and dispute settlement to assist micro, small and medium-sized enterprises in entering the global economy It concluded by endorsing AALCO's continued cooperation with

UNCITRAL and the WTO and by presenting AALCO as an important platform through which Asian and African States could shape fair, inclusive and predictable rules for global commerce.

22. **The Republic of India** expressed the need for coherent and transparent investment laws that should provide predictable rules on the entry, treatment and protection of foreign investment while preserving States' regulatory space to act in the public interest It considered legal certainty and equitable treatment essential to sustainable investment across the Global South

23. The Republic of India expressed its support to the reform efforts of UNCITRAL Working Group III and advocated institutional arrangements to improve procedural fairness, including standing dispute-resolution bodies, appellate review and safeguards against frivolous claims It welcomed the Statute of the Advisory Centre on International Investment Dispute Resolution and commended the Kingdom of Thailand's role in convening meetings concerning its operationalization

24. On WTO matters, India reiterated its support for the interests of developing and least developed countries It called for a permanent solution on public stockholding for food security, extension of the moratorium on non-violation and situation complaints under the Agreement on Trade-Related Aspects of Intellectual Property Rights, and the necessary ratifications for the Fisheries Subsidies Agreement India also treated restoration of the WTO Appellate Body as essential to impartial adjudication and the rule of law in global trade and expressed its readiness to cooperate with Asian and African countries on fair and development-oriented legal frameworks.

25. **The Islamic Republic of Iran's** statement was focused on the work of UNCITRAL Working Group III It welcomed progress towards an Advisory Centre capable of providing developing and least developed countries with legal assistance, technical support, knowledge-sharing and capacity-building services in international investment disputes At the same time, it stressed that operationalization remained incomplete and required careful consideration of matters such as privileges and immunities, the Centre's staff, and the mandate and functions of an interim secretariat.

26. The statement advised caution against prematurely finalizing operational questions. It maintained that preparatory meetings should facilitate discussion rather than take final decisions and that ultimate decision-making authority should remain with the Commission. Regarding a standing dispute-settlement mechanism and appellate mechanism, the Islamic Republic of Iran acknowledged the objectives of efficiency, predictability and independence but called for careful assessment of equitable representation, developing-country participation, financial sustainability, affordability, administrative costs and interaction with existing bilateral and multilateral arrangements.

27. In relation to ISDS reform the Islamic Republic of Iran stated that it must preserve States' authority to regulate in fields such as environmental protection, public health, social policy and economic development It also called for stronger transparency and accountability, appropriate access to information and participation for affected communities and public-interest groups, and rules that would not impose new barriers on lower-capacity States. The Islamic Republic of Iran supported a legal and procedural reform process free from politicization and urged continued

financial and institutional support for the participation of developing countries in UNCITRAL's work, with support from AALCO.

28. **The United Republic of Tanzania** reaffirmed its commitment to a fair, equitable and inclusive trade and investment framework capable of advancing economic growth, poverty reduction and the 2030 Agenda for Sustainable Development It referred to its membership in the WTO and the African Continental Free Trade Area (AfCFTA) and participation in deliberations at UNCITRAL and engagement through bilateral investment treaties and the regional frameworks of the East African Community and the Southern African Development Community.

29. The delegation outlined national measures supporting investment and trade, including the Tanzania Investment and Special Economic Zones Act 2025, the Fair Competition Act, the Public-Private Partnership Act and the Tanzania Single Window System. It stated that these measures were intended to facilitate and protect investment, provide incentives, regulate anti-competitive conduct, attract public-private investment and reduce the time and cost of conducting cross-border business.

30. In its statement the United Republic of Tanzania called for reform of international investment agreements to achieve a proper balance between investor protection and State sovereignty. It also advocated stronger support for local investors, legal cooperation among Member States, joint action against illicit trade, regulatory reform, and deeper regional and bilateral trade. Most significantly, the United Republic of Tanzania urged Member States to support its proposal for an AALCO Model Investment Treaty that could guide the negotiation and drafting of bilateral and multilateral agreements.

31. **The Kingdom of Thailand** organized its intervention around three principles i.e. choice, cooperation and coherence. Under "choice", it argued that States, especially developing States facing complex claims with limited resources required fair, accessible and effective dispute-resolution options. It supported the range of reforms under consideration in UNCITRAL Working Group III, including its work products under deliberation, the standing mechanism for the resolution of international investment disputes, appellate review, a code of conduct, mediation and dispute-prevention tools.

32. The Kingdom of Thailand strongly supported the Advisory Centre on International Investment Dispute Resolution and sought AALCO Member States' backing for its proposal to host the Centre in Bangkok. It referred to its experience of hosting of a preparatory meeting and argued that Bangkok's infrastructure, connectivity and cost advantages made it suitable. The Kingdom of Thailand stated its expectation that the Centre both to provide immediate legal assistance to States facing ISDS claims and to build the long-term capacity of government legal officers.

33. Under "cooperation", the Kingdom of Thailand stressed that trade and investment rules directly affected sovereignty, development and public welfare and should remain free from politicization It regarded AALCO as uniquely placed to coordinate Asian-African positions in the WTO, UNCITRAL and UNCTAD and favoured less confrontational and more cost-effective forms of dispute settlement, particularly mediation and conciliation. Further, the statement also informed that the Kingdom of Thailand was considering participation in the Singapore

Convention on Mediation and the Convention on the Establishment of the International Organization for Mediation.

34. Under "coherence", the Kingdom of Thailand highlighted the risk of fragmented and overlapping rules produced by UNCITRAL, UNCTAD, UNIDROIT and the HCCH. It welcomed the joint legal guide on international commercial contracts, the coordination guidelines for the secretariats of the HCCH, UNCITRAL and UNIDROIT, and the UNCITRAL-UNIDROIT Model Law on Warehouse Receipts. It also recognized AALCO's earlier model bilateral investment agreements and its cooperation with UNIDROIT and the HCCH. The statement concluded on the note that that AALCO should help align substantive and procedural reforms, regional practices and global standards so that international economic law remained predictable, equitable and responsive to developing States.

35. **Japan** emphasized the need to defend and strengthen the multilateral trading system centred on the WTO, while acknowledging the need for WTO reform. Looking towards the Fourteenth WTO Ministerial Conference, it sought progress on electronic commerce, including continued non-imposition of customs duties on electronic transmissions, investment facilitation and wider institutional reform. Japan also called for completion of the steps necessary to bring the Fisheries Subsidies Agreement into force and referred to its implementation of the WTO Disciplines on Services Domestic Regulation.

36. Reviewing UNCITRAL's fifty-eighth session, Japan welcomed the adoption of the draft Convention on Negotiable Cargo Documents and stressed the need to avoid conflict with the law governing maritime bills of lading. It also welcomed the Toolkit and Background Notes on Asset Tracing and Recovery in Insolvency Proceedings, the Toolkit on the Prevention and Mitigation of International Investment Disputes, and the Model Organization Rules for Limited Liability Enterprises Japan regarded a fair and effective ISDS system as important to a stable investment environment and indicated that it would follow work concerning the legal nature of verified carbon credits.

37. Japan commended UNCTAD's contribution to international investment law, including through the World Investment Report 2025 and technical assistance relating to investment facilitation for development. It emphasized the need to balance investment promotion and investor predictability with States' right to regulate. Japan also welcomed work by UNIDROIT on verified carbon credits and by the HCCH on digital assets, encouraging broader participation by AALCO Member States in both organizations.

38. On United Republic of Tanzania's proposal for an AALCO Model Investment Treaty, Japan accepted the importance of balancing investor protection and the right to regulate but favoured a gradual approach. In view of the passage of time since AALCO's earlier model agreements and the absence of recent substantive discussion among Member States, it recommended beginning with an exchange of national practices rather than moving immediately towards a concluded model text.

39. **Malaysia** reaffirmed its support for UNCITRAL and referred to its re-election to the Commission for a further six-year term. In its statement, Malaysia welcomed the results of UNCITRAL's fifty-eighth session, particularly work on negotiable cargo documents, ISDS

reform and carbon credits, and undertook to participate constructively so that developing-country perspectives would be reflected in both ISDS reform and emerging areas of trade law.

40. Addressing the United Republic of Tanzania's proposal, Malaysia acknowledged that ISDS proceedings could impose substantial financial and administrative burdens on host States, require extensive inter-agency coordination and affect a State's reputation as an investment destination. It therefore expressed support for the exploration of a fairer and more balanced approach to international investment agreements.

41. Notwithstanding, the statement advised caution about incorporating broad sustainable-development obligations into a model treaty. It observed that matters relating to human rights and environmental protection had traditionally been addressed through specialized treaty regimes and suggested that shortcomings should first be remedied in those regimes. It further noted that a high level of sustainable-development commitment in an investment agreement would not necessarily suit every Member State and stressed that any model should safeguard national policy-making authority and regulatory space.

42. On issue of process, Malaysia proposed preliminary consultations to determine the necessity and viability of a model treaty and to prevent duplication of work undertaken elsewhere It recalled the difficulty AALCO had previously encountered in reconciling the diverse legal systems, approaches and practices of its Member States and observed that those challenges had become more complex. Hence, it recommended gathering information on the acceptability of a unified approach and, if drafting proceeded, consolidating relevant elements from AALCO's three earlier draft models.

43. **The Republic of the Sudan** described trade and investment as important contributors to its economy and referred to regional arrangements, including the Common Market for Eastern and Southern Africa Framework and the Arab framework. The statement of the Republic of the Sudan concentrated on the guarantees contained in its Investment Act 2021, as amended in 2025. It was apprised that the legal framework included fair and equitable treatment; treatment of foreign investors comparable to that of domestic investors; protection from arbitrary or discriminatory measures, safeguards against nationalization, seizure or confiscation except under lawful conditions, the ability to transfer profits and financing costs; and rights concerning the import and re-export of project-related goods and equipment.

44. The Republic of the Sudan also described the dispute-settlement framework under section 29 of the Act where its courts were designated as competent to determine investment disputes, while parties could also pursue amicable settlement, consultation, direct negotiation or arbitration, subject to applicable bilateral or international agreements. The delegation considered fair and protective legal frameworks important for attracting investment and welcomed AALCO's work on investment law, particularly the United Republic of Tanzania's initiative concerning a model investment treaty.

45. **The Republic of Kenya** in its statement characterized international trade and foreign direct investment as engines of growth, sustainable development and poverty eradication, while stressing that their developmental benefits depended on fair and balanced legal rules. It called for a revitalized WTO responsive to developing-country needs, including restoration of an effective two-tier dispute-settlement system, preservation and strengthening of special and differential

treatment as a treaty-based right, agricultural outcomes that would address historical imbalances, discipline trade-distorting subsidies and preserve policy space for food security and rural livelihoods.

46. On investment law, the Republic of Kenya stated that it sought a better balance between investor rights and the host State's right and duty to regulate in the public interest. It criticized ISDS for inconsistency, opacity and high costs and supported fundamental reform including consideration of a multilateral investment court. The Republic of Kenya expressed its preference for greater interim reliance on regional mechanisms and domestic courts.

47. On substantive issues of international investment law, the Republic of Kenya called for investment agreements to promote responsible business conduct, environmental compliance, respect for human rights, local capacity-building and technology transfer.

48. In this regard, the Republic of Kenya presented the African Continental Free Trade Agreement (AfCFTA) as a development-oriented model extending beyond tariff liberalization to market integration, regional value chains and industrialization. It invited AALCO to study the AfCFTA's approach to investment, competition policy and intellectual property as a possible model for South-South cooperation The statement also called for coherence among trade, investment and climate policies, opposed discriminatory unilateral environmental measures such as carbon-border adjustments, and sought support and technology transfer to enable developing-country industries to undertake a just transition. Further, the Republic of Kenya sought support for its candidature for the International Maritime Organization Council in Category C.

49. **The People's Republic of China** criticized the imposition of large-scale "reciprocal" tariffs, describing them as protectionist and unilateral measures that threatened the multilateral trading system, global industrial and supply chains, as well as the interests of small, vulnerable and least developed economies. In this regard it particularly reaffirmed support for the WTO centred multilateral trading system and called for genuine multilateralism, open cooperation and stronger economic and trade cooperation.

50. Turning to UNCITRAL Working Group III, the People's Republic of China noted that ISDS reform had moved from identifying concerns to substantive negotiation of draft texts. It referred to progress on the Code of Conduct for Arbitrators, the Advisory Centre and mediation rules, while noting that several issues remained unresolved. The People's Republic of China expressed its support for improving multilateral rules and institutions to address defects in the existing ISDS system, reinforce confidence in dispute settlement and uphold the rule of law. It specifically favoured an appellate mechanism as a central element of ISDS reform and a multilateral instrument through which the reforms could receive broad application.

51. **The Socialist Republic of Viet Nam** supported continued improvement of the legal framework for international trade and investment and emphasized the role of multilateral legal institutions, particularly UNCITRAL and AALCO. It referred to its election to UNCITRAL for the 2024 to 2030 term as recognition of its commitment to the rule of law, international economic integration and responsible participation in multilateral institutions.

52. The delegation identified participation in UNCITRAL Working Group III as a priority. It welcomed the progress of ISDS reform into substantive negotiations, while acknowledging that

important questions remained unresolved. The Socialist Republic of Viet Nam supported reforms intended to improve transparency and efficiency, create equitable conditions for host States and investors, and establish an environment conducive to effective and sustainable dispute resolution. It also supported establishment of the ISDS Advisory Centre and encouraged AALCO Member States to advocate actively for it.

53. Further, the statement emphasized the participation of the Socialist Republic of Viet Nam in the HCCH, including the Council on General Affairs and Policy and affirmed its intention to contribute to work on prospective legal instruments and to follow up with the implementation and development of adopted conventions.

54. **The Republic of Uganda** emphasized AALCO's value as a forum for Asian and African States to address legal issues affecting trade and investment. It observed that disputes could immobilize substantial amounts of capital and commended UNCITRAL, the Permanent Court of Arbitration and the International Centre for Settlement of Investment Disputes (ICSID) for facilitating dispute resolution and shaping policy. The statement also drew attention to UNCITRAL's work on trade finance, access to credit, negotiable cargo documents, connectivity and digitalization, urging AALCO and its Member States to ensure that final instruments reflected the capacity constraints and technical challenges of developing economies.

55. The Republic of Uganda stated that it regarded efficient, fair and affordable dispute resolution as a prerequisite for trade and investment. It observed that African investor-State disputes had increased in connection with natural-resource sovereignty, taxation and revenue-sharing disagreements. Although recognizing arbitration as a useful forum, concerns were raised about closed professional networks or "cartels" in arbitration and the high costs associated with international proceedings. It welcomed work on a code of conduct for arbitrators as necessary to preserve ethical standards and confidence in arbitration.

56. The Republic of Uganda referred to growing interest in regional or "home-grown" institutions, citing arbitration centres in Malaysia and Singapore. It also identified domestic litigation and mediation as alternatives, while noting that domestic courts could face investor perceptions of bias. The statement also highlighted the Republic of Uganda's status as an early signatory of the Convention on the Establishment of the International Organization for Mediation and reaffirmed its commitment to ensuring that trade and investment law contributed to sustainable development, equitable growth and public welfare.

57. **The Kingdom of Bahrain** described trade and investment as foundational elements of international economic law and important instruments of sustainable development It stressed the WTO's role in maintaining the multilateral trading system and called for intensified cooperation and balanced negotiating outcomes that would reconcile trade liberalization with legitimate national policy objectives.

58. On fisheries subsidies, the Kingdom of Bahrain supported a fair agreement prohibiting practices that contribute to overfishing while protecting local fishers and marine resources. While on agriculture, it called for a balance between food security and free trade, with due regard to the special requirements of developing and least developed countries, as well as transparent and equitable rules against market-distorting practices.

59. The statement also highlighted the establishment, under a June 2025 Headquarters Agreement, of the first permanent office of the Permanent Court of Arbitration in the Arab world and Middle East. It referred to links between its judiciary and the Singapore International Commercial Court as part of efforts to provide modern dispute-resolution mechanisms.

60. In line with its Economic Vision 2030, the Kingdom of Bahrain presented legislative modernization, international alignment and institutional development as elements of its strategy to become a regional and international centre for arbitration, attract high-quality investment and support a fairer and more stable rules-based trading system.

61. **The United Nations Commission on International Trade Law (UNCITRAL)** delivered a statement and at the outset informed the meeting that ISDS reform had reached a critical stage. Working Group III, which began its work in 2017, was pursuing a range of reforms with a possible completion horizon of 2027 or 2028. Current work included procedural and cross-cutting provisions on matters such as the right to regulate, denial of benefits, damages and local remedies; the design of a possible standing mechanism; and a multilateral instrument for applying reforms to existing investment treaties. The representative suggested that aspects of this work could inform AALCO's possible Model Investment Treaty and noted the wider relationship between investment reform, climate change and financing for development.

62. In its statement UNCITRAL identified completed or advanced outputs of Working Group III, including the Code of Conduct, texts on mediation, the Toolkit on Dispute Prevention and Mitigation and the Statute of the Advisory Centre. AALCO Member States were urged to participate more actively in the reform negotiations, including by using available travel-support opportunities Member States were also encouraged to support a request for additional resources intended to facilitate completion of the ISDS reform project.

63. Beyond ISDS, the statement presented a summary of UNCITRAL's work on insolvency and asset tracing and recovery, voluntary carbon credits, blockchain, artificial intelligence in dispute resolution, data-provision contracts and the law applicable in insolvency proceedings Possible future work included digital platforms, digital payments and the use of artificial intelligence in trade dispute settlement.

64. UNCITRAL also referred to the draft Convention on Negotiable Cargo Documents, intended to cover multimodal transport, and expressed the hope that it would be adopted by the General Assembly and opened for signature in the following year. Regarding the Advisory Centre it was noted that operationalization and finalization of the Statute remained under way, that candidatures to host its headquarters or regional office had been invited, and that further operational discussions would take place in Paris in December 2025.

65. In conclusion, the statement presented UNCITRAL as an example of functioning multilateralism and expressed its willingness to cooperate closely with AALCO and its Member States in strengthening legal certainty and international trade-law standards.

II. ISSUES FOR FOCUSSED DELIBERATIONS AT THE SIXTY-FOURTH ANNUAL SESSION OF AALCO, 2026

66. The present Secretariat brief seeks to provide an overview of key development over the past year, on international trade and investment law that are of particular relevance for Asian and African States. While developments in international trade law have continued with on regional trend, multilateral efforts have fructified on issues closely related to international investment law. As the brief details, much progress has been achieved in both areas of the law in the past year, and the following issues may be considered by Member States in their deliberations on the agenda item.

A. Recent developments in International Trade Law

67. The discussions will consider the increased uncertainty affecting the international trading system and the principal outcomes of the Fourteenth WTO Ministerial Conference. Particular attention will be given to the entry into force and implementation of the Agreement on Fisheries Subsidies, support available to developing and least-developed country Members through the WTO Fish Fund, and the continuing negotiations on disciplines concerning overcapacity and overfishing.

68. The continuing accession negotiations involving several Asian and African States demonstrate the enduring relevance of the multilateral trading system. Other important issues will include the persistent non-functioning of the Appellate Body, the use of interim appeal arbitration arrangements, recent disputes involving AALCO Member States and the progress of dispute-settlement reform following MC14. Recent Trade Policy Reviews of AALCO Member States will also be considered in assessing evolving national trade policies and the role of the Trade Policy Review Mechanism in promoting transparency.

69. In the area of electronic commerce, attention will be given to the expiry of the WTO moratorium on customs duties on electronic transmissions following MC14 and the separate efforts of participating Members to bring the plurilateral Agreement on Electronic Commerce into force. These developments raise questions concerning digital trade, regulatory autonomy, customs revenue and the participation of developing economies in the digital economy.

70. At the regional level, the discussions will assess the implementation of African Continental Free Trade Area (AfCFTA), including progress concerning its Phase II Protocols, tariff concessions, rules of origin and cross-border payment systems. Relevant developments will also include the absence of further formal progress in the China-Japan-South Korea Free Trade Agreement (CJK FTA) negotiations, the implementation of upgraded ASEAN trade arrangements, and recent bilateral and regional agreements involving AALCO Member States. Their contribution to market access, supply-chain resilience and economic cooperation across Asia and Africa will also be examined.

B. Report on the work of the United Nations Commission on International Trade Law (UNCITRAL) at its fifty-ninth session (29 June to 10 July 2026)

71. The fifty-ninth session of the UNCITRAL was held from 29 June- 10 July 2026 in New York, during which 4 instruments were approved by the Commission. The present brief draws the attention of the Member States to the work of the UNCITRAL in the past year that has made a contribution towards the harmonisation of unification of international trade law in a number of areas, ranging from reform of ISDS, international commercial arbitration, negotiable cargo documents among others.

72. While the Statute of the Advisory Centre on International Investment Dispute Resolution was recommended for adoption to the UN General Assembly, the Supplementary Provisions on the Conduct of Proceedings to Resolve International Investment Disputes as well as the amendments to the UNCITRAL Model Law on International Commercial Arbitration and its explanatory notes were adopted by the Commission and recommended to Governments and other relevant stake holder to make use of and refer in their agreements and legislations.

C. The Recent developments in the work of UN Trade and Development (UNCTAD) on International Investment Agreements and investment disputes

73. The World Investment Report, published annually by UNCTAD, is a highly anticipated publication that comprehensively covers the landscape of investment policy and law. In addition to addressing thematic issues, the Report examines the extensive network of international investment agreements (IIAs) and investor–State dispute settlement (ISDS) cases, identifying trends and presenting key data on State practice in shaping investment law and policy. This brief draws the attention of Member States to the 2026 report titled "World Investment Report: International Investment in a Turbulent Era" recent developments in IIAs and ISDS cases, as well as to the conclusions derived in the Report from the analysis of statistical data.

74. In addition to the publication of the Report, the UNCTAD also launched Guiding Principles for International Investment Agreements (IIA) Reform at a high-level conference held as part of the World Investment Forum held in Doha, the State of Qatar on 25 October 2026. In continuation of its work on guiding States to reform their older generation of IIAs with a view making them compatible with the need to pursue legitimate public policy objective and Sustainable Development Goals, the Guiding Principles provide a practical road map for States to follow to implement these reforms. The brief invites the attention of the Member States to the Guiding Principles that incorporate the best practices of States and reflect their current needs and priorities.

D. Report on the work of the International Institute for the Unification of Private Law (UNIDROIT)

75. The following brief outlines the progress made by the International Institute for the Unification of Private Law (UNIDROIT) during the period 2024–2025, as discussed during the 104th session (remote) and the 105th session (20–23 May 2025, Rome) of its Governing Council. The brief invites the attention of the Member States to the latest development in the work of UNIDROIT on private law, conducted individually with some joint project. A number of

them addressing key issues concerning international trade and commerce relevant to the Member States.

E. Report on the work of the Hague Conference on Private International Law (HCCH)

76. Developments at the Hague Conference on Private International Law will include progress concerning possible future instruments and the operation of existing HCCH Conventions.

77. Regarding possible future instruments, the discussions will address the decision not to proceed immediately to formal negotiations on the recognition of judgments concerning legal parentage, while retaining the matter for future consideration. Other relevant developments will include the proposed Convention on parallel proceedings and related actions in transnational civil or commercial litigation and the newly initiated examination of a possible Convention on the cross-border recognition and enforcement of protection orders.

78. The private international law implications of technological and financial developments will constitute another important area. These will include the cross-border use of central bank digital currencies, digital tokens and electronic transferable records, artificial intelligence, automated contracting and digital platforms. Consideration will also be given to voluntary carbon markets, digital assets in cross-border insolvency and the use of distributed-ledger technology in securities markets, particularly in relation to jurisdiction, applicable law and coordination with UNCITRAL, UNIDROIT and other specialised organisations.

79. Recent measures intended to improve the implementation of the HCCH Conventions on international family and child protection law, transnational litigation and electronic document authentication will also be considered. Particular attention will be given to the Malta Process, domestic violence in international child-abduction proceedings, the electronic Apostille Programme and the role of the HCCH Regional Offices for Asia and the Pacific and for Africa in promoting participation, implementation and capacity-building.

III. GENERAL DISCUSSION AND RECENT DEVELOPMENTS

A. Recent Developments in International Trade Law

80. The international trading environment during the period under review remained marked by heightened uncertainty. The WTO's trade-monitoring update of July 2025 recorded a sharp increase in tariffs and other trade measures, with implications for trade flows, investment decisions and supply-chain planning.[1]

81. These pressures formed the backdrop to the Fourteenth WTO Ministerial Conference (MC14), held in Yaounde, Cameroon, from 26 to 30 March 2026. The Conference considered, inter alia, dispute-settlement reform, fisheries subsidies, electronic commerce, agriculture, development issues and the proposed incorporation of the Investment Facilitation for Development Agreement into the WTO framework.[2]

82. International economic assessments during the period also pointed to uneven growth prospects and continuing risks for developing economies. Differences in fiscal space, financing conditions and exposure to external shocks affected the ability of economies to respond to trade disruption.[3]

83. Elevated trade-policy uncertainty continued to complicate commercial decision-making. Changes in tariff and industrial policies, together with the continuing absence of a functioning WTO Appellate Body, reduced predictability for governments and traders.[4]

84. Supply chains remained exposed to geopolitical tensions, shipping disruptions and restrictions affecting access to critical inputs.[5] These developments encouraged diversification and regionalisation strategies but also increased costs for economies dependent on imported food, energy and intermediate goods.[6]

85. The relationship between trade and environmental policy received sustained attention. WTO members discussed transparency concerning trade-related climate measures and exchanged experiences on fossil-fuel subsidy reform.[7] The discussions reflected both the

[1] World Trade Organization, 'Trade Monitoring Update Shows Sharp Rise in Tariffs' (WTO, 3 July 2025) <https://www.wto.org/english/news_e/news25_e/trdev_03jul25_e.htm> accessed 31 August 2026.
[2] World Trade Organization, 'MC14 Opens in Yaounde with Call to Reinvigorate WTO in Time of Crisis' (WTO, 26 March 2026) <https://www.wto.org/english/news_e/news26_e/mc14_26mar26_344_e.htm> accessed 31 August 2026.
[3] International Monetary Fund, World Economic Outlook (April 2026) <https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026> accessed 31 August 2026.
[4] World Trade Organization, 'Appellate Body' <https://www.wto.org/english/tratop_e/dispu_e/appellate_body_e.htm> accessed 31 August 2026.
[5] World Trade Organization, 'Members Discuss Agriculture Domestic Support, Impact of El Nino and Middle East Conflict' (WTO, 27 May 2026) <https://www.wto.org/english/news_e/news26_e/agri_27may26_399_e.htm> accessed 31 August 2026.
[6] World Trade Organization, 'Joint Statement by the Heads of the IEA, IMF, World Bank, and WTO' (WTO, 29 May 2026) <https://www.wto.org/english/news_e/news26_e/dgno_29may26_396_e.htm> accessed 31 August 2026.
[7] World Trade Organization, 'Members Consider Enhanced Transparency on Trade and Climate Measures' (WTO, 26 February 2026) <https://www.wto.org/english/news_e/news26_e/envir_26feb26_297_e.htm> accessed 31 August 2026.

growing relevance of environmental measures to trade and concerns that differing approaches could create unnecessary barriers, particularly for developing economies.[8]

86. Taken together, these developments contributed to a less predictable trading environment and placed renewed emphasis on transparency, cooperation and the effective functioning of multilateral institutions. An updated WTO-IMF Trade Policy Activity Index published in July 2026 indicated that global trade-policy activity during January-May 2026 was nearly twice its 2024 level and approximately one-quarter higher than its 2025 average. Although world merchandise trade grew by 3.2 per cent in the first quarter of 2026, the WTO continued to identify significant downside risks arising from trade-policy tensions and disruption associated with the conflict in the Middle East.[9]

87. Asian and African members continued to participate actively in WTO bodies and negotiations, including through chairing WTO bodies and contributing to discussions at MC14. Their engagement remained important in ensuring attention to development, capacity-building and special and differential treatment.[10] Developing economies also continued to pursue collective and regional approaches to strengthen resilience and preserve market access amid wider trade tensions.

88. Digital trade developed along two distinct tracks. At MC13 in Abu Dhabi, members had agreed to continue the Work Programme on Electronic Commerce and the moratorium on customs duties on electronic transmissions until MC14 or 31 March 2026, whichever was earlier. At the multilateral level, WTO members were unable at MC14 to reach consensus on a further extension; the Work Programme and the moratorium therefore lapsed on 30 March 2026. Separately, 67 members, representing approximately 70 per cent of global trade, adopted interim arrangements to bring the plurilateral Agreement on Electronic Commerce into force pending its incorporation into the WTO legal framework. Entry into force under those arrangements requires 45 instruments of acceptance, with mid-2027 identified as a target.[11]

[8] World Trade Organization, 'Members Discuss New Approaches, Share Experiences on Reforming Fossil Fuel Subsidies' (WTO, 16 February 2026) <https://www.wto.org/english/news_e/news26_e/ffsr_16feb26_289_e.htm> accessed 31 August 2026.

[9] World Trade Organization, 'Updated WTO-IMF TPA Index Shows Continued Rise in Global Trade Policy Activity' (WTO, 23 July 2026) <https://www.wto.org/english/news_e/news26_e/rese_23jul26_463_e.htm>; World Trade Organization, 'Global Goods Trade Resilient in the First Quarter of 2026 Despite Growing Headwinds' (WTO, 31 July 2026) <https://www.wto.org/english/news_e/news26_e/rese_31jul26_469_e.htm> accessed 31 August 2026.

[10] World Trade Organization, 'WTO Chairpersons for 2026' (WTO, 11 March 2026) <https://www.wto.org/english/news_e/news26_e/gc_11mar26_315_e.htm> accessed 31 August 2026.

[11] World Trade Organization, 'Work Programme on E-Commerce, Moratorium' <https://www.wto.org/english/tratop_e/ecom_e/ecom_work_programme_e.htm>; World Trade Organization, 'E-Commerce: Post-MC14 Briefing Note' <https://www.wto.org/english/thewto_e/minist_e/mc14_e/briefing_notes_e/ecommerce_e.htm>; World Trade Organization, 'Members Discuss Preparations to Bring E-Commerce Agreement into Force by Mid-2027' (WTO, 9 June 2026) <https://www.wto.org/english/news_e/news26_e/jsec_09jun26_414_e.htm> all accessed 31 August 2026.

1. Developments at the World Trade Organization

(a) Updates on the WTO Agreement on Fisheries Subsidies

89. The Agreement on Fisheries Subsidies, adopted at the Twelfth Ministerial Conference on 17 June 2022, entered into force on 15 September 2025 after the required threshold of acceptances was reached. It is the first WTO multilateral agreement with environmental sustainability at its core and the second multilateral agreement concluded at the WTO since its establishment.[12]

90. The Agreement prohibits subsidies for illegal, unreported and unregulated fishing; subsidies concerning overfished stocks, subject to the conditions set out in the Agreement; and subsidies for fishing or fishing-related activities outside the jurisdiction of a coastal member or relevant regional fisheries management organisation or arrangement.[13]

91. The first meeting of the Committee on Fisheries Subsidies was held on 9 December 2025 and elected Ana Laura Lizano of Costa Rica as its first Chair. The Committee is responsible for overseeing the operation and implementation of the Agreement and examining members' fisheries-subsidy notifications.[14]

92. Implementation support also advanced. In February 2026, the WTO Fish Fund opened its second call for proposals for developing and least-developed country members that had ratified the Agreement, offering project-preparation grants of up to USD 50,000 and implementation grants of up to USD 300,000.[15] At MC14, ministers agreed to continue negotiations on additional disciplines addressing overcapacity and overfishing, with a view to making recommendations at MC15.[16]

93. In July 2026, the WTO Fish Fund approved nearly USD 2.2 million in grants for an additional seventeen developing and least-developed country members under its second call for proposals. The approved projects are intended to support needs assessments, reporting procedures, data collection and domestic regulatory frameworks, bringing the number of members receiving Fish Fund support to more than forty.[17] Post-MC14 negotiations on additional fisheries-subsidy disciplines also continued. Following acceptances by the Kyrgyz Republic, Niger and Thailand, the number of acceptances of the Agreement reached 122.

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[12] World Trade Organization, 'WTO Agreement on Fisheries Subsidies Enters into Force' (WTO, 15 September 2025) <https://www.wto.org/english/news_e/news25_e/fish_15sep25_e.htm> accessed 31 August 2026.

[13] World Trade Organization, Agreement on Fisheries Subsidies, arts 3-5 <https://www.wto.org/english/docs_e/legal_e/fish_e.htm> accessed 31 August 2026.

[14] World Trade Organization, 'Chair Elected at First Meeting of the Committee on Fisheries Subsidies' (WTO, 9 December 2025) <https://www.wto.org/english/news_e/news25_e/fish_09dec25_238_e.htm> accessed 31 August 2026.

[15] World Trade Organization, 'Fish Fund Launches Second Call for Proposals' (WTO, 2 February 2026) <https://www.wto.org/english/news_e/news26_e/ffm_02feb26_279_e.htm> accessed 31 August 2026.

[16] World Trade Organization, 'Fisheries Subsidies: Post-MC14 Briefing Note' <https://www.wto.org/english/thewto_e/minist_e/mc14_e/briefing_notes_e/fisheriessubsidies_e.htm> accessed 31 August 2026.

[17] World Trade Organization, 'WTO Fish Fund to Support 17 More Members in Implementing Agreement on Fisheries Subsidies' (WTO, 3 July 2026) <https://www.wto.org/english/news_e/news26_e/ffm_02jul26_441_e.htm> accessed 31 August 2026.

Thailand is an AALCO Member State. Members had also submitted thirty-four new subsidy notifications under the Agreement.[18]

(b) Accessions to WTO

94. Of the 49 Member States of the Asian-African Legal Consultative Organization (AALCO), 40 currently hold full membership in the World Trade Organization (WTO). The remaining nine AALCO Member States operate outside the WTO framework and reflect varying degrees of engagement with the accession process. At one end of the spectrum, the Democratic People's Republic of Korea (DPRK) and the State of Palestine have never submitted formal applications for accession under Article XII of the Marrakesh Agreement. Among the seven governments that have formally sought membership as observer states, accession processes for Lebanon, Libya, and the Syrian Arab Republic remain effectively dormant due to prolonged domestic instability, institutional paralysis, and geopolitical constraints. In contrast, the remaining four candidate countries, i.e. the Islamic Republic of Iran, the Republic of Iraq, the Federal Republic of Somalia, and the Republic of the Sudan, maintain active observer status and ongoing accession tracks. While Iraq and Sudan have focused on updating their foreign trade regimes and advancing technical documentation, both continue to navigate domestic headwinds, whereas Somalia receives targeted technical assistance under the WTO's LDC accession flexibilities, and Iran's substantive Working Party deliberations remain largely constrained by broader geopolitical hurdles.

95. The Fourteenth China Round Table on WTO Accessions, held alongside MC14, considered the experience and potential benefits of WTO accession for African economies. The discussions were relevant to the continuing under-representation of parts of Africa and the Arab region in the WTO membership.[19]

96. Uzbekistan continued to advance its accession negotiations during the period under review. At the twelfth meeting of its Working Party on 9 March 2026, Uzbekistan reaffirmed its objective of concluding the process during 2026. At a further Working Party meeting on 27 July 2026, it reiterated that objective and reported continued progress in its bilateral and multilateral negotiations.[20]

97. On 9 July 2026, Bhutan resumed its WTO accession negotiations after an eighteen-year hiatus at the fifth meeting of its Accession Working Party, the first such meeting since January 2008. Bhutan submitted fourteen negotiating documents, including updated market-access offers on goods and services, a revised Legislative Action Plan and a revised Draft Working Party Report. WTO members welcomed the resumption and encouraged Bhutan to continue its

[18] World Trade Organization, 'DG Okonjo-Iweala Calls for Simultaneous Progress on WTO Reform, Outstanding Negotiations' (WTO, 15 July 2026) <https://www.wto.org/english/news_e/news26_e/gc_14jul26_457_e.htm> accessed 31 August 2026.
[19] World Trade Organization, 'China Round Table Looks at Benefits of WTO Accession, Experience of African Countries' (WTO, 25 March 2026) <https://www.wto.org/english/news_e/news26_e/acc_25mar26_337_e.htm> accessed 31 August 2026.
[20] World Trade Organization, 'Uzbekistan Reaffirms 2026 WTO Accession Goal, Thanks Members for Continuing Engagement' (WTO, 27 July 2026) <https://www.wto.org/english/thewto_e/acc_e/a1_ouzbekistan_e.htm> accessed 31 August 2026.

legislative reforms and bilateral market-access negotiations.[21] Bhutan is not an AALCO Member State.

98. Ethiopia's accession accelerated substantially during the period under review. At the seventh meeting of the Working Party on the Accession of Ethiopia on 22-23 April 2026 in Geneva, a high-level delegation updated members on decisive trade reforms, including advancing foreign exchange and customs valuation overhauls, eliminating quantitative import restrictions, progressing trade facilitation, and regulating intellectual property.

(c) WTO Dispute Settlement Mechanism

99. The WTO dispute-settlement system remained non-functional at the appellate level because vacancies on the Appellate Body had not been filled. The Dispute Settlement Body nevertheless continued to establish panels, adopt un-appealed reports and administer other stages of dispute settlement.[22]

100. The Multi-Party Interim Appeal Arbitration Arrangement (MPIA), based on Article 25 of the Dispute Settlement Understanding, continued to provide an interim appeal mechanism among participating members. Viet Nam announced its participation on 16 October 2025, joining Malaysia and other participating AALCO Member States.[23] On 21 July 2025, arbitrators issued an award in *China - Enforcement of Intellectual Property Rights* (DS611). The proceeding demonstrated the continued use of Article 25 arbitration to review a panel report where the Appellate Body was unable to hear an appeal.[24]

101. Several disputes involving AALCO Member States progressed during the reporting period. Panel reports were circulated *in European Union-Countervailing Duties on Imports of Biodiesel from Indonesia* (DS618) on 22 August 2025 and *European Union-Countervailing and Anti-Dumping Duties on Stainless Steel Cold-Rolled Flat Products from Indonesia* (DS616) on 2 October 2025. The European Union appealed both reports, while Indonesia lodged a cross-appeal in DS616. Owing to the continuing Appellate Body impasse, these appeals could not proceed.[25] China also requested consultations concerning Canadian surtaxes and tariff-rate quotas on certain

[21] World Trade Organization, 'Bhutan Resumes Negotiations to Join the WTO after 18-Year Hiatus' (WTO, 9 July 2026) <https://www.wto.org/english/news_e/news26_e/acc_14jul26_455_e.htm> accessed 31 August 2026.
[22] World Trade Organization, 'Appellate Body' <https://www.wto.org/english/tratop_e/dispu_e/appellate_body_e.htm> ; World Trade Organization, 'Current Status of Disputes' <https://www.wto.org/english/tratop_e/dispu_e/dispu_current_status_e.htm> both accessed 31 August 2026.
[23] Understanding on Rules and Procedures Governing the Settlement of Disputes, art 25; Multi-Party Interim Appeal Arbitration Arrangement Pursuant to Article 25 of the DSU: Communication from Viet Nam, JOB/DSB/1/Add.12/Suppl.16 (16 October 2025); European Commission, 'EU Welcomes Vietnam to WTO's Alternative Arbitration Arrangement' (16 October 2025) <https://policy.trade.ec.europa.eu/news/eu-welcomes-vietnam-wtos-alternative-arbitration-arrangement-2025-10-16_en> accessed 31 August 2026.
[24] World Trade Organization, 'Arbitrators Issue Award in EU-China Intellectual Property Dispute' (WTO, 21 July 2025) <https://www.wto.org/english/news_e/news25_e/ds611arb25_21jul25_e.htm> accessed 31 August 2026.
[25] World Trade Organization, 'DS618: European Union — Countervailing Duties on Imports of Biodiesel from Indonesia' <https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds618_e.htm>; World Trade Organization, 'DS616: European Union — Countervailing and Anti-Dumping Duties on Stainless Steel Cold-Rolled Flat Products from Indonesia' <https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds616_e.htm> both accessed 28 September 2026.

steel and aluminium products in *Canada-Measures on Certain Steel and Aluminium Products* (DS641).[26]

102. On 30 January 2026, a panel report was circulated in *United States - Certain Tax Credits under the Inflation Reduction Act* (DS623), a dispute brought by China. The panel found that specified tax credits containing domestic-content requirements were inconsistent with relevant WTO obligations. The United States notified its decision to appeal on 23 February 2026; in the absence of a functioning Appellate Body, the report was not adopted.[27]

103. In *China-Worldwide Licensing Terms for Standard Essential Patents* (DS632), the European Union requested the establishment of a panel on 12 February 2026. The Dispute Settlement Body established the panel on 19 March 2026. In May 2026, the parties agreed on Article 25 appeal-arbitration procedures applicable if the Appellate Body remained unable to hear an appeal.[28]

104. In *European Union-Certain Measures Concerning Palm Oil and Oil Palm Crop-Based Biofuels* (DS593), Indonesia requested authorisation to suspend concessions at an annual level estimated between USD 2.8 billion and USD 5.6 billion, alleging non-compliance by the European Union. On 19 March 2026, the matter was referred to arbitration under Article 22.6 of the DSU.[29]

105. Dispute-settlement reform remained a central institutional issue at MC14. Ministers received an update on the negotiations but did not conclude a comprehensive reform package. Work was to continue in Geneva, including under the wider WTO reform process.[30] At the first General Council meeting following MC14, held on 6 and 7 May 2026, members discussed follow-up work on outstanding Ministerial issues, including WTO reform and electronic commerce. The discussions confirmed that significant questions left unresolved at Yaounde would require further member-driven negotiations.[31]

106. On 27 July 2026, Brazil requested consultations with the United States in *United States-Additional Duties on Certain Products from Brazil* (DS646). Brazil challenged additional duties

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[26] World Trade Organization, 'China Initiates WTO Dispute Regarding Canadian Surtaxes, Quotas on Steel, Aluminium Goods' (20 August 2025) <https://www.wto.org/english/news_e/news25_e/ds641rfc_20aug25_e.htm> accessed 28 September 2026.

[27] World Trade Organization, 'DS623: United States - Certain Tax Credits under the Inflation Reduction Act' <https ://www.wto.org/english/tratop_e/dispu_e/cases_e/ds623_e.htm>; World Trade Organization, 'WTO Panel Issues Report Regarding Certain US Tax Credits under the Inflation Reduction Act' (WTO, 30 January 2026) <https://www.wto.org/english/news_e/news26_e/623r_272_e.htm> both accessed 31 August 2026.

[28] World Trade Organization, 'DS632: China - Worldwide Licensing Terms for Standard Essential Patents' <https:// www.wto.org/english/tratop_e/dispu_e/cases_e/ds632_e.htm> accessed 31 August 2026.

[29] World Trade Organization, 'Arbitrator to Set Level of Trade Suspension in Indonesia-EU Palm Oil Biofuels Dispute' (WTO, 19 March 2026) <https://www.wto.org/english/news_e/news26_e/dsb_19mar26_330_e.htm> accessed 31 August 2026.

[30] World Trade Organization, 'MC14 Concludes with Adopted Decisions, Progress on Key Outstanding Issues' (WTO, 30 March 2026) <https://www.wto.org/english/news_e/news26_e/mc14_30mar26_354_e.htm>; World Trade Organization, 'WTO Reform: Post-MC14 Briefing Note' <https://www.wto.org/english/thewto_e/minist_e/mc14_e/briefing_notes_e/wtoreform_e.htm> both accessed 31 August 2026.

[31] World Trade Organization, 'General Council Chair Outlines Next Steps to Build on Momentum from MC14 Negotiations' (WTO, 6 May 2026) <https://www.wto.org/english/news_e/news26_e/gc_06may26_386_e.htm> accessed 31 August 2026

imposed following two investigations under section 301 of the United States Trade Act of 1974, alleging inconsistencies with the most-favoured-nation and tariff-binding obligations under the GATT 1994 and with Article 23 of the DSU.[32]

107. On 28 August 2026, the DSB adopted the Panel Report in *European Union-Anti-Dumping Measures on Imports of Fatty Acid from Indonesia* (DS622). The Panel found that the European Union had acted inconsistently with the Anti-Dumping Agreement by using an incorrect exchange rate for certain export transactions, resulting in an anti-dumping duty exceeding the established dumping margin. The European Union did not appeal the findings, thereby permitting adoption of the report notwithstanding the continuing Appellate Body impasse.[33]

(d) Trade Policy Review Mechanism

108. The Trade Policy Review Mechanism provides for the regular collective examination of WTO Members' trade policies and practices, with the objective of enhancing transparency and understanding of those policies. During the period under review, Trade Policy Reviews were conducted for the following AALCO Member States: Sri Lanka, on 15 and 17 October 2025; Nepal, on 17 and 19 November 2025; Thailand, on 1 and 3 December 2025; The Gambia, on 4 and 6 February 2026; Japan, on 27 and 29 May 2026; the Philippines, on 24 and 26 June 2026; and India, on 21 and 23 July 2026. Each review was based on separate reports prepared by the WTO Secretariat and the Government concerned, followed by collective discussion in the Trade Policy Review Body.[34]

2. Regional Cooperation on Trade

(a) African Continental Free Trade Area (AfCFTA)

109. The Agreement Establishing the African Continental Free Trade Area (AfCFTA), adopted in 2018 and in force since 2019, seeks to create a single African market for goods and services and progressively liberalise intra-African trade.[35] During the period under review, implementation moved forward following the conclusion of negotiations on the Phase II Protocols concerning investment, competition policy, intellectual property rights, digital trade,

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[32] WTO, 'DS646: United States-Additional Duties on Certain Products from Brazil', available at <https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds646_e.htm> accessed on 1 September 2026.

[33] WTO, 'WTO Members Adopt Panel Report Regarding EU Duties on Fatty Acid from Indonesia' (28 August 2026), available at <https://www.wto.org/english/news_e/news26_e/dsb_28aug26_475_e.htm> accessed on 1 September 2026.

[34] World Trade Organization, 'Trade Policy Reviews: List of Reviews' <https://www.wto.org/english/tratop_e/tpr_e/tp_rep_e.htm>; World Trade Organization, 'Trade Policy Review: Sri Lanka' <https://www.wto.org/english/tratop_e/tpr_e/tpr_lka_15oct25_e.htm; World Trade Organization, 'Trade Policy Review: Nepal' <https://www.wto.org/english/tratop_e/tpr_e/tpr_npl_17nov25_e.htm>; World Trade Organization, 'Trade Policy Review: Thailand' <https://www.wto.org/english/tratop_e/tpr_e/tpr_tha_01dec25_e.ht m>; World Trade Organization, 'Trade Policy Review: The Gambia' <https://www.wto.org/english/tratop_e/tpr_e/ tpr_gmb_04feb26_e.htm>; World Trade Organization, 'Trade Policy Review: Japan' <https://www.wto.org/english/tratop_e/tpr_e/tpr_jpn_27may26_e.htm>; World Trade Organization, 'Trade Policy Review: Philippines' <https://www.wto.org/english/tratop_e/tpr_e/tpr_phl_24jun26_e.htm>; World Trade Organization, 'Trade Policy Review: India' <https://www.wto.org/english/tratop_e/tpr_e/tpr_ind_21jul26_e.ht m> all accessed 28 September 2026.

[35] Agreement Establishing the African Continental Free Trade Area (adopted 21 March 2018, entered into force 30 May 2019) arts 3-4; African Union, 'Agreement Establishing the African Continental Free Trade Area' <https://au.int/en/treaties/agreement-establishing-african-continental-free-trade-area> accessed 28 September 2026.

and women and youth in trade. In February 2026, the African Union Assembly called for the ratification of these Protocols by the end of 2026 and directed an expedited transition from negotiation to implementation.[36]

110. The Assembly also adopted additional rules of origin, called for a review of the tariff-elimination modalities and encouraged State Parties to complete the domestic procedures necessary to trade under their provisional schedules of tariff concessions. Among AALCO Member States, Nigeria completed the gazetting of its Provisional Schedule, while Somalia was encouraged to deposit its instrument of ratification and Libya and Sudan were encouraged to expedite ratification of the Agreement. The Assembly further called for the implementation of commitments concerning digital identities, cross-border payments, data protection and an interoperable digital single window.[37] During the reporting period, the Pan-African Payment and Settlement System also expanded its operational connections, including through arrangements involving payment networks in Kenya and the Bank of Central African States.[38]

(b) China-Japan-South Korea Free Trade Agreement (CJK FTA) Negotiations

111. The proposal for a trilateral free trade agreement among China, Japan and the Republic of Korea dates to the early 2000s. Joint non-governmental studies were conducted between 2002 and 2009, followed by a joint governmental study. Formal negotiations were launched in November 2012 with the objective of establishing a comprehensive agreement covering trade in goods and services, investment and other trade-related areas.[39]

112. Sixteen negotiating rounds had been held by November 2019. However, the negotiations subsequently stalled without agreement on several aspects of the proposed agreement, including its level of ambition and the scope of its commitments.

113. At the Thirteenth Economic and Trade Ministers' Meeting among the three States, held in Seoul on 30 March 2025, the Ministers agreed to continue discussions aimed at accelerating negotiations for a free, fair, comprehensive, high-quality and mutually beneficial trilateral FTA. They also emphasised cooperation on supply chains, the digital and green economies, the

[36] African Union Assembly, 'Decision on the Report of the First Meeting of the Assembly Committee of Heads of State and Government on the Implementation of the AfCFTA' Assembly/AU/Dec.975(XXXIX) (15 February 2026) paras 3, 5-6.

[37] African Union Assembly, 'Decision on the Activity Report of the African Continental Free Trade Area' Assembly/AU/Dec.956(XXXIX) (15 February 2026) paras 2-14; African Union Assembly, 'Decision on the Report of the First Meeting of the Assembly Committee of Heads of State and Government on the Implementation of the AfCFTA' Assembly/AU/Dec.975(XXXIX) (15 February 2026) paras 10-16 <https://au.int/sites/default/files/decisions/46188-Assembly_Decisions_31_March_E.pdf> accessed 28 September 2026.

[38] Pan-African Payment and Settlement System, 'Pesalink and PAPSS Unlock Cross-Border Payments in Local Currencies in Kenya' (26 February 2026) <https://papss.com/media>; Pan-African Payment and Settlement System, 'BEAC Joins PAPSS, Connecting Payments between CEMAC and the Rest of Africa' (9 July 2026) <https://papss.co m/media> both accessed 28 September 2026.

[39] Min Zhang, 'The China-Japan-Korea Free Trade Agreement: Politico-Economic Explanations for the Stalled Negotiations' in Min Zhang (ed), China-Japan-South Korea Trilateral Cooperation (Springer 2024) <https://doi.org/10.1007/978-981-97-9148-4_4> accessed 28 September 2026.

business environment and regional and multilateral trade frameworks.[40] Nevertheless, no further formal negotiating round had been held by the end of the reporting period.

(c) ASEAN

114. Recent changes in international trade policy, including the imposition of additional tariffs by the United States, have significantly affected export-oriented economies in the Association of Southeast Asian Nations (ASEAN). ASEAN has responded by reaffirming its support for a predictable, transparent, inclusive and rules-based multilateral trading system, while seeking to deepen regional economic integration and strengthen supply-chain resilience.[41]

115. A significant development was the upgrading of the ASEAN Trade in Goods Agreement. Negotiations on the upgrade were concluded in May 2025. The Second Protocol to Amend the ASEAN Trade in Goods Agreement was presented at the Forty-Seventh ASEAN Summit in October 2025, with the remaining signatures completed by 1 December 2025. The upgraded Agreement contains modernised provisions concerning trade facilitation, transparency, non-tariff measures, rules of origin, supply-chain resilience, remanufactured goods, trade and the environment, humanitarian trade and food security. Its entry into force remained subject to the completion of the applicable domestic procedures.[42]

116. ASEAN and China also signed the Protocol upgrading the ASEAN-China Free Trade Area to version 3.0 on 28 October 2025. The upgraded framework expands cooperation in areas including the digital economy, green economy, supply-chain connectivity, customs and trade facilitation, competition and consumer protection. As of May 2026, ASEAN and China were working towards the ratification of the Protocol.[43]

117. These developments form part of ASEAN's wider efforts to strengthen intra-regional trade, improve the utilisation of existing trade agreements and reinforce the region's role in regional production and supply networks.

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[40] Ministry of Trade, Industry and Resources of the Republic of Korea, 'Joint Media Statement of the Thirteenth Economic and Trade Ministers' Meeting between the Republic of Korea, Japan and the People's Republic of China' (30 March 2025) <https://english.motir.go.kr/eng/article/EATCLdfa319ada/2247/view?bbsCdN=2&pageIndex=1> accessed 28 September 2026; Ministry of Economy, Trade and Industry of Japan, 'Minister Muto Visits the Republic of Korea' (30 March 2025) <https://www.meti.go.jp/english/press/2025/0330_001.html> accessed 28 September 2026.

[41] ASEAN, 'Joint Media Statement of the 34th Meeting of the ASEAN Directors-General of Customs' (5 June 2025) <https://kbscustoms.asean.org/joint-media-statement-of-the-34th-meetingof-the-asean-directors-general-of-customs> accessed 28 September 2026.

[42] ASEAN, 'Secretary-General of ASEAN Attended the Handover Ceremony of the Second Protocol to Amend the ASEAN Trade in Goods Agreement' (26 October 2025) <https://asean.org/secretary-general-of-asean-attended-the-h andover-ceremony-of-the-second-protocol-to-amend-the-asean-trade-in-goods-agreement-atiga> accessed 28 September 2026; ASEAN, 'Second Protocol to Amend the ASEAN Trade in Goods Agreement' (1 December 2025) <https://agreement.asean.org> accessed 28 September 2026.

[43] ASEAN, 'Secretary-General of ASEAN Attends the Signing of the ASEAN–China Free Trade Area 3.0 Upgrade Protocol' (28 October 2025) <https://asean.org/secretary-general-of-asean-attends-the-signing-of-the-asean-china-free-trade-area-acfta-3-0-upgrade-protocol> accessed 28 September 2026; ASEAN, 'Secretary-General of ASEAN Meets with Vice Minister of Commerce and International Trade Representative of the People's Republic of China' (22 May 2026) <https://asean.org/secretary-general-of-asean-meets-with-vice-minister-of-commerce-and-international-trade-representative-of-the-peoples-republic-of-china> accessed 28 September 2026.

(d) India-Oman Comprehensive Economic Partnership Agreement (CEPA

118. India and Oman, both AALCO Member States, signed a Comprehensive Economic Partnership Agreement on 18 December 2025. Following the completion of their respective domestic procedures, the Agreement entered into force on 1 June 2026.[44]

119. The Agreement covers trade in goods and services, customs procedures and trade facilitation, rules of origin, sanitary and phytosanitary measures, technical barriers to trade, investment, professional mobility and other areas of economic cooperation. India secured duty-free market access for its exports across 98.08 per cent of Oman's tariff lines, covering 99.38 per cent of the value of India's exports to Oman.[45]

120. The Agreement also provides for electronic certificates of origin and related trade-facilitation measures. India's Directorate General of Foreign Trade operationalised the electronic certificate-of-origin system under the Agreement with effect from 1 June 2026.[46] The Agreement is expected to strengthen bilateral trade and investment, improve market access for goods and services, and support closer integration between the two economies.

(e) China-Africa Zero-Tariff Treatment

121. The China-Africa trade cooperation framework expanded significantly under the Forum on China-Africa Cooperation (FOCAC) initiatives, aimed at enhancing trade balance and industrial capacity across the continent. Having initially eliminated tariffs on 100% of tariff lines for 33 African Least Developed Countries (LDCs) in December 2024, China expanded this unilateral zero-tariff treatment on 1 May 2026 to cover all 53 African countries with which it maintains diplomatic relations. This includes African AALCO Member States such as Egypt, Kenya, Nigeria, South Africa, Ghana, Tanzania, and Cameroon.[47]

122. Key areas of cooperation under the initiative include:

- Preferential Market Access: Unilateral application of 100% duty-free tariff lines (with zero in-quota tariff rates on quota-administered goods) without demanding immediate reciprocal tariff concessions from African partners.

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[44] Ministry of External Affairs, Government of India, 'India–Oman Joint Statement during the Visit of Prime Minister of India to Oman' (18 December 2025) <https://www.mea.gov.in/bilateral-documents.htm?dtl/40518> accessed 28 September 2026; Press Information Bureau, Government of India, 'India and Oman Energize a New Trade Gateway through the Comprehensive Economic Partnership Agreement' (1 June 2026) <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2267513> accessed 28 September 2026.

[45] Press Information Bureau, Government of India, 'India–Oman CEPA: What the New Trade Deal Means for Exports, Services and Jobs' (10 January 2026) <https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=156893&ModuleId=3&reg=48&lang=1> accessed 28 September 2026.

[46] Directorate General of Foreign Trade, Government of India, Trade Notice No 06/2026-27, 'Implementation of Electronic Certificate of Origin under the India–Oman Comprehensive Economic Partnership Agreement' (1 June 2026) <https://content.dgft.gov.in/Website/dgftprod/84d3046a-9902-41dc-b165-968ecefea6e7/tn%203%20%281%29.pdf> accessed 28 September 2026.

[47] Beichen Ding, 'China's Zero-Tariff Policy for Africa: Stretching the Enabling Clause?' (EJIL: Talk!, 18 May 2026) <https://www.ejiltalk.org/chinas-zero-tariff-policy-for-africa-stretching-the-enabling-clause> accessed 6 September 2026.

- Sanitary and Phytosanitary (SPS) "Green Lanes": Fast-track inspection and custom clearance procedures designed to facilitate direct exports of African agricultural, horticultural, and processed food products into the Chinese market.[48]

- Supply Chain and Value-Addition Integration: Encouraging the downstream processing of African critical minerals, agricultural commodities, and intermediate manufactured goods to foster local industrial development before export.[49]

- Transition to Formal Economic Partnerships: Serving as a two-year transitional framework (2026-2028) while both sides negotiate comprehensive bilateral Agreements of Economic Partnership for Shared Development.

123. The zero-tariff initiative is intended to narrow Africa's persistent trade deficits, diversify exports beyond unrefined raw materials, and complement continent-wide integration under the AfCFTA.

(f) India-Gulf Cooperation Council (GCC) Free Trade Agreement Negotiations

124. Negotiations for a comprehensive trade pact between India and the six-member Gulf Cooperation Council (comprising Saudi Arabia, the UAE, Qatar, Kuwait, Oman, and Bahrain) originally commenced with a framework agreement in 2004, followed by formal rounds in 2006 and 2008. Talks subsequently paused when the GCC deferred bilateral negotiations with external partners. However, rising supply-chain uncertainties, energy transition agendas, and India's successful conclusion of bilateral CEPAs with the UAE and Oman catalysed a decision to formally revive bloc-wide negotiations. The parties signed the official Terms of Reference (ToR) on 5 February 2026, defining the scope and institutional modalities for the resumption of talks.[50]

125. Both sides agreed to explore enhancing cooperation in vital strategic areas, including Trade in Goods, Customs Procedures, Trade in Services, and Digital Trade. Furthermore, the framework covers Sanitary and Phytosanitary (SPS) measures, Intellectual Property Rights, and cooperation regarding Micro, Small, and Medium Enterprises (MSMEs), alongside other matters of mutual interest, reflecting the comprehensive nature of the agreement and its ability to keep pace with the economy of the future.[51] Physical negotiating rounds resumed in late 2026, targeting an integrated trade agreement that builds upon an annual commercial corridor exceeding USD 170 billion.

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[48] Lauren Johnston, 'China's New Tariff-Free Regime for Africa: The Potential Upside and Downside' (Trade Unions and Trade in Africa, 16 April 2026) <https://tradeunionsinafcfta.org/chinas-new-tariff%E2%80%91free-regime-for-africa-the-potential-upside-and-downside> accessed 6 September 2026.

[49] Mohanasakthivel J, 'Tariff-Free but Not Barrier-Free: Africa's Challenge in the Chinese Market' (Manohar Parrikar Institute for Defence Studies and Analyses, 9 June 2026) <https://idsa.in/publisher/comments/tariff-free-but-not-barrier-free-africas-challenge-in-the-chinese-market> accessed 6 September 2026.

[50] Layla Ali, 'India-GCC Free Trade Agreement: A New Phase in Economic Cooperation and Implications for the Gulf' (Gulf Research Center, 11 February 2026) <https://www.grc.net/single-commentary/349> accessed 6 September 2026.

[51] Gulf Cooperation Council General Secretariat, 'HE GCCSG: Launch of Free Trade Agreement Negotiations Between the GCC and India, and Signing of the Joint Statement, Marks a New Phase of Strategic Partnership' (Media Center, 24 February 2026) <https://www.gcc-sg.org/en/MediaCenter/News/Pages/news-2026-2-24-5.aspx> accessed 6 September 2026.

(g) Recent RTAs in the Asian and African Region

126. Several regional trade agreements involving AALCO Member States entered into force during the reporting period of this document. These included the Malaysia-United Arab Emirates Comprehensive Economic Partnership Agreement and the Trade and Economic Partnership Agreement between India and the European Free Trade Association, both of which entered into force on 1 October 2025.[52]

127. The Agreement on Trade in Services and Investment between China and Belarus entered into force on 1 January 2026. The Agreement provides for greater openness in trade in services and investment and includes provisions concerning the entry and temporary stay of businesspersons.[53] The China-Congo Economic Partnership Agreement for Shared Development, which principally concerns trade in goods and preferential tariff treatment, entered into force on 1 April 2026.[54]

128. The India-Oman Comprehensive Economic Partnership Agreement entered into force on 1 June 2026, while the Comprehensive Economic and Trade Agreement between India and the United Kingdom entered into force on 15 July 2026.[55] These agreements differ in scope, but generally seek to expand market access, facilitate trade and investment, modernise customs procedures and address areas such as services, digital trade, intellectual property and sustainable development.

129. Amendments were also made to the rules of origin under the EFTA-Jordan Free Trade Agreement entered into force on 1 February 2026.[56]

130. The WTO Committee on Regional Trade Agreements continued its examination of notified RTAs during the reporting period. At its meeting on 3 March 2026, the Committee reviewed five agreements, including the Mozambique-Indonesia Preferential Trade Agreement, the China-Serbia Free Trade Agreement and the Türkiye-Faroe Islands Free Trade Agreement. Indonesia, China and Türkiye are AALCO Member States. At its meeting on 3 March 2026, the Committee

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[52] Ministry of Investment, Trade and Industry of Malaysia, 'Entry into Force of the Malaysia–United Arab Emirates Comprehensive Economic Partnership Agreement for Malaysia' <https://www.miti.gov.my/index.php/pages/view/3911> accessed 28 September 2026; European Free Trade Association, 'India' https://www.efta.int/trade-relations/free-trade-network/india accessed 28 September 2026.

[53] Ministry of Commerce of the People's Republic of China, 'China and Belarus Officially Signed an Agreement on Service Trade and Investment' (23 August 2024) <https://english.mofcom.gov.cn/News/SignificantNews/art/2024/art_ef2d37428b714a02969cc4f8b0e995f9.html> accessed 28 September 2026; World Trade Organization, 'Regional Trade Agreements Information System' <https://rt ais.wto.org> accessed 28 September 2026.

[54] World Trade Organization, 'List of All RTAs in Force, Including Accessions, by Date of Entry into Force' <https://rtais.wto.org/UI/PublicPreDefRepByEIF.aspx> accessed 28 September 2026.

[55] Press Information Bureau, Government of India, 'India-Oman Comprehensive Economic Partnership Agreement Comes into Force' (3 June 2026) <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2268595> accessed 28 September 2026; Government of the United Kingdom, 'Comprehensive Economic and Trade Agreement between the United Kingdom of Great Britain and Northern Ireland and India' <https://www.gov.uk/government/collections/comprehensive-economic-and-trade-agreement-between-the-united-kingdom-of-great-britain-and-northern-ireland-and-india> accessed 28 September 2026.

[56] European Free Trade Association, 'EFTA-Jordan: Protocol B-Rules of Origin' <https://www.efta.int/sites/default/files/uploads/2026-02/EFTA-JO%20Protocol%20B%20Amendment.pdf> accessed 28 September 2026.

also noted that at least 67 RTAs in force had not yet been notified to the WTO. Implementation reports were due for 235 RTAs, with a further thirteen becoming due during 2026.[57]

B. Report on the work of the United Nations Commission on International Trade Law (UNCITRAL) at its fifty-ninth session (29 June to 10 July 2026)

130. Issues relating to the law governing international trade were first placed on the agenda of the Asian-African Legal Consultative Organization (AALCO) at its Third Session, held in Colombo in 1960, following a reference by the Government of India in connection with the topic of diplomatic immunity.[58] At its Fourth Session, held in Tokyo in 1961, Member States considered the topic "Conflict of Laws relating to Sales and Purchases in Commercial Transactions between States or their Nationals". The topic of "International Sale of Goods" was subsequently discussed at the First Session of the United Nations Commission on International Trade Law (UNCITRAL) (the "Commission"), held in New York in 1968.

131. At the Commission's Second Session in 1969, representatives of the Republic of Ghana and the Republic of India proposed that the then Asian-African Legal Consultative Committee (AALCC) resume its consideration of the international sale of goods, with a view to ascertaining the views of Asian and African Member States on the subject.[59] In response, the AALCC designated the topic as a priority item at its Eleventh Session, held in Accra, the Republic of Ghana, in 1970.

132. At that Session, the AALCC also established a Standing Sub-Committee on economic and trade law matters, which was to convene regularly as part of the Organization's activities. Official relations between the AALCC and the Commission were established in 1971,[60] leading to fruitful and effective cooperation between the two organizations across several areas of international commercial and trade law.

133. Thereafter, the AALCC regularly considered developments in international trade law and the work of relevant international organizations, including the United Nations Conference on Trade and Development (UNCTAD), the International Institute for the Unification of Private Law (UNIDROIT) and the Hague Conference on Private International Law (HCCH), under the agenda item entitled "Progress Report concerning the Legislative Activities of the United Nations and other Organizations in the field of International Trade Law".[61]

134. At its Forty-Third Session, held in Bali in 2004, the agenda item was retitled "Report on the Work of UNCITRAL and other International Organizations in the Field of International

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[57] World Trade Organization, 'WTO Members Review Five Regional Trade Agreements, Discuss Transparency Issues' (3 March 2026) <https://www.wto.org/english/news_e/news26_e/rta_03mar26_299_e.htm> accessed 28 September 2026.

[58] AALCC, Report of the Third Session held in Colombo Sri Lanka from 20 January to 4 February 1960 (1960) <https://www.aalco.int/Report%20and%20Resolutions%20of%20the%20Third%20Annual%20Session.pdf> accessed 1 October 2026

[59] AALCC, *Report of the 11th Session held in Accra (Ghana) from 19th to 29th January* (1970) 260 <https://www.aalco.int/11thsession/Part%2014.pdf> accessed 1 October 2026

[60] Ibid 264

[61] AALCC, *Report of the 11th Session held in Seoul (Republic of Korea)) from 16th to 20th June* (2003) <https://www.aalco.int/report42ndAS> accessed 1 October 2026

Trade Law", reflecting UNCITRAL's central role in the harmonization and unification of international trade law.

135. Since the Commission was entrusted with work relating to investor-State dispute settlement (ISDS), beginning with the Mauritius Convention on Transparency in Investor-State Arbitration and subsequent amendments to the UNCITRAL Arbitration Rules, 1976, and continuing with the reform of ISDS, AALCO's deliberations over the past decade have focused principally on the Commission's work in this area, alongside other related matters.

136. This report, prepared by the AALCO Secretariat, provides an overview of the key instruments adopted by the Commission at its fifty-ninth session, held in Vienna from 29 June to 10 July 2026. At that session, the Commission adopted three key instruments developed by its working groups pursuant to their respective mandates.

137. While the Statute of the Advisory Centre on International Investment Dispute Resolution was recommended for adoption to the UN General Assembly, the Supplementary Provisions on the Conduct of Proceedings to Resolve International Investment Disputes as well as the amendments to the UNCITRAL Model Law on International Commercial Arbitration and its explanatory notes were adopted by the Commission and recommended to Governments and other relevant stake holder to make use of and refer in their agreements and legislations

1. The fifty-ninth session of the UNCITRAL held in New York from 29 June to 10 July 2026.

(a) Introduction

138. The fifty-ninth session of the Commission was held in New York from 29 June to 10 July 2026 and was attended by fifty-three members of the Commission as well as twenty-five observer States. The session was also attended by 9 inter-governmental organizations including AALCO as well as thirty-one invited non-governmental organizations.[62]

139. The agenda at the fifty-ninth session of the UNCITRAL had the following instruments that were put up for consideration of the Commission: Draft Statute of the Advisory Centre on International Investment Dispute Resolution, the Supplementary provisions on the conduct of proceedings to resolve international investment disputes and the texts regarding the recognition and enforcement of arbitral awards and notices of arbitration in electronic form.

(b) Draft Statute of the Advisory Centre on International Investment Dispute Resolution[63]

140. At its fifty-ninth session the Commission recalled that it had adopted in principle the Statute of the Advisory Centre on International Investment Dispute Resolution in 2024 and had subsequently established an inclusive informal process involving States and regional economic integration organizations to address the Centre's operationalization.[64] Three informal meetings

[62] UNCITRAL, 'Report of the UNCITRAL at its fifty-ninth session (29 June -10 July 2026)' UN Doc. A/81/17 (UNCITRAL Report 2026)
[63] "Chapter IV: Finalziation of the drafts statute of the advisory centre on international investment dispute resolution" ibid 11
[64] UNCITRAL, 'Report of the UNICTRAL at its fifty-seventh session (24 June -12 July 2024)' 86 UN Doc. A/79/17

were convened in Bangkok, the Kingdom of Thailand; Yerevan, the Republic of Armenia and Paris, the French Republic; following which the Commission undertook to finalize the draft Statute for submission to the General Assembly.

141. In considering the establishment of the Centre, the Commission examined the Draft Statute adopted in principle, the outcome of the third operationalization meeting, the proposed arrangements for an interim secretariat and the outstanding questions concerning article 9 and the related draft decision. It was also informed that eight Governments had submitted proposals expressing an interest in hosting the Centre's headquarters or regional offices.

142. Regarding location, the Kingdom of Morocco and the Kingdom of Thailand expressed their willingness to host the headquarters, while Armenia, France and Ghana indicated an interest in hosting a regional office. Côte d'Ivoire and the Democratic Republic of the Congo expressed interest in hosting either the headquarters or a regional office.[65]

143. Following consideration of whether article 9 should require the establishment of regional offices or preserve the Governing Committee's discretion, the Commission agreed that the Governing Committee should consider establishing regional offices, as necessary, across the five United Nations regional groups. Any such decision would be required to take account of the objectives and general principles of the Statute, ensure equitable geographical representation and provide for the conclusion of a host country agreement with the State concerned. The Commission clarified that more than one regional office could be established within the same regional group and recommended that the General Assembly urge the Governing Committee to take account of the proposals submitted to the Commission in 2025, without being legally bound by them or precluded from considering subsequent proposals and relevant circumstances

144. As regards the headquarters, the Commission agreed that it should be situated in the territory of a member State and that its location should be determined by the General Assembly. The Centre would conclude a host country agreement with the host State, while the Governing Committee would retain authority to relocate the headquarters temporarily or permanently where exceptional circumstances so seriously affected its operational effectiveness that the existing location was no longer suitable. The Commission also confirmed that the instrument should consistently be described as a "Statute", notwithstanding the possibility that it might eventually become a protocol to the contemplated multilateral instrument on investor–State dispute settlement reform.

145. In examining the institutional arrangements, the Commission approved revised provisions governing the composition of the Executive Committee, including the nomination and appointment of its members and of the Executive Director, as well as the applicable appointment criteria. It agreed that, for the purpose of determining priority in access to the Centre's services, priority should first be accorded to least developed countries appearing on the relevant United Nations list, followed by other Members. This approach was regarded as administratively straightforward. Since the revised Statute employed different classifications of Members for different purposes, the Commission deleted the provision that had prescribed a single general classification.

[65] UNCITRAL Report 2026, 11

146. The Commission further agreed upon the principal elements of the Centre's financing structure. Members' assessed contributions would cover the entirety of its budget and would be calculated by reference to the United Nations scale of assessments for the regular budget. Members would be divided into five groups according to their assessment rates, with a contribution ceiling applicable to each group and individual contributions declining as the Centre's membership expanded. Contributions payable by regional economic integration organizations would be calculated by reference to the average assessment rates of their member States, while the budget cycle and payment arrangements would be prescribed in regulations adopted by the Governing Committee. The Governing Committee would approve both the Centre's budget and the assessed contributions of individual Members. Fees for services would increase progressively from Group I to Group V, while non-Members would ordinarily be charged fees equal to or greater than those payable by Group V Members, unless the Governing Committee decided otherwise.

147. As regards the entry into force of the Statute, the Commission agreed that the Secretary-General of the United Nations should act as depositary of the Statute. To avoid the practical difficulties associated with incorporating a continually changing list of least developed countries, it decided that the list as on 1 January 2027 should be reproduced as a fixed list in annex II solely for determining entry into force, while the provisions governing amendments would apply only to annex I concerning financial contributions. The Commission retained the financial threshold for entry into force, clarifying that the aggregate of the maximum percentages of the Centre's budget payable by all States and regional economic integration organizations that had become parties to the Statute must equal or exceed 100. This requirement was intended to ensure that the Centre commenced operations on a financially sustainable basis.

148. With respect to transitional arrangements, the Commission agreed that the interim secretariat should undertake the preparatory, legal, administrative, financial and outreach functions necessary to operationalize the Centre. These functions would include promoting membership, assisting the depositary, preparing proposed host-country and institutional arrangements, drafting instruments on privileges and immunities and internal regulations, preparing the initial budget and assessed contributions, facilitating the appointment of the Executive Director, coordinating with other organizations, establishing funding arrangements and servicing the first meetings of the Governing Committee and Executive Committee.

149. The Commission also considered that the interim secretariat should begin functioning upon adoption of the Statute by the General Assembly and continue until the permanent secretariat became fully operational. It therefore agreed to request the Secretary-General to perform those functions through the International Trade Law Division of the Office of Legal Affairs of the United Nations, subject to the availability of extrabudgetary resources and without prejudice to the Division's existing responsibilities.

150. The interim secretariat would report to the Commission until the Governing Committee held its first meeting. Recognizing that its operation could entail additional costs for the Office of Legal Affairs and other United Nations departments, the Commission noted the possible need for contingency funding and requested the secretariat to examine the establishment or management of trust funds. Existing trust funds administered by the International Trade Law Division could potentially support the interim secretariat and receive voluntary contributions intended for the

Centre's future operations. The results of that examination would be communicated to the General Assembly.

151. Finally, the Commission revisited the voting rights of regional economic integration organizations. One view maintained that voting rights should be reserved for States or, alternatively, that such an organization should exercise votes corresponding to the number of its member States that were Members of the Centre, subject to safeguards preventing both the organization and its member States from voting on the same matter. The opposing view emphasized that the draft Statute treated a regional economic integration organization as a full Member possessing its own rights and obligations, including the right to vote and the obligation to contribute financially, and that withholding voting rights could discourage organizations possessing relevant competence from joining the Centre. In view of the continuing divergence, the Commission agreed that the voting arrangements contained in the Statute should not constitute a precedent for other elements of investor–State dispute settlement reform and should receive further consideration in the context of the proposed multilateral reform instrument.

152. Accordingly, at its 1266th meeting on 2 July 2026, the Commission adopted by consensus the following decision and recommendation to the General Assembly.

"The United Nations Commission on International Trade Law,

Recalling its mandate under General Assembly resolution 2205 (XXI) of 17 December 1966 to further the progressive harmonization and unification of the law of international trade and in that respect to bear in mind the interests of all peoples, in particular those of developing countries, in the extensive development of international trade,

Recalling also its decision at the fiftieth session in July 2017 to entrust Working Group III (Investor-State Dispute Settlement Reform) with a broad mandate to work on the possible reform of investor-State dispute settlement and to develop relevant solutions,

Convinced that the establishment of an advisory centre could enhance the capacity of States and regional economic integration organizations to prevent and handle international investment disputes, in particular least developed and developing countries,

Recalling its decision, at its 1222nd meeting, on 5 July 2024, to adopt in principle the draft statute of the advisory centre on international investment dispute resolution,

Noting that preparatory work on the operationalization of the advisory centre was subsequently conducted under the auspices of the Commission involving interested States and regional economic integration organizations,

Expressing its appreciation to the Governments of Thailand, Armenia and France for hosting the meetings on the operationalization of the advisory centre,

Acknowledging that further work would need to be undertaken by an interim secretariat to ensure that the advisory centre can become operational and that its statute enters into force in due course,

Mindful that Working Group III is continuing to make progress with regard to a number of elements of investor-State dispute settlement reform to be recommended to the Commission,

Mindful also that a multilateral instrument is being prepared, which would facilitate the implementation of the reform elements by States and regional economic integration organizations, and that the statute of the advisory centre could become part of that multilateral instrument,

Noting that the finalization of the statute benefited greatly from consultations with Governments and interested intergovernmental and non-governmental organizations, in particular the Advisory Centre on World Trade Organization Law,

1. Submits to the General Assembly the draft statute of the advisory centre on international investment dispute resolution, as it appears in annex I to the report of the United Nations Commission on International Trade Law on the work of its fifty-ninth session;

2. Recommends that the General Assembly consider adopting the draft statute as the Statute of the Advisory Centre on International Investment Dispute Resolution at its eighty-first session;

3. Also recommends that the General Assembly, upon adoption of the statute, call upon all States and regional economic integration organizations to consider becoming a Party to the statute at the earliest possible date for its entry into force;

4. Further recommends that the General Assembly authorize the Commission to continue its deliberations on the location of the headquarters of the Advisory Centre with an aim to make a recommendation to the General Assembly in 2027 with the locations being in Bangkok and/or Rabat;

5. Recommends that the General Assembly urge the Governing Committee, when establishing regional offices, to take into account the proposals submitted to the United Nations Commission on International Trade Law in 2025 with regard to establishment of the headquarters and regional offices of the Advisory Centre;

6. Also recommends that the General Assembly note its anticipation that the statute could form part of a convention on investor-State dispute settlement reform, which is being prepared by the United Nations Commission on International Trade Law and is expected to be submitted to the General Assembly at a later stage for its consideration;

7. Further recommends that the General Assembly request that the Secretary-General function as the interim secretariat of the Advisory Centre through the International Trade Law Division of the Office of Legal Affairs upon the adoption of the statute and to carry out the functions listed in document A/CN.9/1266, paragraph 4, which shall be without any programme budget implication on the United Nations and rely entirely on extrabudgetary resources, including but not limited to voluntary contributions;

8. Recommends that the General Assembly request the Secretary-General to establish or manage trust funds to facilitate the establishment and operationalization of the Advisory Centre as well as the financing of its interim secretariat;

9. Also recommends that the General Assembly request the Secretary-General to report on the activities of the interim secretariat to the United Nations Commission on International Trade Law until the first meeting of the Governing Committee of the Advisory Centre;

10. Requests the Secretary-General, as depository of the statute, to open it for signature at a date to be determined by the General Assembly;

11. Also requests the Secretary-General to publish the statute, upon adoption, including electronically and in the six official languages of the United Nations, and to disseminate it broadly to Governments and other interested bodies."[66]

(c) The UNCITRAL Supplementary Provisions on the Conduct of Proceedings to Resolve International Investment Disputes[67]

153. The Commission considered the draft UNCITRAL Supplementary Provisions on the Conduct of Proceedings to Resolve International Investment Disputes, together with comments submitted by relevant institutions. It was informed that Working Group III had decided at its fifty-third session, in January 2026,[68] to prioritize the provisions governing the conduct of proceedings so that they could be finalized and submitted to the Commission, and that further work had subsequently been undertaken through informal consultations.

154. Although concerns were expressed that several substantive questions remained unresolved and that different implementation mechanisms might contribute to further fragmentation, the Commission proceeded with its review, while remaining mindful of the possible need for additional consideration by Working Group III in conjunction with the remaining procedural and cross-cutting provisions.

155. The Commission agreed that the text should be presented as the "UNCITRAL Supplementary Provisions on the Conduct of Proceedings to Resolve International Investment Disputes" and should operate as a coherent set of provisions. The Supplementary Provisions were intended to be capable of application to arbitrations conducted under different procedural rules where the parties so agreed. Accordingly, references to particular arbitration rules were generally to be avoided. At the same time, the Commission recognized the need to clarify the relationship between the Supplementary Provisions and the otherwise applicable procedural rules, including which rules would prevail in the event of inconsistency. It further emphasized that provisions expressly conferring discretionary powers upon a tribunal should not be interpreted as implying that tribunals lacked comparable powers under the applicable rules.

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[66] UNCITRAL Report 2026, 16-17

[67] "Chapter V: Finalization and adoption of the UNCITRAL Supplementary Provisions on the Conduct of Proceedings to Resolve International Investment Disputes" in UNCITRAL Report 2026, 18.

[68] UNCITRAL, "Report of Working Group III (Investor-State Dispute Settlement Reform) on the work of its fifty-third session (New York, 12–16 January 2026)" 11 UN Doc. A/CN.9/1239 (30 January 2026)

156. To ensure consistent observance of party participation, the Commission introduced a new overarching provision requiring the tribunal to consult the disputing parties before making, on its own initiative, any order or decision authorized by the Supplementary Provisions. This provision would become supplementary provision I, with the remaining provisions renumbered and repetitive requirements for consultation with the parties be deleted.[69] The Commission also confirmed that references to "an award" contemplated the possibility of multiple awards, whereas "the award" referred to the final award, and that references to "other disputing parties" should be expressed in the plural to accommodate multiparty proceedings. As a general rule, the term "claim" would include counterclaims and claims for set-off, subject to a specific exception concerning objections based on manifest lack of legal merit.

157. With respect to evidence, the Commission clarified that the procedure for document production concerned production to the requesting party rather than submission directly to the tribunal. It retained the requirement that the tribunal consider all relevant circumstances when deciding disputes concerning document production and reformulated the consequences of non-compliance so that, where a disputing party failed without sufficient cause to produce evidence within the prescribed period, the tribunal could grant appropriate relief, including deciding the case on the evidence before it. This formulation was understood to permit adverse inferences, costs orders, the rendering of an award or any other measure appropriate to the circumstances. The Commission also retained the mandatory exclusion of specified categories of evidence and clarified that evidence should be excluded where its use was prohibited under any law, rule or privilege determined by the tribunal to be applicable.

158. Regarding bifurcation, the Commission clarified the provision dealing with prejudice to the proceedings by restricting the relevant reference to jurisdictional questions and removed references to specific provisions of the UNCITRAL Arbitration Rules or other applicable rules. It further decided that tribunals should be required to provide reasons for decisions on requests for bifurcation. Although such reasons need not be extensive and could be provided subsequently, the Commission considered them important, particularly where the decision might later be reviewed.

159. In relation to interim measures, the Commission adjusted the structure of the provision to clarify the limits upon a tribunal's discretion. It decided not to include an express prohibition against seizure of assets, on the understanding that a tribunal would not possess authority to order such seizure as an interim measure. Considerable discussion concerned whether tribunals should be prohibited from ordering measures that would impede a State's right to regulate in the public interest, including for the protection of life, health or the environment. While some delegations regarded an express safeguard as essential to protect sovereign regulatory functions, others considered the concern largely theoretical, potentially duplicative of the existing proportionality assessment and more appropriately addressed in the separate draft provision on the right to regulate. The Commission ultimately agreed to require the tribunal, when assessing whether the applicable criteria for interim relief had been satisfied, to take into account any harm to the public interest, including the protection of life, health or the environment, likely to result from the measure.

[69] Supplementary provisions: I paras. 3 and 7, V para.8, VI paras. 2 and 4, VIII para. 3, XI paras. 6 and 7(c).

160. As regards objections that a claim manifestly lacked legal merit, the Commission decided that the procedure should apply only to claims brought by investors and not to counterclaims or claims for set-off. It therefore inserted an express provision excluding those categories from the meaning of "claim" for that purpose, without limiting any authority otherwise available to the tribunal under the applicable rules to dismiss counterclaims. The Commission retained the tribunal's discretion to admit an objection submitted after the prescribed 60-day period and noted that the allocation of costs arising from such proceedings was governed by the supplementary provision on costs.

161. In considering security for costs, the Commission confirmed that third-party funding would not, by itself, justify an order for security but could be considered in conjunction with the funded party's ability to comply with an adverse decision on costs and other relevant circumstances. It retained, as a relevant consideration, whether the third-party funder had agreed to pay a cost award while rejecting language that might unduly constrain the tribunal's discretion. The Commission also retained the presumption concerning States and regional economic integration organizations, reflecting their distinct position and presumed ability to comply with adverse costs decisions. The provision concerning suspension of proceedings was approved without modification.

162. The provision on termination was revised to address multiparty proceedings by clarifying that a proceeding could be terminated following a party's request only where none of the other disputing parties objected. An objection by any one of those parties would therefore be sufficient for the proceeding to continue. The Commission retained the 30-day period for objections but authorized the tribunal to prescribe a different period where appropriate. It also clarified that a tribunal's "acceptance" of a settlement referred only to its willingness to record the settlement in the form of an award and did not entail substantive approval of the settlement itself.

163. Concerning the period for making an award, the Commission clarified that the 180-day time limit would apply when an award was rendered in a separate phase following bifurcation on an issue of jurisdiction or admissibility. The period would commence after the final submission contemplated by the tribunal on the relevant bifurcated issue. Under the broader structure of the provision, different time limits would apply to awards disposing of claims that manifestly lacked legal merit, awards following jurisdictional or admissibility bifurcation and awards rendered in all other cases, subject to extension in special circumstances.

164. The Commission approved the provision on allocation of costs without amendment. It declined to include participation in amicable settlement as a relevant consideration, observing that the Supplementary Provisions did not require such settlement efforts, that tribunals might not be aware of them and that no adverse inference should arise from a party's decision not to participate or to discontinue participation. It further clarified that the exclusion of costs relating to third-party funding was directed principally at expenses associated with negotiating, maintaining or administering the funding arrangement and at fees charged by the funder, rather than necessarily excluding ordinary legal representation costs merely because those costs had been funded by a third party. Their recoverability would remain subject to the tribunal's assessment of reasonableness.

165. Regarding consolidation and coordination, the Commission removed the phrase "one award" and retained language allowing the tribunal to address the outcome in an appropriate

form. In relation to third-party funding, it adopted the term "beneficial owner" and confirmed that the funded party would be responsible for obtaining the required ownership information from the funder. The Commission further clarified that references to management of the "claim", in addition to management of the proceeding, were intended to capture a funder's possible influence over decisions concerning which claims should be pursued or settled. The tribunal would ordinarily possess discretion under the applicable rules to request additional information and would specify the period for its disclosure.

166. Information disclosed concerning third-party funding could be made public only where permitted by the applicable rules, following consultation with the disputing parties and subject to measures protecting confidential or otherwise protected information. The provision contained a non-exhaustive list of sanctions for failure to comply with disclosure obligations, including an order for security for costs, consideration of the failure in allocating costs, suspension of the proceeding and, where suspension continued beyond the prescribed period, possible termination. The Commission emphasized that the tribunal would be required to adopt measures appropriate to the nature and circumstances of the non-compliance.

167. On implementation, the Commission agreed that the Supplementary Provisions should be adopted as a standalone set available for use by disputing parties and treaty parties, thereby enabling their incorporation by reference where appropriate. Their generic formulation was intended to also permit application in arbitrations not governed by the UNCITRAL Arbitration Rules. Further work would nevertheless be required before they could be incorporated into a protocol to the Multilateral Instrument on Investor–State Dispute Settlement Reform (MIIR), particularly concerning the manner of incorporation and the treatment of the remaining procedural and cross-cutting provisions being developed by Working Group III.

168. Views diverged on the appropriate means of incorporating the Supplementary Provisions into the UNCITRAL Arbitration Rules. Some favoured an approach resembling the UNCITRAL Rules on Transparency, under which the provisions would apply automatically when specified conditions were satisfied, while others preferred an approach comparable to the Expedited Arbitration Rules, based upon the disputing parties' express consent. A further view supported revision of the UNCITRAL Arbitration Rules themselves, provided that the process did not reopen the substance of the Supplementary Provisions and preserved the ability of States to apply them alongside different versions of the Arbitration Rules. Irrespective of the approach selected, the Commission recognized the need to clarify the relationship between the Supplementary Provisions, treaty provisions and applicable arbitration rules, possibly through a conflicts rule.

169. The Commission considered that input from Working Group II could assist in examining the relationship between the Supplementary Provisions and the UNCITRAL Arbitration Rules, as well as the available methods of incorporation, including their possible use beyond the investor–State dispute settlement context. Such consultation should not, however, reopen questions already settled in the text. The Commission ultimately concluded that the implementation mechanisms required further consideration by Working Group III in conjunction with the remaining procedural and cross-cutting provisions, with a view to ensure that the various reform elements collectively supported a comprehensive and effective reform of investor–State dispute settlement. It therefore requested Working Group III to continue examining possible implementation mechanisms and directed the secretariat to review the relationship between the Supplementary Provisions and the applicable procedural rules.

170. At its 1266th meeting, on 2 July 2026, the Commission adopted by the consensus adopted the following with respect to the Supplementary Provisions.

"The United Nations Commission on International Trade Law,

Recalling its mandate under General Assembly resolution 2205 (XXI) of 17 December 1966 to further the progressive harmonization and unification of the law of international trade and in that respect to bear in mind the interests of all peoples, in particular those of developing countries, in the extensive development of international trade,

Recalling also its decision at its fiftieth session in July 2017 to entrust Working Group III (Investor-State Dispute Settlement Reform) with a broad mandate to work on the possible reform of investor-State dispute settlement and to develop relevant solutions,

Noting that in carrying out its mandate, Working Group III had identified concerns relating, inter alia, to the consistency, coherence, predictability and correctness of decisions in investor-State dispute settlement, as well as to the cost and duration of proceedings, and considered that improvements in the procedural framework governing such proceedings were desirable,

Convinced that the supplementary provisions on the conduct of proceedings to resolve international investment disputes can improve the framework for a fair and efficient settlement of international investment disputes, while preserving flexibility and party autonomy,

Noting that the supplementary provisions on the conduct of proceedings to resolve international investment disputes, particularly those outlining the discretionary powers of the tribunal, should not imply that the tribunal did not possess such powers under the applicable rules,

Mindful that Working Group III is continuing to make progress with regard to a number of elements of investor-State dispute settlement reform to be recommended to the Commission, including other provisions on procedural and cross-cutting issues,

Mindful also that a multilateral instrument is being prepared, which would facilitate the implementation of the reform elements and that the supplementary provisions on the conduct of proceedings to resolve international investment disputes could become part of that multilateral instrument,

Noting that the finalization of the draft supplementary provisions benefited greatly from consultations with Governments and interested intergovernmental and non-governmental organizations,

Expressing its appreciation to Working Group III for formulating the draft supplementary provisions,

1. Adopts the UNCITRAL Supplementary Provisions on the Conduct of Proceedings to Resolve International Investment Disputes, as set out in annex II to the report of the United Nations Commission on International Trade Law on the work of its fifty-ninth session;

2. Recommends the use of the UNCITRAL Supplementary Provisions on the Conduct of Proceedings to Resolve International Investment Disputes by States, investors, other disputing parties, administering institutions and other relevant stakeholders, with regard to international investment disputes;

3. Also recommends that Governments and other relevant stakeholders involved in the negotiation of international investment instruments and the enactment of legislation governing foreign investments make reference to the UNCITRAL Supplementary Provisions on the Conduct of Proceedings to Resolve International Investment Disputes, as appropriate;

4. Requests the Secretary-General to publish the UNCITRAL Supplementary Provisions on the Conduct of Proceedings to Resolve International Investment Disputes, including electronically, in the six official languages of the United Nations, and to disseminate them broadly to Governments and other interested bodies."[70]

(d) The UNCITRAL texts regarding recognition and enforcement of arbitral awards and use of notices of arbitration in electronic form[71]

171. The Commission recalled that, at its fifty-seventh session in 2024, it had mandated Working Group II (Dispute Settlement) to undertake work on the recognition and enforcement of electronic arbitral awards and, subsequently, on electronic notices, as part of the exploratory work conducted under the project on dispute resolution in the digital economy. The Working Group commenced its consideration of these matters at its eightieth session, held in Vienna from 30 September to 4 October 2024, where a colloquium was convened to obtain expert perspectives on the relevant issues. It completed its consideration of the topic at its eighty-third session, held in New York from 16 to 20 February 2026, and requested the secretariat to present the texts for finalization and adoption by the Commission.

172. The Commission then considered the draft recommendation concerning the interpretation of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, done at New York on 10 June 1958, with respect to arbitral awards in electronic form. Recalling the fundamental importance of the New York Convention as a cornerstone of the international legal framework for commercial arbitration, the Commission emphasized that the purpose of the recommendation was to ensure that arbitral awards would not be discriminated against solely because they were made in electronic form. Following its deliberations, the Commission approved the recommendation without any changes.

173. The Commission subsequently considered the proposed amendments to the UNCITRAL Model Law on International Commercial Arbitration (1985), with the amendments adopted in 2006. It approved the amendments to article 2 without change. In view of those amendments, the Commission also approved a consequential amendment to article 7, option I, paragraph 4, consisting of the deletion of the text following the words "subsequent reference", owing to the relocation of the relevant definitions to article 2; the Commission noted that this deletion did not alter the substance or operation of article 7, option I.

[70] UNCITRAL Report 2026, 25-27

[71] "Chapter IV: Finalization and adoption of texts regarding recognition and enforcement of arbitral awards and use of notices of arbitration in electronic form" 27 UNCITRAL Report 2026.

174. In its consideration of article 3, paragraph 1 (a), the Commission examined proposals to replace the words “the place of business” with “the addressee’s place of business” for greater clarity, as well as a proposal to retain the existing reference to “his place of business” in order to minimize textual changes. After discussion, the Commission agreed to revert to the existing wording. It further considered proposals to replace “transmitted by electronic communication” with “received at the electronic address by a transmission by electronic communication”, and to replace “electronically transmitted” with “received at the electronic address”. These proposals were intended to align the terminology of the Model Law with that of the United Nations Convention on the Use of Electronic Communications in International Contracts and to clarify that the relevant point in time was the receipt, rather than the dispatch, of a communication. It was explained that such an approach would also be consistent with the other methods of communication set out in article 3, paragraph 1 (a), including personal delivery and delivery at the addressee’s place of business, habitual residence or mailing address.

175. The Commission noted, however, that the Working Group had generally intended to align article 3, paragraph 1, of the Model Law with article 2 of the UNCITRAL Arbitration Rules. It was observed that article 2, paragraph 5, of the Arbitration Rules contained a specific rule for notices of arbitration, under which a notice transmitted by electronic means was deemed received only when it reached the addressee’s electronic address. This special treatment reflected the particular importance of the notice of arbitration, since its receipt by the respondent marked the commencement of arbitral proceedings under article 21 of the Model Law, unless otherwise agreed by the parties. A proposal was accordingly made to align article 3, paragraph 1 (a) and (b), more closely with that provision. Although the proposal received some support, concerns were expressed regarding the clarity of the term “transmission”, in particular whether it encompassed only sending or both sending and receiving. It was suggested that “delivered” should be used instead, and questions were also raised as to whether a sent email could constitute a record of transmission. It was further suggested that subparagraph (a) should address the modalities of communication, while subparagraph (b) should address the timing of receipt.

176. The Commission then considered a revised proposal for article 3, paragraph 1, under which a written communication would be deemed received if delivered personally, delivered at the addressee’s place of business, habitual residence or mailing address, or delivered by electronic communication providing a record of its transmission to an electronic address specifically designated for that purpose. Where such delivery could not be effected after reasonable inquiry, the communication would be deemed received if sent to the addressee’s last-known place of business, habitual residence or mailing address by registered letter or by any other means providing a record of the attempt to deliver it. The revised text further provided that a communication would be deemed received on the day it was delivered and, in the case of an electronic communication, on the day it was sent, except that a notice of arbitration transmitted electronically would be deemed received only on the day it reached the addressee’s electronic address. After discussion, the Commission approved the revised proposal. It noted that the approved text referred to “electronic address” rather than “email address”, as the former term was broader and capable of accommodating future technological developments. Subject to these changes, the Commission approved the amendments to the Model Law.

177. The Commission also considered the proposed revisions to the Explanatory Note to the UNCITRAL Model Law on International Commercial Arbitration. With respect to proposed

paragraph 5, it noted that the word "national" had been replaced by "domestic" in order to reflect more accurately that the Model Law could be adopted at the subnational, as well as the national, level. The Commission requested the secretariat to review the Explanatory Note to ensure the consistent use of the terms "national" and "domestic", to revise them where appropriate, and to include a brief explanation in that regard. In light of the amendment to article 3, paragraph 1, of the Model Law, the Commission made a conforming change to the second bullet point in paragraph 6 of the Explanatory Note, clarifying that an electronic communication transmitted by means providing a record of transmission to a designated electronic address would be deemed received on the day it was sent, except that a notice of arbitration transmitted electronically would be deemed received only upon reaching the addressee's electronic address.

178. Regarding articles 31, paragraph 5, and 35, paragraph 3, of the Model Law, it was suggested that the Explanatory Note should clarify that references to an award in electronic form were to be read in conjunction with article 31, paragraph 1, which required that an award be made in writing. It was further suggested that a sentence be added to the fourth bullet point in paragraph 6 stating that an award in electronic form was required to comply with the requirements of article 31, paragraph 1. In response, it was explained that the additions to articles 31 and 35 were intended solely to emphasize the principle of non-discrimination, and that the Working Group had carefully balanced the different approaches; significant revisions to the Explanatory Note might disturb that balance. It was nevertheless clarified that an award made in electronic form would continue to be subject to the other requirements of article 31. Subject to the above-mentioned changes, the Commission approved the revisions to the Explanatory Note.

179. Finally, the Commission considered the additional note on the paper or electronic form of awards, as set out in section D of the annex to document A/CN.9/1237. After discussion, it approved the additional note without any changes. The Commission also agreed to entitle the revised text the *Notes on Organizing Arbitral Proceedings adopted in 2016, with additional notes adopted in 2023 and 2026*. In this connection, it was noted that the reference to "form" in the title of note 20 and in paragraph 144 of the Notes would be deleted, and that the current note 21 would be renumbered as note 22.

180. At its 1268th meeting, on 6 July 2026, the United Nations Commission on International Trade Law adopted by consensus the following decisions:

(i) Decision on the Recommendation regarding the interpretation of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, done in New York on 10 June 1958, with respect to arbitral awards in electronic form

"Adopts the Recommendation regarding the interpretation of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, done in New York on 10 June 1958, with respect to arbitral awards in electronic form as it appears in annex III to the report of the United Nations Commission on International Trade Law on the work of its fifty-ninth session."

(ii) Decision on amendments to the UNCITRAL Model Law on International Commercial Arbitration, revisions to the Explanatory Note thereto and an additional note in the UNCITRAL Notes on Organizing Arbitral Proceedings.

"The United Nations Commission on International Trade Law,

Recalling its mandate under General Assembly resolution 2205 (XXI) of 17 December 1966 to further the progressive harmonization and unification of the law of international trade and, in that respect, to bear in mind the interests of all peoples, in particular those of developing countries, in the extensive development of international trade,

Recalling also its decision at its fifty-seventh session, in 2024, to mandate Working Group II (Dispute Settlement) to work on the recognition and enforcement of arbitral awards in electronic form and, subsequently, on notices of arbitration in electronic form, resulting from the exploratory work undertaken in the context of the project on dispute resolution in the digital economy,

Recognizing the importance of enhancing recognition and enforcement of arbitral awards in electronic form and use of notices of arbitration in electronic form to promote greater legal clarity and broader acceptance of legal documents in arbitration,

Expressing its appreciation to Governments and relevant international intergovernmental and non-governmental organizations for their contributions to the work of Working Group II (Dispute Settlement), and to the Working Group for formulating these texts,

1. Adopts the revised articles of the UNCITRAL Model Law on International Commercial Arbitration (1985), as amended in 2006, together with corresponding revisions to the accompanying Explanatory Note, as they appear in annex IV to the report of the United Nations Commission on International Trade Law on the work of its fifty-ninth session;

2. Recommends that all States give favourable consideration to the UNCITRAL Model Law on International Commercial Arbitration, as amended in 2006 and 2026, when they enact or revise their laws, in view of the desirability of uniformity of the law of dispute settlement procedures and the specific needs of international commercial arbitration practice;

3. Adopts the guidance text on the form of awards as it appears in annex V to the report of the United Nations Commission on International Trade Law on the work of its fifty-ninth session, for inclusion in the UNCITRAL Notes on Organizing Arbitral Proceedings adopted in 2016 (with additional notes adopted in 2023 and 2026);

4. Recommends the use of the UNCITRAL Notes on Organizing Arbitral Proceedings adopted in 2016 (with additional notes adopted in 2023 and 2026) by parties to arbitration, arbitral tribunals and administering institutions in the settlement of disputes arising in the context of international commercial relations; and

5. Requests the Secretary-General to publish the above-mentioned texts including electronically, and in the six official languages of the United Nations, and to make all efforts to ensure their wide dissemination, so as to enhance their visibility and accessibility and facilitate their use by all relevant stakeholders."[72]

[72] UNCITRAL Report 2026, 31-31

C. Recent developments in the work of UN Trade and Development (UNCTAD) on International Investment Agreements and investment disputes

1. The World Investment Report, 2026: recent developments and trends in International Investment Agreements (IIAs) and Investor-State Dispute Settlement (ISDS)

1. Introduction

181. A much eagerly awaited publication, the World Investment Report 2026 published by the UN Trade and Development (UNCTAD) comprehensively examines the evolution of international investment agreements (IIAs), the changing content of investment governance, and recent trends in investor–State dispute settlement (ISDS) on an annual basis. This year's (2026) report titled the "World Investment Report: International Investment in a Turbulent Era"[73] captures the prevailing sentiments of investment legal professionals and policy makers across the world, and continues to report on the key emerging trends and data points relating to IIAs and ISDS, among other issues relevant to cross border investment flows.

182. The central message emerging from the chapter on International Investment Policies is that the practice of international investment agreements is gradually moving away from a predominantly protection-oriented model towards a broader framework concerned with facilitation, cooperation, responsible investment and sustainable development.[74] Nevertheless, this transition remains an evolutionary process and the universe of agreements in force is still principally composed of older treaties, many of which were negotiated in the 1990s and 2000s and may continue to constrain the regulatory autonomy of States.

183. UNCTAD therefore calls for an accelerated and coordinated reform of the IIAs regime and is developing a set of guiding principles as an overarching framework to help policymakers embed sustainable development at the core of the international investment regime.

2. Expansion and Changing Composition of the IIA Universe

184. In 2025, States concluded at least 44 IIAs, comprising 24 bilateral investment treaties (BITs) and 20 broader treaties with investment provisions (TIPs).[75] These developments brought the global IIA universe to 3,369 treaties, consisting of 2,865 BITs and 504 TIPs. At least 34 agreements entered into force, while 9 were terminated, leaving at least 2,661 IIAs in force at the end of the year. The number of agreements signed returned to pre-pandemic levels, and at least 16 agreements had already been signed during the first two months of 2026, suggesting that treaty-making activity may continue to increase.

3. From Protection to Facilitation and Cooperation

185. The WIR 2026 notes that the content of recent IIAs reflects a marked transformation in investment governance. Agreements signed during 2021–2025 included cooperation and facilitation provisions in 77 per cent of cases, whereas protection provisions appeared in 62 per cent. By comparison, protection provisions were present in 98 per cent of older agreements,

[73] UNCTAD, *World Investment Report: International Investment in Turbulent Era* (UNCTAD, 2026) <https://unctad.org/system/files/official-document/wir2026_en.pdf> accessed 5 October 2026 (WIR 2026)
[74] Ibid 88
[75] Ibid

while facilitation provisions appeared in only 14 per cent. Cooperation provisions increasingly establish joint committees and institutional mechanisms for interpretation, implementation monitoring, periodic review, investment promotion and dispute avoidance. Since 2021, 72 per cent of cooperation provisions have created a joint committee, compared with 48 per cent during 2011–2020 and only 12 per cent in earlier agreements.

(a) Investment Facilitation and Development

186. Further regarding facilitation provisions, the WIR 2026 reveals that provisions especially in relation to transparency, digitalization and administrative streamlining have rapidly expanded in the practice of States entering into IIAs. Among agreements concluded between 2021 and 2025, 77 per cent addressed transparency of investment measures, 33 per cent streamlined investment procedures, 32 per cent provided for electronic publication and 17 per cent referred to regulatory practices. Provisions concerning technical assistance and capacity building also rose significantly regarding which it was noted that 27 per cent of recent agreements referred to such support, compared to 10 per cent during the period between 2011 and 2020.

(b) Recalibrating Investment Protection

187. The WIR 2026 notes that States are also refining substantive protection standards that have frequently generated ISDS claims. Recent agreements commonly omit umbrella clauses and prohibitions on unreasonable, arbitrary or discriminatory measures. More than two thirds of recent IIAs either exclude general regulatory measures from the scope of indirect expropriation or provide detailed interpretative guidance. Fair and equitable treatment is increasingly replaced by an exhaustive list of obligations: this approach appeared in 38 per cent of agreements concluded since 2021, compared with 22 per cent during 2016–2020. Most-favoured-nation clauses are also being limited to prevent the importation of more favourable standards from other treaties. Most notably, exceptions for public policy appeared in 75 per cent of agreements concluded during 2021–2025, reinforcing the protection of regulatory space for good-faith public-interest measures as well as providing room for the implementation of sustainable development goals. Notably, the WIR 2026 states that a few recent IIAs also provided for dispute settlement at regional arbitration institutions.

(c) The World Investment Report 2026 and ISDS

188. The WIR 2026 notes that investors initiated 56 known treaty-based ISDS cases in 2025, bringing the cumulative total to 1,463 cases. Latin America and the Caribbean accounted for approximately 45 per cent of new claims, with 25 cases. About 80 per cent of new cases were brought against developing countries, including seven least developed countries. Developed-country claimants initiated approximately 70 per cent of the cases, with claimants from the United Kingdom and the United States bringing the largest numbers. The overwhelming majority of claims continued to rely on older-generation treaties, particularly agreements concluded in the 1990s.

189. In 2025, the WIR 2026 puts the number of concluded cases at 58 out of which 38 percent were decided in favour of the State, 29 per cent in favour of the investor with monetary compensation, 17 per cent were settled, 13 per cent were discontinued and 3 per cent involved a finding of treaty breach without monetary compensation.

190. Another trend reported was that recent treaties increasingly provided only for State-to-State dispute settlement without ISDS, and some contained no binding dispute settlement mechanism. Even where ISDS was retained, the WIR 2026 notes that 69 per cent of recent agreements refine the arbitral process through provisions addressing multiple claims, remedies and the binding effect of joint interpretations.

(d) Conclusion

191. The Report's overall assessment is that the IIA regime is undergoing gradual but necessary transformation. Cooperation, facilitation and responsible investment provisions are becoming more prominent, while protection standards and dispute settlement mechanisms are being narrowed and clarified. Yet 85 per cent of treaties currently in force were signed in 2010 or earlier. This legacy network continues to expose States to claims under outdated standards and may limit policy space in areas such as climate action, critical minerals and industrial development. UNCTAD reports that more than 80 countries have begun reforming older agreements or negotiating modern alternatives. Its guiding principles are yet to be adopted and it seems that they shall be able to provide the much-needed assistance to States in aligning existing IIAs with sustainable development objectives.

2. World Investment Forum, 2026 and Release of the Guiding Principles for International Investment Agreements (IIA) Reform

(a) Introduction

192. The 9th UNCTAD World Investment Forum (WIF) was held from 25 to 27 October 2026 in Doha, Qatar, bringing together government representatives, policymakers, investment treaty negotiators, international organizations and other stakeholders to discuss contemporary challenges in international investment governance. A significant development at the Forum was the launch of UNCTAD's Guiding Principles for International Investment Agreement (IIA) Reform, comprising four overarching principles and 28 associated guidelines. The Guiding Principles aim to assist States in modernizing their investment treaty frameworks and promoting a more balanced, predictable and sustainable development-oriented international investment regime.

193. The Secretary-General of AALCO participated in the High-Level International Investment Agreements Conference held on 25 October 2026, where he welcomed the launch of the Guiding Principles and expressed appreciation to UNCTAD and the Government of Qatar for organizing the event. He emphasized the importance of balancing investor protection and legal certainty with States' right to regulate in the public interest and pursue their development priorities. Referring to UNCTAD's research, he noted that old-generation investment treaties continue to cover approximately 65 per cent of foreign investment in developing countries and account for 97 per cent of known investor–State arbitration cases. He therefore stressed that meaningful IIA reform must extend beyond the negotiation of new agreements to include the systematic review and modernization of existing treaties, particularly their provisions concerning investor protection, the right to regulate and dispute settlement.

194. Highlighting AALCO's longstanding engagement with international investment law, including its adoption of three Model Bilateral Agreements on Investment Protection in 1985 and

its continuing engagement with UNCITRAL Working Group III, the Secretary-General underscored the importance of ensuring that Asian and African perspectives contribute to ongoing investment treaty and ISDS reform. Given the diverse legal traditions, economic circumstances and development priorities of AALCO's 49 Member States, he emphasized that there could be no one-size-fits-all approach to treaty reform. He welcomed UNCTAD's Guiding Principles as a valuable framework for reviewing existing treaties, identifying reform priorities and negotiating clearer and more balanced agreements. Recognizing the resource and technical capacity constraints faced by many developing countries, he highlighted opportunities for closer AALCO–UNCTAD cooperation in disseminating policy guidance, facilitating exchanges of national experiences and undertaking joint capacity-building programmes for government legal officers and treaty negotiators. He concluded that the success of IIA reform should be measured not merely by the treaties revised, but by the opportunities created for sustainable investment, stronger economies and better lives for people, reaffirming AALCO's readiness to work closely with UNCTAD to translate the Guiding Principles into practical results for countries across Asia and Africa.

(b) Background, Objectives and Overview of the Fourt Guiding Principles

195. The Guiding Principles were developed by UNCTAD in response to the continuing challenges of modernizing the international investment agreement (IIA) regime, which comprises over 2,600 treaties in force, approximately 85 per cent of which were concluded before 2010. Many older-generation IIAs contain limited safeguards for States' right to regulate in the public interest and insufficient provisions to promote sustainable investment. Building on UNCTAD's longstanding work on IIA reform, the Guiding Principles aim to assist governments in reviewing and modernizing existing treaties, developing national reform strategies, designing new agreements and ensuring their effective implementation. They seek to balance investor confidence and legal certainty with States' regulatory space, while enhancing the contribution of investment to sustainable development. Importantly, the Principles are voluntary, non-prescriptive and adaptable to countries' differing development priorities and institutional capacities.

196. **Principle 1: Embedding Sustainable Development at the Core of the IIA Regime.** This Principle seeks to align investment agreements with national economic, social and environmental development priorities while maintaining investor confidence. It emphasizes safeguarding public interests, preserving States' right and duty to regulate, and ensuring coherence between IIAs, domestic policies and other international legal obligations.

197. **Principle 2: Developing a National IIA Reform Strategy and Taking Reform Actions.** This Principle encourages States to develop nationally tailored reform strategies supported by political commitment and interministerial coordination. It emphasizes reviewing existing investment treaty networks, identifying agreements requiring modernization, and considering appropriate reform options, including joint interpretation, amendment, replacement, consolidation or termination. It also encourages the development of updated model agreements and cooperation with international organizations for technical assistance and capacity-building.

198. **Principle 3: Designing the Content of Reformed IIAs.** This Principle provides guidance on modernizing treaty provisions to balance investment protection and legal certainty with States' regulatory space and development priorities. Key considerations include clarifying

investment protection standards, incorporating appropriate exceptions and safeguards, promoting responsible investment, and tailoring commitments to national circumstances. It also encourages effective dispute prevention, mediation and other alternative dispute resolution mechanisms, alongside appropriate reforms to binding dispute settlement provisions.

199. **Principle 4: Implementing Reformed IIAs.** This Principle emphasizes translating treaty commitments into practical results through appropriate domestic legislative, administrative and institutional measures. It encourages cooperation between treaty partners, technical assistance and capacity-building, and periodic monitoring and review of treaty impacts, risks and development benefits.

(c) Practical Relevance and Possible Reform Priorities for AALCO Member States

200. For AALCO Member States, the Guiding Principles provide a practical and flexible framework for considering investment treaty reform in accordance with their respective national circumstances and development priorities. In particular, the following areas may warrant attention:

(a) **Reviewing existing IIAs:** Assessing national investment treaty networks, identifying outdated or overlapping agreements, evaluating potential exposure to investor–State disputes, and determining appropriate options for modernization.

(b) **Safeguarding regulatory space:** Reviewing treaty provisions concerning investor protection, exceptions and the right to regulate, particularly in areas such as public health, environmental protection, taxation and other legitimate development priorities.

(c) **Modernizing dispute settlement:** Considering dispute prevention, mediation, conciliation and appropriate reforms to investor–State dispute settlement mechanisms to enhance predictability, effectiveness and fairness.

(d) **Promoting development-oriented investment:** Designing treaty provisions that encourage sustainable investment, responsible business conduct, technology transfer, employment creation and other tangible development benefits, while taking account of differing national capacities.

(e) **Strengthening national capacity:** Enhancing interministerial coordination, developing or updating national model investment agreements, and seeking targeted technical assistance and training for government legal officers and treaty negotiators.

201. The To support the practical application of the Guiding Principles, AALCO could explore cooperation with UNCTAD in organizing targeted workshops and training sessions for government legal officers and investment treaty negotiators from its Member States. These activities could focus on identifying outdated provisions in existing IIAs, examining available reform options, including joint interpretation, amendment and renegotiation, and reviewing model treaty clauses that better balance investor protection with States' right to regulate. Particular attention could also be given to dispute prevention, mediation and recent developments in ISDS reform. Member States could be invited to share their treaty reform experiences, identify specific technical challenges and propose priority areas for future AALCO–UNCTAD capacity-building activities, subject to available resources.

D. Report on the work of the International Institute for the Unification of Private Law (UNIDROIT)

202. The following report outlines the progress made by the International Institute for the Unification of Private Law (UNIDROIT) during the 2025–2026 period, with primary reference to the deliberations and decisions of the 107th session of its Governing Council held in Rome from 27 to 29 May 2026, following up on the 104th session (remote, April 2025) and the 105th session (May 2025).[76] Marking the Centenary year of UNIDROIT under the President Mr Enzo Moavero Milanesi and the Secretary-General Mr Ignacio Tirado, UNIDROIT undertook key legislative and non-legislative initiatives to promote the harmonisation, modernisation, and coordination of private and commercial law worldwide. This report covers the following key topics: (i) Best Practices for Effective Enforcement, (ii) Collaborative Legal Structures for Agricultural Enterprises, (iii) UNIDROIT Principles of International Commercial Contracts and Investment Contracts, (iv) UNIDROIT Principles on the Legal Nature of Verified Carbon Credits, (v) Private Art Collections – Orphan Objects, (vi) Projects initiated under the 2026–2028 Work Programme, (vii) Model Procedural Law Implementing the Cape Town Convention, (viii) International Interests in Mobile Equipment, (ix) International Protection of Cultural Property and the 1995 Convention, (x) Implementation Status and Promotion Strategy for UNIDROIT Instruments, (xi) UNIDROIT Academy and Academic Initiatives, and (xii) Cooperation with Other International Organisations and Institutional Matters.

1. Best Practices for Effective Enforcement: Approval of Final Draft

203. At its 107th session in May 2026, the Governing Council considered and unanimously approved the final draft of the UNIDROIT Best Practices for Effective Enforcement. The project was originally undertaken based on a proposal by the World Bank Group (WBG) to address systemic weaknesses, excessive costs, complexity, and delays in domestic civil procedure and enforcement regimes, while safeguarding the rights of all parties involved. Following the preliminary endorsement granted at the 105th session in May 2025, the Secretariat launched a comprehensive public consultation phase from 1 July to 15 September 2025. The draft was subsequently revised through sessions held in October 2025 and comprises three distinct parts preceded by an Introduction: Part I addresses Enforcement by Public Authority (including general principles, enforceable instruments, and innovative recommendations on online civil procedure in Chapter V Digital Registration); Part II covers Enforcement of Security Rights (building on UNIDROIT and UNCITRAL frameworks for immovables and introducing Recommendation 120 on expeditious relief for extrajudicial enforcement); and Part III provides stand-alone standards for Enforcement on Digital Assets in synergy with the UNIDROIT Principles on Digital Assets and Private Law (DAPL). The Governing Council mandated the Secretariat to finalize editorial adjustments for official publication.

[76] This brief has been prepared following up the Report of the 107th Governing Council Session of the UNIDROIT; UNIDROIT, 'Report of the Governing Council on its 107th Session' (Rome, 27–29 May 2026) UNIDROIT 2026 – C.D. (107) 29

2. Collaborative Legal Structures for Agricultural Enterprises: Authorisation for Public Consultation

204. Jointly developed by UNIDROIT, the Food and Agriculture Organization (FAO), and the International Fund for Agricultural Development (IFAD), the project on Collaborative Legal Structures for Agricultural Enterprises (CLSAE) was originally proposed by the United States Department of State and the Ministry of Justice of Hungary. It aims to empower smallholders and agricultural MSMEs to overcome informality, improve bargaining power, access finance, and integrate effectively into global agrifood value chains. Adopting a broad functional concept of agriculture covering crops, livestock, forestry, fisheries, and aquaculture, the draft Legal Guide evaluates both horizontal and vertical forms of collaboration across three main legal structures (multiparty contracts, cooperatives, and corporate companies) as well as digital platform mechanisms. The guide provides a flexible, non-prescriptive legal options, allowing users to combine different vehicles according to their specific operational needs.

205. The draft instrument covers objectives, formation, governance, financial resources, liability, remedies, and dissolution and a decision-making tool featuring twelve guiding questions. At the 107th session, the Governing Council endorsed the draft text and authorised the Secretariat to launch open and targeted public consultations, with a view to submitting the finalised text for approval at the 108th session in December 2026.

3. UNIDROIT Principles of International Commercial Contracts and Investment Contracts (IICs)

206. Developed in partnership with the ICC Institute of World Business Law and co-chaired by President Emerita Ms. Maria Chiara Malaguti, the joint project on UNIDROIT Principles of International Commercial Contracts and Investment Contracts (IICs) seeks to adapt the general contract principles of the UPICC to international investment agreements. The initiative operates strictly at the contractual level, offering a balanced legal framework that reconciles investor protections with the regulatory sovereignty of host States, sustainability requirements, and public interest considerations.

207. The draft Principles and Model Clauses build upon the structure of the UPICC while introducing specialized adaptations. Sustainability is embedded as a cross-cutting theme throughout the text, notably in relation to pre-contractual due diligence, continuous monitoring mechanisms, supply chain extensions, and tailored remedies (such as permit suspensions or referral to Joint Sustainability Committees). Chapters on validity, hardship, force majeure, stabilization mechanisms, and dispute resolution (including direct consultations, arbitration waivers, and State counterclaims) provide a comprehensive contractual architecture.

208. The drafting process included extensive stakeholder engagement and scrutiny by a Consultative Committee composed of experts from 27 Member States and 8 non-Member States, as well as Task Force input from the UNIDROIT-Roma Tre Centre. Having reviewed the advanced draft at its 107th session, the Governing Council authorised the Secretariat to commence formal public consultations. Accordingly, the public consultations were opened from June 24, 2026, to September 15, 2026.

4. UNIDROIT Principles on the Legal Nature of Verified Carbon Credits (VCCs)

209. Addressing one of the most technically demanding areas of modern private law, the UNIDROIT Principles on the Legal Nature of Verified Carbon Credits (VCC Principles) address private law and property law aspects of carbon credits to establish legal certainty, clear ownership, and transferability, which are vital for scaling voluntary carbon markets, unlocking climate finance, and supporting the goals of the Paris Agreement. The VCC principles aim to establish legal certainty and support the scaling of voluntary and compliance carbon markets under the Paris Agreement.

210. The draft instrument is the product of eight formal Working Group sessions, intersessional drafting, and close collaboration with international partners. Key partners include the World Bank (which carved out private law specifically for UNIDROIT in its 200-page climate finance toolkit), the International Swaps and Derivatives Association (ISDA), the Hague Conference on Private International Law (HCCH), UNCITRAL, and major crediting bodies. A Consultative Committee comprising experts nominated by 20 member states was established to ensure that civil law, common law, and regional sensitivities were integrated throughout the drafting process.

211. To enable VCCs to function as commercial assets, the Working Group focused on fitting VCCs into existing property law frameworks so they can be bought, sold, held in custody, and pledged as collateral**.** Originally, a VCC was conceived as reifying a specific carbon mitigation outcome throughout its entire lifecycle. Under that model, if trees in an underlying project burned down (a reversal) or an error occurred during verification, the credit was cancelled retroactively as though it never existed. This created insurmountable legal risks for secondary market purchasers who bought credits in good faith. To solve this, the Working Group adopted adopt a functional "snapshot" definition, providing that a VCC reifies the verified mitigation outcome at the exact moment of its creation.

212. Under the snapshot definition, once a VCC is verified and credited to an account in a registry with a unique identifier, it acquires the structural attributes of property (individuation, rivalry, control, and transferability). Subsequent reversal or non-achievement of the underlying environmental project does not destroy the VCC as property; instead, reversals are treated as contractual or regulatory matters. Retroactive cancellation occurs only in rare cases of fraud, malfeasance, or complete nullity.

213. The draft instrument comprises 25 Principles across nine sections. Principles 1 & 3 deal with Scope and Proprietary Character; the VCC Principles confine their scope to private law and proprietary rights (dispositions, acquisitions, and third-party enforceability), explicitly adopting the structural model of the UNIDROIT Principles on Digital Assets and Private Law (DAPL). Principle 3 confirms that VCCs can be subject to proprietary rights, while leaving non-conflicting general property rules to domestic law ("other law"). Principle 4 provides for Applicable Law to resolve cross-border conflicts of law, it identifies the registry as the primary connecting factor for proprietary issues. Parties are granted a limited choice of applicable law based on: (i) the registry operator's jurisdiction of incorporation; (ii) statutory seat; (iii) central place of administration; or (iv) location where the registry is maintained. Under Principle 5 dealing with creation and initial ownership, a VCC legally comes into existence when a unique identifier is allocated to it and credited to an account in a VCC registry. The initial holder of the proprietary right is either the registered account holder or the client under a custodial

arrangement. Transfers and Innocent Acquirer Protection are provided for under Principles 6. The VCC Principles establish standard *nemo dat* and shelter rules, qualified by an innocent acquirer rule. Good-faith purchasers taking control of a VCC free of adverse claims are protected, ensuring secondary market negotiability and liquidity. The VCC Principles distinguish between Retirement and Cancellation. Retirement being the "natural death" of a VCC when it is voluntarily surrendered or claimed by a holder to offset an environmental impact and Cancellation meaning an involuntary termination resulting from defects or severe flaws. Registries and Custody are enshrined under Sections 6 & 7. Registries are defined as electronic databases recording unique identifiers and account holders. Operators owe non-excludable core private law duties to registered holders. Under the Custody & Insolvency Protection, Intermediaries holding VCCs for clients owe non-excludable statutory duties. VCCs held in custody are segregated and protected in the event of custodian insolvency, meaning client credits cannot be seized by general creditors of an insolvent custodian.

214. Principle 18 provides for Secured Transaction and Insolvency stating that VCCs can be subject to security rights. Third-party effectiveness can be achieved through control agreements or by making the secured creditor the registered holder. Proprietary and security rights validly established remain fully effective in insolvency proceedings. The Working Group is considering the inclusion of an Annexe addressing tokenization. As work on this topic is being undertaken separately, it would not be included in the requested public consultation.

215. The Governing Council authorised the Secretariat to proceed with public consultation and submit the final draft Principles for approval at its 108th session in December 2026.

5. Private Art Collections

216. Aligned with the objectives of the 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects and supported by the *Fondation Gandur pour l'Art* and the Art-Law Centre of the University of Geneva, the project on Private Art Collections focuses on cultural objects whose provenance contains gaps ('orphan objects'). Chaired by Mr Jorge Sánchez Cordero, the Working Group progressed drafting across five intersessional Sub-Groups, examining provenance research, due diligence standards, and scientific publication.

217. The project developed draft Guidelines emphasizing a soft-law, notice-based voluntary information tool to enhance transparency without clearing title or overriding domestic property rules. Specific provisions address publicization (Guidelines E and F) and promote meaningful engagement with Indigenous communities. The Governing Council noted the progress with satisfaction and endorsed the Working Group's ongoing work.

Projects Initiated under the 2026–2028 Work Programme

218. The Governing Council reviewed progress on seven distinct projects approved for the 2026–2028 Work Programme, balancing high-priority normative initiatives with exploratory research:

219. **Corporate Sustainability Due Diligence in Global Value Chains:** The Secretariat reported that preparatory work for the Corporate Sustainability Due Diligence project is complete, though Member States currently show declining interest and resource allocation. Despite a high-priority mandate, the Secretariat has deliberately paused further development until an appropriate time arises, while committing to approved timetables. Member States

requested to be kept informed of any developments affecting the project's future direction. The Governing Council formally noted the Secretariat's update on the status and completed preparatory work of the project.

220. **Agricultural Financing Legal Guide:** Originated from a joint United States of America and World Bank proposal, the Agricultural Financing Legal Guide aims to consolidate international instruments, with crop receipts identified as a key focus area. Preparatory work has progressed through stakeholder consultations in Hong Kong, a joint webinar by the International Law Institute (ILI) and the International Finance Corporation (IFC), and a May 2026 expert roundtable. Following the project's upgrade to high priority, the Secretariat aims to submit a refined proposal in December 2026 and host the first Working Group meeting in late 2026 or early 2027. The Governing Council noted the initial achievements with satisfaction and encouraged the realization of these next steps, including the inaugural Working Group session.

221. **Insolvency of Insurance Enterprises:** Proposed by the Institute for the Supervision of Insurance (*Istituto per la vigilanza sulle Assicurazioni*), IVASS to complement prior work on bank insolvency, the project aims to develop a Legal Guide on the Insolvency of Insurance Enterprises. The Secretariat completed an Issues Paper, comparative legal analysis, and expert lists, deeming an exploratory workshop unnecessary at this stage. Formation of a separate Consultative Committee remains deferred until a draft text exists, given that insurance supervisory bodies are directly represented in the Working Group. The Governing Council commended the preparatory progress and authorized the Secretariat to formally launch the Working Group's activities.

222. **Investment-Based Crowdfunding (Debt and Equity):** Proposed by the World Bank, the project focuses on corporate and private law aspects of SME investment-based crowdfunding (debt and equity) via supervised electronic platforms. Preparatory scope mapping by the Secretariat covers contract law, liability, property, and insolvency, with an exploratory workshop planned for H2 2026. The Secretariat welcomed cooperation with the ELI and IOSCO to align platform governance and securities regulation while concentrating on private law capital raising. The Governing Council formally noted the progress and authorized the Secretariat to establish a Working Group.

223. **Regulation of Digital Risks through Civil Liability Law:** Secretariat had collaborated with the team assembled by the German Federal Ministry of Justice, led by Governing Council Member Mr. Lars Entelmann together with Professor Dr Gerhard Wagner (Humboldt University, Berlin) in developing a mapping exercise to identify the technological risks capable of giving rise to liability. The project follows a two-stage structure currently focused on Stage 1 (defining scope, methodology, and risk mapping). Responding to concerns about legal fragmentation, the Secretariat confirmed no Working Group or normative instrument has been established yet. The Secretariat welcomed cooperation from the European Law Institute (ELI) to address complex issues like AI liability and digital harm. The Governing Council noted the draft explanatory factual note and authorized the Secretariat to continue Stage 1 methodological work.

224. **International Principles on Construction and Engineering Contracts:** Developed jointly between UNIDROIT and FIDIC based on the UPICC, the project focuses on identifying gaps in existing legal frameworks to provide high-level guidance rather than drafting model contracts. The Secretariat clarified that the initiative will complement FIDIC’s standard clauses and avoid duplicating UNCITRAL’s work on procurement and infrastructure development.

Preparatory meetings were held with FIDIC representatives, UNCITRAL, and expert groups to refine the project's scope and align institutional methodologies. The Governing Council noted these preparatory activities and authorized the Secretariat to establish a Working Group when appropriate.

225. **Standard Essential Patents (SEPs):** preliminary discussions had taken place with the World Intellectual Property Organization (WIPO) regarding the project on Standard Essential Patents. He noted that, given the political sensitivity and complexity of the subject matter and the project's low-priority status, work had thus far remained limited to exploratory exchanges between the respective Secretariats, with a view to ensuring that the project was thoroughly prepared from a technical standpoint before any drafting was undertaken. The Governing Council took note of the low priority assigned to the Standard Essential Patents project, and that limited exploratory work had been carried out.

6. New Proposal on Model Procedural Law Implementing the Cape Town Convention and Aircraft Protocol

226. Submitted jointly by the Governments of Mexico and the United Kingdom together with the Aviation Working Group (AWG), the proposal addresses procedural implementation gaps under the Cape Town Convention. Practice data highlighted divergent domestic rules regarding urgent interim relief, foreign judgment recognition, asset disclosure, and airport liens impeded the efficient exercise of remedies in default scenarios.

227. The Governing Council recommended the inclusion of a soft-law Model Procedural Law as a *lex specialis* in the 2026–2028 Work Programme for General Assembly approval. Designed as a short, cost-effective project half-funded by the AWG, the initiative will follow a two-stage approach: stage one focuses exclusively on the Aircraft Protocol, while experts from the Luxembourg Rail and MAC Protocols participate as observers to facilitate potential future extensions.

7. International Interests in Mobile Equipment (Cape Town Convention Ecosystem)

228. The Governing Council received updates on the implementation and operational status of the Cape Town Convention and its four Protocols:

229. **Cape Town Convention & Aircraft Protocol:** The Governing Council was informed about the implementation status and depositary functions of the 2001 Aircraft Protocol to the Cape Town Convention. As of April 2026, the Aircraft Protocol has 87 Contracting States, following recent accessions by Georgia and Lithuania, while the underlying Cape Town Convention has 90 Contracting States. Over the preceding year, the UNIDROIT Secretariat carried out extensive promotional activities, bilateral consultations, and legal development programs across Africa, Asia, Europe, and the Pacific. In parallel, the Aviation Working Group (AWG) supported implementation through its Compliance Index, regional advisory committees, and targeted country assistance. The Governing Council noted with appreciation the progress on implementation of the Aircraft Protocol to the Cape Town Convention.

230. **Luxembourg Rail Protocol:** The Governing Council was informed of the developments related to the Luxembourg Rail Protocol. The Council was also informed that the Democratic Republic of Congo had become the seventh ratifying State, alongside implementation progress in the UK and South Africa, where the ECIC introduced a Cape Town–Luxembourg Protocol

discount. The Supervisory Authority elected new leadership (Spain as Chair), approved amended rolling stock identification model rules with the UN ITC, and received strong support from the EU, AU, and UNECA. Global dissemination efforts expanded through an official Arabic translation for Saudi Arabia, joint promotional events in China, EBRD collaboration focusing on Ukraine, and industry outreach at InnoTrans. The Governing Council took note with appreciation of the recent developments and progress regarding the Luxembourg Rail Protocol.

231. **Space Protocol:** The Governing Council was informed of the second ratification by the Democratic Republic of Congo. However, it was also informed that despite the ratification, the instrument still needs ten ratifications to enter into force, leaving infrastructure development on hold. Consequently, priorities have shifted toward active promotion and re-evaluating industry engagement. Reached 2 ratifications (DR Congo); creation of a focus group on implementation with a clear mandate to write a practice guide and expand outreach to various industry sectors. Chaired by Mr Hamza Hameed.

232. **MAC Protocol (Mining, Agricultural, Construction):** The Governing Council was informed that three elements were required for the MAC Protocol to enter into force: (a) the establishment of an International Registry; (b) the designation of a Supervisory Authority; and (c) the deposit of five instruments of ratification, acceptance, approval or accession.

233. With regard to establishment of the Registry, it was informed that Contract was signed on 23 December 2025 with Information Services Corporation (ISC) for the operation of the future International Registry, and that that a Registrar Working Group, composed of experts nominated by Australia, China, Germany, Japan, the United Kingdom and the United States of America, had been established to undertake further negotiations with the ISC in relation to the subsidiary agreements required to establish the Registry. The Governing Council was apprised of recent enhancements to the MAC Protocol website, including the integration of global trade data based on United Nations trade statistics. It was also reported that the Secretariat had been working with the ADB following a request for assistance concerning the implementation of the Cape Town Convention and its Protocols in Papua New Guinea. In addition, he noted that the World Bank Group was considering the inclusion of the Cape Town Convention and its Protocols within its Financial Sector Assessment Programmes (FSAP), which could significantly incentivize implementation of the MAC Protocol in World Bank countries of operation.

234. Further, it was reiterated that in 2023 the Governing Council had approved the designation of UNIDROIT as the Supervisory Authority under the MAC Protocol and that, in 2025 the General Assembly had approved the establishment of a Supervisory Authority Committee to exercise both the general and specialist functions of the Supervisory Authority. Two issues were brought to Governing Council's attention, First, in terms of Committee membership, it was noted that the Rules of Procedure would need to determine whether Committee membership should be automatic for UNIDROIT Member States that had signed or ratified the MAC Protocol, or whether participation of every UNIDROIT Member State interested in participating in the Committee would need to be approved individually by the General Assembly. Second, an open question whether the Committee should have the ability, or in certain circumstances the obligation, to refer particularly significant or sensitive matters to the General Assembly for consideration. The Governing Council noted the additional work undertaken by UNIDROIT to establish a Supervisory Authority Committee to perform UNIDROIT's Supervisory Authority functions once the MAC Protocol enters into force.

8. International Protection of Cultural Property: 1995 UNIDROIT Convention

235. Marking 56 Contracting States following accessions by Uruguay and Yemen in 2025, the Secretariat reported active domestic ratification procedures in Mauritania, Sudan, and Iraq. Promotional activities were highlighted at the G20 Summit in Brazil, alongside capacity-building workshops with UNESCO, ICOM (25th Anniversary of Red Lists), ISESCO, and the Italian Carabinieri. A dedicated workshop on anti-money laundering measures in the art market was convened in June 2026 pursuant to UN Security Council Resolution 2199. The Member states requested budgetary details, supported establishing a Centenary Workstream Committee on Cultural Property, and proposed reviewing the UNESCO–UNIDROIT Model Provisions on State Ownership of Undiscovered Cultural Objects. The Governing Council commended the Secretariat for its promotional achievements and strategic partnerships.

9. Implementation Status and Promotion Strategy for Flagship UNIDROIT Instruments

236. The Secretariat presented progress reports across six key UNIDROIT instruments:

237. **UNIDROIT Principles of International Commercial Contracts (UPICC):** UPICC was highlighted as one of UNIDROIT's flagship instruments. Promotion is framed around a renewed five-pillar strategy, focusing primarily on three active areas:

238. **Leveraging UPICC for Specific Contract Types:** UPICC serves as the foundational contract law background for specialized projects, including the joint initiative on International Investment Contracts (IICs) and the new high-priority project on International Principles on Construction and Engineering Contracts with FIDIC.

239. **Enhancing Practitioner & Judicial Awareness:** The International Association of Young Lawyers (AIJA) adopted a formal resolution recommending UPICC to its global membership for contract drafting, interpretation, and dispute resolution. Key promotional events included a *Union Internationale des Avocats* (UIA) conference in Krakow, an ICC Tunisia conference in Tunis, and an Asian Transnational Law Centre (ATLC) seminar in China featuring the President of the Civil Law Society of the China Law Society. Capacity-building continued through the ITC-ILO International Trade Law Programme.

240. **Student & Educational Outreach:** Dissemination among future legal professionals expanded through the UPICC International Arbitration Moot Initiatives, creating positive spillover effects such as regional moots in Peru and the Martes de UNIDROIT online presentation series

241. **Model Law on Factoring (MLF) & Guide to Enactment:** It was informed that following the Model Law's adoption in May 2023 and the approval of the substantive Guide to Enactment in May 2025, the official English text of the Guide was published online in May 2026. Its global launch was scheduled for the FCI 58th Annual Meeting in Lisbon on 8 June 2026, with French and Spanish translations progressing. The Guide identifies seven core legal features underpinning effective factoring frameworks (assisting States with legal reform without requiring verbatim adoption) and features an adaptable Digital Economy Supplement addressing digital platforms and currencies. Global Implementation & Economic Impact: The Secretariat participated in 11 events across eight States and supported law reforms in eight jurisdictions. Collaborating with partners like FCI, EBRD, World Bank Group, and ADB, major economic results were achieved, most notably in Uzbekistan, where factoring volumes increased tenfold

from $60 million in 2022 to $600 million in 2025. Legislative reforms were completed in Ukraine, North Macedonia, UAE, and Viet Nam, with six more countries underway.

242. **Principles on Digital Assets and Private Law (DAPL):** Positioned as the global standard, consistent or inspired legislation has been enacted in the United States, Italy, Dubai, and most recently in Scotland via the Digital Assets Scotland Bill (passed March 2026). Under the Digital Assets Roundtable Expert (DARTE) series, two invitation-only workshops were hosted, Civil and Mixed Law focused on adapting concepts like "control" into domestic legal frameworks (e.g., Czech Republic) and common and mixed Law addressed practical implementation challenges in African jurisdictions (e.g., Nigeria). Official and unofficial translations have been completed or are in progress for Japanese, Chinese, Spanish, Korean, Turkish, Mongolian, and Vietnamese. Close coordination continues with the HCCH Experts Group on Digital Tokens. The Governing Council welcomed the update and commended the Secretariat's efforts to support global dissemination and practical uptake.

243. **Model Law on Warehouse Receipts (MLWR):** The Governing Council was informed of implementation strategy following the instrument's adoption in May 2024. Developed jointly with UNCITRAL, the Guide to Enactment was published in 6 UN languages and active legislative technical assistance was being provided to Saudi Arabia and Uzbekistan.

244. **Legislative Guide on Bank Liquidation:** Following its May 2025 adoption, the UNIDROIT Legislative Guide on Bank Liquidation (developed jointly with the Financial Stability Institute (FSI) of the Bank for International Settlements (BIS)) was actively promoted through a five-part strategy featuring digital campaigns, podcasts, and a major 200-expert launch event in Basel. To ensure global accessibility, draft French and Spanish editions are being finalized alongside published Japanese and Chinese translations supported by national deposit insurance corporations. The Secretariat continues to offer technical assistance in coordination with international partners such as the FSI, EBRD, and ADB, an update which the Governing Council formally noted with appreciation.

245. **Principles of Reinsurance Contracts (PRICL):** Developed by the Universities of Zurich, Frankfurt, and Vienna alongside UNIDROIT based on the UPICC, the second edition of the Principles of Reinsurance Contracts (PRICL) has been officially published in print and online in 2025 to provide structured contractual guidance for the evolving global insurance market. Dissemination activities commenced with a high-profile launch event at Lloyd's of London, alongside a new Memorandum of Understanding signed with the University of Zurich to formalise long-term cooperation in monitoring implementation. Future promotional outreach will include joint events with the QMUL/UNIDROIT Institute for Transnational Commercial Law. Expressing appreciation for these initiatives, the Governing Council formally welcomed the publication and commended the Secretariat's collaborative efforts with academic and industry partners.

10. Cooperation with International Organisations and Institutional Matters

246. The Governing Council formally approved the HCCH-UNCITRAL-UNIDROIT Coordination Guidelines, cementing tripartite coordination to prevent overlap and legal fragmentation. Sectoral cooperation remained robust with the World Bank, EBRD, ADB, ICAO, OTIF, and AALCO. In this connection, H.E. Dr. Kamalinne Pinitpuvadol, Secretary-General of AALCO, participated in the UNIDROIT Centenary celebrations held in Rome, Italy, from 27 to

29 May 2026. He contributed to a panel discussion on "Vertical Cooperation", highlighting the importance of strengthening cooperation between international organisations and regional institutions in promoting the development, harmonisation and effective implementation of international legal instruments. His participation also reaffirmed the longstanding relationship between AALCO and UNIDROIT, further strengthened by the Memorandum of Understanding signed on 16 February 2024, and underscored the value of bringing Asian-African perspectives into international efforts towards the unification of private law.

247. In institutional matters, the Council approved the draft Budget for 2027, noted progress by the Special Committee to Update UNIDROIT Regulations (including consultative status for Member States under Article 16), noted preparations for the UNIDROIT Asia-Pacific Liaison Office opening in Hong Kong SAR in November 2026, and commended the 'UNIDROIT Instruments Explained' AI video outreach series on YouTube.

E. Report on the work of the Hague Conference on Private International Law (HCCH)

1. Introduction

248. The Council on General Affairs and Policy (hereinafter referred to as "CGAP") of the Hague Conference on Private International Law (hereinafter referred to as "HCCH") held its annual meeting from 3 to 6 March 2026. The meeting was attended by 560 participants representing 80 HCCH Members, 12 non-Member States, seven intergovernmental organisations and 12 international non-governmental organisations, as well as members of the Permanent Bureau. Of the participants, 322 attended in person and 238 participated online. CGAP considered the HCCH's work relating to possible new legislative instruments, post-Convention activities, cooperation with other international organisations and institutional matters.[77] During the reporting period, Indonesia, an AALCO Member State, deposited its instrument of acceptance of the Statute of the HCCH on 11 August 2026, becoming the ninety-fourth Member of the Organisation.[78]

249. As regards its substantive work, the CGAP considered ongoing projects relating to possible new legislative instruments and the operation of existing HCCH Conventions. Its legislative work concerned: (i) parentage and surrogacy; (ii) jurisdiction in transnational civil or commercial litigation; (iii) central bank digital currencies; (iv) carbon markets; (v) digital tokens; (vi) the digital economy; (vii) restructuring and insolvency; and (viii) intellectual property. CGAP also established a Working Group to examine a possible Convention on the cross-border recognition and enforcement of protection orders. Its post-Convention work covered international family and child protection law, transnational litigation, the Apostille Convention, and international commercial, digital and financial law. CGAP further addressed cooperation among the HCCH, UNCITRAL and UNIDROIT, as well as institutional and governance matters.[79]

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[77] Hague Conference on Private International Law, 'Conclusions and Decisions Adopted by the Council on General Affairs and Policy of the HCCH' (3-6 March 2026) para 1 <https://assets.hcch.net/docs/02477490-2f8a-47ff-b17c-fed725e6ff3b.pdf> accessed 28 September 2026 ('CGAP 2026 Conclusions and Decisions').

[78] Hague Conference on Private International Law, 'Indonesia Becomes 94th Member of the HCCH' (11 August 2026) <https://www.hcch.net/en/news-archive/?tag=Indonesia> accessed 28 September 2026.

[79] CGAP 2026 Conclusions and Decisions paras 3-78.

2. Work Relating to Possible New Legislative Instruments

(a) Parentage and Surrogacy

250. Work on a possible Convention concerning the recognition of judgments on legal parentage reached an interim stage in 2026. Following the completion of the Working Group's Final Report, CGAP decided not to commence negotiations through a Special Commission. The subject nevertheless remains under consideration, with the Permanent Bureau tasked to monitor relevant legal and practical developments and report before the 2028 CGAP meeting, when the possibility of further work may be revisited.[80]

(b) Jurisdiction

251. A draft Convention addressing parallel proceedings and related actions in transnational civil or commercial litigation was subjected to public consultation. CGAP deferred its decision on whether to commence formal negotiations until its 2027 meeting, pending the Permanent Bureau's analysis of the consultation responses. If the project proceeds, a Special Commission is expected to be convened in October or November 2027.[81]

(c) Central Bank Digital Currencies (CBDCs)

252. The Experts' Group on Central Bank Digital Currencies continued to examine the jurisdictional and applicable-law questions arising from the cross-border use and transfer of CBDCs. Its future work will include preparing explanatory guidance and assessing whether these issues warrant the development of an international instrument.[82]

(d) Digital Tokens

253. In relation to digital tokens, the Experts' Group will develop draft provisions for a private international law framework governing electronic transferable records, taking account of the UNCITRAL Model Law on Electronic Transferable Records. It will also continue examining the broader private international law issues associated with digital tokens.[83]

(e) Digital Economy

254. The Permanent Bureau was requested to continue monitoring developments concerning digital platforms, digital payments, artificial intelligence, automated contracting, immersive technologies, decentralised autonomous organisations and secured transactions involving digital assets. CGAP also encouraged continued cooperation with UNCITRAL and other relevant organisations to identify private international law issues that may require more specific work.[84]

(f) Restructuring, Insolvency and Intellectual Property

255. In the fields of restructuring and insolvency, the HCCH will continue cooperating with the UNCITRAL Secretariat on applicable-law questions and examining the treatment of digital

[80] Ibid 3-5.
[81] Ibid paras 6-9; Hague Conference on Private International Law, Working Group on Jurisdiction: Report of 2026 (Preliminary Document No 2A, February 2026) <https://assets.hcch.net/docs/fe0f7bf6-755d-419f-bfc5-25c74019 1730.pdf> accessed 28 September 2026.
[82] Ibid para 10.
[83] Ibid paras 13-14.
[84] Ibid paras 15-16.

transactions and assets in cross-border proceedings. Related cooperation was encouraged with the World Intellectual Property Organization will address the interaction between intellectual property and private international law.[85]

(g) Voluntary Carbon Markets

256. Efforts to formulate an applicable-law rule for inclusion in the draft UNIDROIT Principles on Verified Carbon Credits did not produce a common position between the HCCH and UNIDROIT expert groups during the reporting period. The HCCH Experts' Group will therefore continue examining whether existing instruments adequately address the private international law issues arising from carbon markets, while maintaining coordination with UNIDROIT.[86]

(h) Recognition and Enforcement of Protection Orders

257. The CGAP established a new Working Group to examine the feasibility of a possible Convention on the cross-border recognition and enforcement of protection orders. The Working Group will develop the policy objectives of a possible instrument and report to CGAP 2027. The Permanent Bureau was also requested to circulate a questionnaire to Members concerning domestic protection orders and the rules governing their cross-border recognition and enforcement.[87]

3. Post-Convention Work

258. Implementation of the HCCH Conventions on international family and child protection law remained a principal area of activity. Preparations continued for the Sixth Meeting of the Special Commission on the practical operation of the 1993 Adoption Convention, scheduled for 2027. Other developments included the approval of a recommended model form for cooperation requests under the 1996 Child Protection Convention and further consideration of the international transfer of maintenance funds under the 2007 Child Support Convention.[88]

259. Preparations also continued for the next Malta Conference ("Malta VI"), tentatively scheduled for April 2027. The Conference seeks to strengthen cooperation between States whose legal systems are based on or influenced by *Shari'a* and other Contracting Parties to the HCCH Children's Conventions. Members were encouraged to support the participation of ODA-eligible States. The Philippines, an AALCO Member State, was also acknowledged for its support for regional work and technical assistance under the Intercountry Adoption Technical Assistance Programme.[89]

260. Domestic violence in international child-abduction proceedings received particular attention at the Second Forum on Domestic Violence and the 1980 Child Abduction Convention, held in Fortaleza, Brazil, from 27 to 30 October 2025. The discussions focused on the application of Article 13(1)(b) in cases involving allegations of domestic violence and contributed to the subsequent establishment of the Working Group on the cross-border recognition and

[85] Ibid paras 17-21.
[86] Ibid paras 11-12; Hague Conference on Private International Law, *Experts' Group on Carbon Markets: Reports of the First, Second and Third Meetings* (Preliminary Document, January 2026) <https://assets.hcch.net/docs/46af1de5-0d99-42d5-97a9-09cd03a5c854.pdf> accessed 28 September 2026.
[87] CGAP 2026 Conclusions and Decisions paras 22-25.
[88] Ibid 30-37 and 39-45.
[89] Ibid paras 32 and 36.

enforcement of protection orders. The Supreme Court of the Philippines was among the institutions acknowledged for supporting the Forum.[90]

261. The practical operation of the HCCH Conventions on transnational litigation was strengthened through the approval of a Good Practices document concerning the 1965 Service, 1970 Evidence and 1980 Access to Justice Conventions. Model Forms and accompanying Guidelines were also adopted to facilitate the taking of evidence under Chapter II of the 1970 Evidence Convention.[91]

262. Developments concerning cross-border document authentication included the Fourteenth International Forum on the electronic Apostille Programme, held in Marrakech, Morocco, on 12 and 13 May 2026. The first such Forum held in Africa, it marked the twentieth anniversary of the electronic Apostille Programme and addressed the accessibility, efficiency and security of electronic Apostilles and registers.[92]

263. In the fields of international commercial and financial law, the HCCH continued examining jurisdiction and applicable-law questions arising from the use of distributed-ledger technology in securities markets. CGAP also approved guidance on the application and interpretation of Article 2 of the 1985 Trusts Convention, including its application to institutions analogous to trusts.[93]

4. Coordination Efforts

264. The CGAP welcomed the continuing cooperation among the HCCH, UNCITRAL and UNIDROIT and noted the finalisation of the Coordination Guidelines governing their tripartite cooperation. It invited the Permanent Bureau to implement the Guidelines to promote timely coordination and reduce duplication or inconsistency between the organisations' respective work programmes. CGAP further emphasised that cooperation with other international organisations should preserve the HCCH's role in developing private international law rules, particularly rules concerning applicable law.[94]

265. The CGAP also welcomed the activities of the HCCH Regional Offices for Asia and the Pacific and for Africa. It encouraged States and authorities in these regions to make use of the Regional Offices when considering membership of the HCCH, participation in HCCH Conventions, implementation and capacity-building, and the exchange of experiences. CGAP further reaffirmed the importance of universality, inclusiveness and broader geographical representation within the Organisation, including enhanced representation of underrepresented African Members.[95]

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[90] Ibid para 38; Hague Conference on Private International Law, 'Second Forum on Domestic Violence and the 1980 Child Abduction Convention: With a Focus on the Operation of Article 13(1)(b)' (27–30 October 2025) <https://www.hcch.net/en/news-archive/details/?varevent=1114> accessed 28 September 2026.
[91] Ibid paras 55-60.
[92] Hague Conference on Private International Law, '14th International Forum on the Electronic Apostille Programme' (21 May 2026) <https://www.hcch.net/en/news-archive/details/?varevent=1152> accessed 28 September 2026.
[93] CGAP 2026 Conclusions and Decisions paras 66-71.
[94] Ibid paras 77-78 and 91-94.
[95] CGAP 2026 Conclusions and Decisions paras 76 and 87-89.

IV. COMMENTS AND OBSERVATIONS OF THE AALCO SECRETARIAT

266. The AALCO Secretariat considers that the developments examined in this year's brief underscore the importance of coherence in international trade and investment law. For Asian and African States, the principal challenge is to ensure that evolving legal frameworks promote economic participation, sustainable development and predictable commercial relations while preserving sovereign regulatory authority. The consolidation of trade and investment matters within AALCO's agenda provides an appropriate basis for examining these objectives jointly.

267. The Secretariat observes with concern that heightened trade-policy uncertainty, increasing restrictive measures and geopolitical tensions continue to affect the stability of international commerce. These pressures reinforce the importance of an inclusive, transparent and rules-based multilateral trading system centred on the World Trade Organization. Member States may wish to emphasise that institutional reform should strengthen, rather than diminish, the system's development orientation. Special and differential treatment, technical assistance and meaningful participation by developing and least-developed countries should remain integral to this process. Agricultural reform and food-security concerns likewise warrant sustained attention, particularly where international commitments intersect with rural livelihoods and domestic developmental priorities.

268. The continuing inability of the WTO Appellate Body to discharge its functions remains a serious institutional concern. Although panels and other dispute-settlement procedures continue to operate, unresolved appeals impair the finality and enforceability of adjudication. The Secretariat considers that restoration of an accessible and effective appellate mechanism should remain a central objective of reform. Interim appeal arbitration under Article 25 of the Dispute Settlement Understanding offers a useful means of preserving review where participating Members agree. Nevertheless, such arrangements should be regarded as supplementary responses to the present impasse, rather than substitutes for a universally available multilateral system.

269. The entry into force of the Agreement on Fisheries Subsidies represents an important opportunity to connect multilateral trade disciplines with marine sustainability. Its implementation requires adequate administrative capacity, reliable fisheries information and coordination among relevant domestic authorities. The Secretariat encourages eligible Member States to examine available assistance under the WTO Fish Fund and identify priority implementation needs. Continuing negotiations on overcapacity and overfishing should take account of artisanal fishing, food security and coastal livelihoods. Effective disciplines must be accompanied by workable development flexibilities and support sufficient to enable compliance without disproportionately burdening administrations already facing significant resource constraints.

270. Developments concerning electronic commerce require particular legal clarity. The expiry of the multilateral moratorium on customs duties on electronic transmissions and the separate arrangements pursued by participants in the plurilateral Agreement on Electronic Commerce should not be conflated. Member States should assess the implications of these developments for revenue, digital competitiveness and regulatory autonomy in light of their existing commitments. The Secretariat considers that digital-trade policy should rest on evidence concerning distributional effects, administrative feasibility and participation by smaller enterprises.

Cooperation should also address digital infrastructure, skills, consumer protection and data governance, so that legal harmonisation does not deepen existing inequalities.

271. Regional integration and South-South cooperation provide complementary avenues for strengthening economic resilience. The AfCFTA, the upgraded ASEAN arrangements and agreements involving Asian and African partners merit consideration not merely as instruments of market access, but as frameworks supporting production networks and institutional cooperation. Their effectiveness depends upon implementation, including usable rules of origin, customs coordination, payment arrangements and accessible information for businesses. The Secretariat therefore encourages exchanges of implementation experience, particularly concerning participation by micro, small and medium-sized enterprises. Regional initiatives should also support transparency and consistency with applicable multilateral obligations, avoiding unnecessary complexity or overlapping requirements that undermine their intended benefits.

272. AALCO has long been engaged in international investment law, particularly issues concerning investment protection, the rights and obligations of States and investors, and the development of a balanced international investment regime. Its longstanding engagement is reflected, inter alia, in the adoption of three Model Bilateral Agreements on Investment Protection in 1985. At its Fiftieth Annual Session in Colombo (2011) and Fifty-First Annual Session in Abuja (2012), AALCO further strengthened its consideration of developments in international trade and investment law through the agenda item "Report on the Work of UNCITRAL and Other International Organizations in the Field of International Trade Law." In this context, the Secretariat recognizes UNCTAD's important contribution to the modernization of international investment agreements (IIAs), particularly through its research, policy guidance and technical assistance to developing countries.

273. Over the years, AALCO has taken into account UNCTAD's major policy initiatives, including the Investment Policy Framework for Sustainable Development (2012/2015), the Road Map for IIA Reform (2015), the Reform Package for the International Investment Regime (2018), and the IIA Reform Accelerator (2020). These initiatives, together with successive editions of the World Investment Report, have provided valuable analytical resources for AALCO's consideration of investment treaty reform, including developments in investor–State dispute settlement (ISDS). Member States have also demonstrated continued interest in these issues through their interventions at AALCO Annual Sessions.

274. The Secretariat notes that the continuing prevalence of old-generation IIAs presents significant challenges for developing countries, particularly where broadly formulated treaty obligations may give rise to uncertainty or exposure to investor–State disputes. While recent treaty practice increasingly reflects more precisely defined investment protection standards and greater attention to sustainable development, the negotiation of new agreements alone cannot adequately address the challenges arising from existing treaty networks. The Secretariat therefore encourages Member States to consider undertaking systematic reviews of their existing IIAs to identify outdated or overlapping agreements, assess potential dispute risks and determine priorities for modernization. Depending on their national circumstances, available reform options may include joint interpretation, amendment, renegotiation, replacement or termination, with due consideration of applicable treaty procedures and the implications of survival clauses.

275. In modernizing substantive treaty provisions, the Secretariat considers it important to maintain an appropriate balance between investor protection and States' right to regulate in the public interest. Member States may wish to examine clearer definitions of covered investments, more precisely formulated investment protection standards, and appropriately designed exceptions and regulatory safeguards, particularly concerning public health, environmental protection, taxation and other legitimate policy objectives. Provisions promoting responsible business conduct and investor compliance with domestic laws may also merit consideration, taking into account national development priorities. Furthermore, greater attention could be given to dispute prevention, mediation and conciliation as means of addressing investment-related disagreements at an early stage and reducing the need for costly and prolonged arbitration proceedings.

276. The Secretariat welcomes UNCTAD's Guiding Principles for IIA Reform as a timely and practical framework for assisting States in modernizing their investment treaty regimes. Their voluntary and non-prescriptive nature is particularly relevant to AALCO Member States, given their diverse legal systems, economic circumstances and development priorities. The Guiding Principles provide a flexible range of policy options for reviewing existing treaties, developing national reform strategies, negotiating more balanced agreements and strengthening their implementation. The Secretariat considers that these Principles could assist Member States in pursuing investment treaty reforms that maintain investor confidence and legal certainty while safeguarding regulatory space and promoting sustainable development.

277. In this regard, the Secretariat invites Member States to share their national experiences and perspectives during the Sixty-Fourth Annual Session, particularly concerning: (i) challenges encountered in reviewing and modernizing existing IIAs; (ii) approaches adopted to balance investment protection with States' right to regulate; (iii) experiences with dispute prevention, mediation and ongoing ISDS reform; and (iv) specific technical assistance and capacity-building needs relating to treaty negotiation, reform and implementation. Such exchanges could help identify common challenges and priorities among Asian and African countries. Building on these discussions, AALCO could explore cooperation with UNCTAD in organizing targeted workshops and practical training for government legal officers and investment treaty negotiators, including on treaty review, reform options, model treaty provisions and dispute prevention, subject to Member States' interests and available resources.

278. It is well recognized that procedural reform and substantive treaty reform are related but distinct undertakings: improvements in adjudication cannot alone remedy imprecise underlying obligations. Proposals of the UNCITRAL Working Group III concerning standing and appellate mechanisms should be assessed against independence, geographical representation, affordability and compatibility with existing arrangements. Similarly, the contemplated multilateral reform instrument requires careful examination of consent, treaty coverage and interactions among reform components. The Secretariat invites AALCO Member States to consider sharing their practical experience, especially regarding any constraints faced by them in pursuing the reform of international investment law.

279. The proposed Advisory Centre on International Investment Dispute Resolution could make an important contribution to addressing inequalities in legal capacity. As stated in the brief, UNCITRAL recommended the draft Statute for adoption by the General Assembly leaving certain matters such as the location of headquarters to be decided by it. The Secretariat

encourages Member States to consider examining the proposed contribution structure, service fees, priority arrangements and governance provisions in their statements. The Statute attempts to balance financial sustainability with affordable access for developing and least-developed countries and the Secretariat encourages Member States to consider becoming a party to it.

280. The UNCITRAL Supplementary Provisions on the Conduct of Proceedings offer practical tools for improving efficiency and procedural fairness. Their usefulness will depend on appropriate incorporation and clarity concerning their relationship with applicable treaties and arbitration rules. Member States should examine provisions on early dismissal, evidence, bifurcation, security for costs, third-party funding and coordination of proceedings in light of their litigation experience. The consideration of potential harm to the public interest when assessing interim relief is particularly relevant. Implementation should nevertheless preserve due process and avoid treating adoption of the provisions as automatically modifying consent or procedural arrangements under existing investment agreements.

281. Similarly, the UNCITRAL texts regarding recognition and enforcement of arbitral awards and use of notices of arbitration in electronic form also embed the practice of transmitting documents in electronic form to keep with up with technological developments. The amendment in texts provide clarity on the law to be applied in dealing with the prevailing practice of transmission of awards in electronic form.

282. Regarding the report on the work of HCCH, the Secretariat encourages greater participation by Asian and African States in its work and projects concerning jurisdiction, legal parentage, protection orders, digital assets, central bank digital currencies and cross-border insolvency address matters of growing practical importance. Given the diversity of legal systems and traditions among AALCO Member States, their early engagement is essential to ensure that future instruments accommodate differing domestic approaches and levels of institutional capacity. Questions concerning parentage, surrogacy and protection orders require particular sensitivity to national family laws and cultural and religious considerations, while ensuring the protection of vulnerable persons. Member States are also encouraged to utilise the HCCH Regional Offices for Asia and the Pacific and for Africa for implementation assistance and capacity-building. Continued coordination among the HCCH, UNCITRAL and UNIDROIT should promote coherence, preserve their distinct mandates and avoid unnecessary duplication.

283. The year 2026 marks the centenary of the International Institute for the Unification of Private Law (UNIDROIT), established in 1926. Over the past century, UNIDROIT has worked to harmonise and modernise private and commercial law across different legal systems. Through instruments such as the UNIDROIT Principles of International Commercial Contracts (UPICC), the Cape Town Convention, and frameworks on digital assets, factoring, warehouse receipts, agricultural supply chains, and carbon credits, the Institute has contributed to legal predictability and cross-border commercial development.

284. The brief provides insights into the work of UNIDROIT over the course of the previous year discussed at the 107th session (27–29 May 2026, Rome) of its Governing Council. The brief also provides key insights into the ongoing legislative and non-legislative activities undertaken by UNIDROIT, focusing on the harmonization and modernization of private law to facilitate international trade, investment, and sustainable development. The AALCO Secretariat draws the attention of Member States to the various instruments that are currently under development or

implementation at UNIDROIT and invites views and comments on issues addressed in those instruments and associated documents.

285. As reported in this brief, the work of the UNIDROIT as reported in the 107th Governing Council Session spans across several key commercial and private law domains including civil enforcement, agriculture and supply chains, contract & investment law, climate finance, SME & digital finance, cultural property, and transport & equipment financing.

286. AALCO Member States are invited to examine these developments, particularly draft instruments undergoing public consultation such as the VCC Principles, CLSAE, and Investment Contracts and to share their national perspectives, comments, and practice experiences.

287. Given AALCO's longstanding engagement in international trade law and UNIDROIT's work on the harmonization and modernization of private law, the Secretariat considers that there may be opportunities for further cooperation in areas of common interest. Such cooperation could include technical exchanges, workshops or briefings on relevant UNIDROIT instruments and their practical application, particularly in areas of interest to AALCO Member States. Any such activities would be subject to mutual interest, the needs and priorities of Member States, and the availability of resources. The Secretariat invites Member States to share their views on possible areas of cooperation with UNIDROIT.

288. Looking ahead, the Secretariat considers that future intersessional activities could focus on areas of practical relevance to Member States, including comparative legal research, exchanges of national experiences, and targeted capacity-building for government legal officers. In this regard, cooperation with the WTO, UNCITRAL, UNCTAD, UNIDROIT and the HCCH could be further explored in areas of mutual interest, taking into account Member States' priorities, the respective mandates of these organizations, the need to avoid duplication of efforts, and the availability of resources. The Sixty-Fourth Annual Session provides an opportunity for Member States to identify specific legal issues and capacity-building needs that could inform future cooperation and contribute to strengthening their participation in the development and implementation of international trade and investment law.