HAYNES BOONE

Kurek in The i Paper: China Warns UK on Investments After British Steel Nationalisation

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Haynes Boone Partner **Philipp Kurek** spoke with *The i Paper* after China's government said that it is "strongly dissatisfied" with the UK Government over its decision to nationalise British Steel. The UK took control of British Steel's operations in Scunthorpe last year, though it was still owned by China's Jingye Group, limiting the government's ability to steer its future. China then called on the UK to "faithfully fulfil" its obligations under the China–UK Bilateral Investment Treaty.

Read an excerpt below.

Kurek, a partner at Haynes Boone, commented:

"The UK-China investment treaty does not prevent nationalisation.

“It permits the UK to take assets into public ownership for a public purpose, provided the treaty's conditions are met, including the payment of compensation reflecting the investment's real value.

“The Government is putting in place a domestic compensation process and has already indicated that the outcome could be that no compensation is payable.

“But a domestic valuation is not necessarily the end of the matter:

“The treaty contains its own valuation standard, and the key question will be whether the outcome of the Government's process satisfies that international obligation.

“Any dispute is therefore likely to centre on whether British Steel's heavy losses, liabilities and future funding requirements mean that Jingye's investment had little or no value, or whether the underlying assets, continuing operations and realistic future prospects support a positive valuation."

Read the full article from *The i Paper* **here**.