

**Comments of Luxembourg on Rules of Procedure for Arbitration Proceedings (Arbitration Rules),**

**Arbitration Rule 13 on Notice of Third Party Funding:**

Luxembourg considers that it is necessary to strike a balance between the requests for full disclosure of third party funding and the need to allow access to the ICSID mechanism. SMEs, in particular, very often need to rely on such funding if they are to use the dispute settlement procedure. Imposing heavy disclosure requirements, if not relevant for the case at hand, might end up hampering such access.

Luxembourg's understanding is that the main objective of the clause is to avoid conflicts of interest. In addition, Luxembourg's understanding is that if relevant for the proceedings, full disclosure (including the funding agreement as well as full shareholder details) can be requested and obtained.

Luxembourg would welcome wording on dissuasive but also proportionate sanctions in case of non-compliance of parties with such a request (either at the beginning or during the proceedings, whenever relevant for the case).

**On Arbitration Rule 51 on Security for Costs**

Luxembourg underlines the need to avoid using the security of costs in a way that would end up restricting access of SMEs to the ICSID mechanism. Luxembourg remains favorable to a wording that strikes a balance between the need for States to be able to request such security and the need for SMEs to be able to use the mechanism. Introducing an automatic request for security of costs would most probably end up in hampering SMEs access to the investment dispute mechanism.