

## **Abstract**

International investment activity plays in the capitalistic globalized world, which is aimed at sustainable economic growth, an important role. Effort of the states to ensure the most favourable investment conditions for foreign investors strikes in some spheres on legitimate regulatory state measures, which are adopted with reference to the international law principle of state sovereignty.

Expropriation or nationalisation together with the seizure represented in the past the most compelling taking of foreign investor property rights and their identification didn't make pronounced troubles. It's clear that confiscatory or nationalizing states measure doesn't increase its investment attractiveness and so states are nowadays in the sphere of takings into foreign investor property interests much more careful and more inventive. The task of submitted work is among other things to characterize these takings referred to by notion indirect expropriation and to differentiate them from legitimate state measures regarding the general social aims and social interests, which don't require any compensation in contrast to indirect expropriation.

By reason that the right to expropriate is seen to be part of customary international law, there was especially a developed states effort to regulate the conditions of this expropriation in an adequate way. From these conditions excited in disunity between the developed and developing states in the development of international investment law in particular the issue of compensation for expropriation, what constitutes one of the reasons, why complex international investment treaty hasn't been adopted up this day, for adoption of which will strive after the failure in the framework of Organisation for Economic Cooperation and Development the World Trade Organisation. Bilateral investment treaties concerning the encouragement and protection of investment compensate the absence of the complex international investment treaty. Their number is estimated nowadays at 3000. In these treaty instruments won the concept of Hull's doctrine, which requires prompt, effective and adequate compensation that usually constitutes the market value of investment immediately before the expropriation.

The practice of adoption of the BITs has been approved oneself fully in the Czech Republic as well. A big majority from these 76 treaties, by which it is presently bound, declares materially the very similar regulation of expropriation takings. Indirect taking is further defined just in the Annex A of the BIT with Canada, whereas the regulation

establishes conclusions which attained the arbitrary practice in the framework of the last advancement. It's possible to suppose, that the same more detailed regulation of indirect expropriation will be adopted pro futuro in the BITs in a larger amount in order to increase the legal certainty.

**Keywords**

Indirect expropriation, Compensation, Bilateral investment treaty