

Abstract

The absence of a relevant legal basis between huge commercial partners such as the EU as a single entity and the Russian Federation promoted the emergence of a legal vacuum. The long term cooperation between Russia and the EU has only one bilateral agreement – the Agreement on Partnership and Cooperation signed in 1994, which is however obsolete, and does not meet the contemporary needs. The adequate legal basis for Russia–EU cooperation in the gas sector is still missing. The protection of investments in the gas sector is being realized by bilateral agreements between Russia and EU member states, soft law and general international agreements, without any specifications for those two partners. The only international instrument covering the energy relations of these two partners – Energy Charter Treaty cannot be considered as a reliable mechanism, as Russia withdrew from it more than 8 years ago. The reasons of the withdrawal and the Yukos case as an illustrative example are discussed in this paper. In order to avoid uncertainty in such strategic area as gas investment relations and unpredictable decisions between the states represented by the commercial entities, there is a need to design a substantive legal basis, and a need to consider on the adequate dispute resolution body. In this thesis, key requirements are identified for the adequate legal framework and the dispute resolution body should meet.