

UNIVERSITY OF COLOMBO, SRI LANKA
FACULTY OF LAW
DEGREE OF MASTER OF LAWS IN COMMERCIAL LAW – 2024/25

SEMESTER I END EXAMINATION

International Economic Law –TLLM 12312

(Three Hours)

Total Number of Questions: 04

Answer any **THREE (03)** Questions and **no more**.
(Candidates will be penalised for illegible handwriting.)

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1. 'The World Trade Organization's (WTO) plays a significant role in shaping trade policy and international relations, greatly influencing the geopolitical landscape. As a forum for negotiating global trade agreements, the WTO not only facilitates international trade but also serves as a where national interests and global economic policies intersect. This unique position enables the WTO to act as a critical mediator in disputes that reflect broader geopolitical tensions, exemplifying its importance in maintaining economic stability and global order. Research indicates that the WTO's influence in dispute resolution can significantly impact the economic and diplomatic relationships between countries, thereby altering the dynamics of international alliances and rivalries.'

Based on the above statement, answer **EITHER (A) or (B)**.

- A. Critically evaluate the role of the WTO in influencing international trade law and policy, focusing on its main functions. Support your answer with relevant examples.

(20 marks)

OR

- B. Analyse the dispute settlement mechanisms of the WTO, evaluating their structure, effectiveness, and limitations. Discuss the continued relevance of the WTO as a leading international dispute resolution body, supporting your analysis with appropriate examples.

(20 marks)

2. "In the context of the ongoing digital revolution in financial services, emerging technologies create both opportunities and challenges. These innovations introduce complex regulatory, ethical and systemic risks."

Critically evaluate the dual-edged impact of technological disruption in the financial sector, with a focus on the regulatory challenges it poses for state actors. Support your analysis with judicial pronouncements and scholarly opinion.

(20 Marks)

3. Imagine you are a legal advisor to Zindia, a developing nation that is in the process of renegotiating its Bilateral Investment Treaties (BITs). The government is concerned about past experiences where investor protections limited its regulatory capabilities in critical areas like public health, environmental protection and labor rights, etc. At the same time, Zindia does not want to discourage foreign investment, which is crucial for economic growth.

Based on recent trends in international investment law and proposals for a more balanced model BIT, how should Zindia structure its new BITs to safeguard regulatory sovereignty while remaining attractive to investors? In your answer, refer to contemporary examples and support your recommendations with authoritative scholarship in the field of international investment law.

(Marks 20)

4. Answer **EITHER (A) or (B)**

- A. ABC Inc., a water purification company based in Candana, a developed country, has invested \$300 million in Velonica, a middle-income country facing persistent water contamination challenges. This investment was governed by the Candana-Velonica Bilateral Investment Treaty, which guarantees protection against expropriation and ensures fair and equitable treatment. As stipulated in the contract, ABC is required to obtain the necessary environmental permit in accordance with domestic laws. However, citizens of Velonica have been protesting due to concerns over pricing and safety. In response, the Velonica government enacted emergency water-access laws, which set price caps and mandate public disclosure of purification methods. Consequently, the government of Velonica has suspended the environmental license until compliance with these new regulations is met. ABC Inc. claims that these actions amount to indirect expropriation.

As Velonica's legal counsel, you are requested to prepare a report outlining the available mechanisms to successfully defend the government's actions.

(Marks 20)

OR

- B. You are part of a policy think tank advising a coalition of developing nations on reforming the global financial governance system. These nations argue that international financial institutions, rooted in the Bretton Woods framework, that overlooks the voices and interests of the Global South. At the same time, emerging economies like those in the BRICS bloc are challenging this trend.

Given this context, how should your coalition approach reforming the current global financial architecture to ensure equitable representation and participation for developing countries? In your answer, assess the continued dominance of Western-led institutions in a globalised economy. Support your argument with examples and scholarly perspectives.

(Marks 20)
