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UNIVERSITÀ DI PISA

## Winter School “*Reinforcing EU responsible global leadership: promoting EU values for a rules-based multilateral world*”

Jean Monnet Chair “*ProSoEU Law Abroad*”, University of Pisa

Thursday 8 February 2024

Moot Court

### ALFA S.P.A. v. MEXICO

1. Alfa S.p.A. is an Italian company engaged in the energy sector, with particular reference to oil and gas, which operates globally.
2. Alfa S.p.A. decides to invest in Mexico, which is rich in natural resources and is also an important oil producer. Consequently, the abovementioned company enters into a participation agreement with the Mexican government.
3. According to the agreement, on the one hand, Alfa S.p.A. undertakes the obligation to explore and exploit oil resources in a specific area of Mexican territory, named “Block I”, and becomes responsible for all the associated expenditures; on the other hand, the Mexican government undertakes the obligation to grant to Alfa S.p.A. a share of the profits deriving from oil production in “Block I”.
4. *Inter alia*, the agreement between the Mexican government and Alfa S.p.A. includes a clause that requires prior authorisation of the Mexican government itself in order to transfer rights and obligations of the participation agreement to third parties. The violation of such clause is expressly qualified as a cause for termination of the agreement.
5. A few months after the entry into force of the agreement, however, unbeknownst to the Mexican government, Alfa S.p.A. concludes an agreement with the French company Beta S.A., pursuant to which the former transfers some of its rights and obligations concerning “Block I” to the latter.
6. The Mexican government discovers the breach committed by Alfa S.p.A. and declares the participation agreement terminated.
7. A few days after the termination of the agreement, the Mexican government adopts a “*bona fide* administrative sanction” against Alfa S.p.A.. On the basis of such measure, the Mexican government seizes all of the company’s properties in “Block I”, e.g. computers, files, but also wells, drills, storage facilities and other oil exploration and production assets.
8. Alfa S.p.A., deeming the government’s conduct unlawful, consults a lawyer in order to understand which instruments can be activated and how the measures adopted by the Mexican government can be challenged.
9. At the same time, once discovered that Alfa S.p.A. intends to take action, the Mexican government consults a lawyer as well, in order to identify in advance the mechanisms that can be activated by the company, and to understand how to defend itself asserting its reasons.



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**INSTRUCTIONS**

The participants to the Winter School “*Reinforcing EU responsible global leadership: promoting EU values for a rules-based multilateral world*” Moot Court are now divided in two teams: one shall support the reasons of Alfa S.p.A., while the other shall support the ones of the Mexican government.

The case is discussed in front of a panel. The members of the teams are called to intervene. Subsequently, the panel adopts its decision.