AGREEMENT

BETWEEN THE GOVERNMENT OF THE HELLENIC REPUBLIC AND THE GOVERNMENT OF THE REPUBLIC OF ARGENTINA ON THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Hellenic Republic and the Government of the Republic of Argentina,

Hereinafter referred to as the «Contracting Parties»,

DESIRING to intensify economic cooperation between the two countries on a long term basis,

AIMING at creating favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party,

RECOGNIZING that the promotion and protection of such investments on the basis of an Agreement will be conducie to the stimulation of individual business initiative and will increase prosperity in both countries,

HAVE AGREED AS FOLLOWS:

ARTICLE 1
Definitions

For the purposes of this Agreement:

(1) The term «investment» shall comprise every kind of asset invested by an investor of one Contracting Party in the territory of the other Contracting Party, in accordance with the laws and regulations of the latter Contracting Party, and shall include in particular, though not exclusively:

a) movable and immovable property as well as any property rights, such as mortgages, liens and pledges;

b) shares, stocks and any other kind of participation in a company;

c) claims to money and to any performance having an economic value; loans only being included when they are directly related to a specific investment;

d) intellectual and industrial property rights, including in particular copyrights, patents, industrial designs, trademarks, trade-names, technical processes, know-how and goodwill;

e) business concessions conferred by law or under contract, including concessions to search for, cultivate, extract or exploit natural resources.

The meaning and scope of the different assets shall be determined by the laws and regulations of the Contracting Party in the territory of which the investment has been made.

(2) Goods that, under a leasing agreement, are placed at the disposal of a lessee in the territory of a Contracting Party, in relation to an investment under this Agreement, shall be treated as an investment.

(3) The term «investor» means:

a) any natural person who is a national of a Contracting Party in accordance with its laws;

b) any legal person constituted in accordance with the laws and regulations of a Contracting Party and having its seat in the territory of that Contracting Party.

(4) The term «returns» means all amounts yielded by an investment such as profits, dividends, interest, capital gains, royalties, fees and other current income.

(5) The term «territory» means the national territory of either Contracting Party, including those maritime areas adjacent to the outer limit of the territorial sea of the national territory, over which the Contracting Party concerned may, in accordance with international law, exercise sovereign rights or jurisdiction.

ARTICLE 2
Promotion and Protection of Investments

(1) Each Contracting Party shall promote, in its territory, investments by investors of the other Contracting Party and shall admit such investments in accordance with its laws and regulations.

(2) Each Contracting Party shall at all times ensure fair and equitable treatment to investments by investors of the other Contracting Party and shall not impair the management, maintenance, use, enjoyment or disposal thereof through arbitrary or discriminatory measures.

(3) Each Contracting Party shall observe any other obligation it may have entered into with regard to investments of investors of the other Contracting Party.

(4) A possible change in the form in which the investments have been made does not affect (heir character as investments, provided that such a change does not contradict the laws and regulations of the relevant Contracting Party.

(5) Returns from the investments and, in cases of reinvestment, the income ensuing therefrom, enjoy the same protection as the initial investments.

ARTICLE 3
Treatment of Investments

(1) Each Contracting Party, once it has admitted investments by investors of the other Contracting Party, shall grant full protection and security to such investments and shall accord them treatment which is no less favourable than that accorded to investments of its own investors or to investments of investors of any third State, whichever is the most favourable.

(2) Neither Contracting Party shall subject investors of the other Contracting Party, as regards their activity in connection with investments in its territory, to treatment less favourable than that accorded to its own investors or to investors of any third State, whichever is the most favourable.

(3) Notwithstanding the provisions of paragraphs (1) and (2) of this Article, the treatment of the most favoured nation shall not apply to privileges which either Contracting Party accords to investors of a third State as a result of its membership in or association with any existing or future customs union, economic union, regional economic integration agreement or similar international agreement.

(4) The provisions of paragraphs (1) and (2) of this Article shall not be construed so as to oblige a Contracting Party to extend to investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from an international agreement relating wholly or mainly to taxation.

(5) The provisions of paragraphs (1) and (2) of this Article shall not be construed so as to extend to investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from the bilateral Agreements providing for concessional financing concluded by the Republic of Argentina with the Republic of Italy on 10 December 1987 and with the Kingdom of Spain on 3 June 1988.

ARTICLE 4
Expropriation

(1) Investments by investors of either Contracting Party in the territory of the other Contracting Party shall not be expropriated, nationalized or subjected to any other measure the effects of which would be tantamount to expropriation or nationalization, except in the public interest, under due process of law, on a non discriminatory basis and against payment of prompt, adequate and effective compensation. Such compensation shall amount to the market value of the investment affected immediately before the actual measure was taken or became public knowledge, whichever is the earlier, it shall include interest from the date of expropriation until the date of payment, at a normal commercial rate and shall be effectively realizable and freely transferable.

(2) The provisions of paragraph (1) of this Article shall also apply where a Contracting Party expropriates the assets of a company which is constituted under the laws in force in any part of its own territory and in which investors of the other Contracting Party own shares.

ARTICLE 5
Compensation for Losses

Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, a state of national emergency, civil disturbance, other similar events or resulting from arbitrary action by the authorities in the territory of the other Contracting Party, shall be accorded by the latter Contracting Party, with respect to restitution, indemnification, compensation or other settlement, treatment which is no less favourable than that accorded to its own investors or to investors of any third State, whichever is the most favourable.

ARTICLES
Transfers

(1) Each Contracting Party shall guarantee to investors of the other Contracting Party the unrestricted transfer of the investment and its returns and in particular, though not exclusively, of:

a) the capital and additional amounts necessary for the maintenance and development of the investment;

b) profits, interest, dividends and other current income;

c) funds in repayment of loans, as defined in Article 1, paragraph (1), c) of this Agreement;

d) royalties and fees;

e) the proceeds from a total or partial sale or liquidation of the investment;

f) the compensation provided for in Articles 4 and 5 of this Agreement.

g) the earnings of nationals of one Contracting Party who are allowed to work in connection with an investment in the territory of the other Contracting Party.

(2) Transfers shall be effected without delay in a freely convertible currency, at the normal applicable exchange rate at the date of transfer, in accordance with the procedures established by the Contracting Party in whose territory the investment was made, which shall not impair the substance of the rights set forth in this Article.

ARTICLE 7
Subrogation

(1) If the investments of an investor of one Contracting Party in the territory of the other Contracting Party are insured against non commercial risks under a legal system of guarantee, any subrogation of the insurer into the rights of the said investor pursuant to the terms of such insurance shall be recognized by the other Contracting Party.

(2) The insurer shall not be entitled to exercise any rights other than the rights which the investor would have been entitled to exercise.

ARTICLE 8
Application of other Rules

If the provisions of law of either Contracting Party or obligations under international law existing at present or established hereafter between the Contracting Parties in addition to the present Agreement or if any agreement be-

tween an investor of one Contracting Party and the other Contracting Party contain rules, whether general or specific, entitling investments by investors of the other Contracting Party to a treatment more favourable than is provided for in this Agreement, such rules shall, to the extent that they are more favourable, prevail over the present Agreement.

ARTICLE 9

Settlement of Disputes between the Contracting Parties

(1) Disputes between the Contracting Parties concerning the interpretation or application of ftnis Agreement shall, if possible, be settled through diplomatic channels.

(2) If a dispute between the Contracting Parties cannot thus be settled within six months from the beginning of the negotiations, it shall, upon the request of either Contracting Party be submitted to an arbitral tribunal.

(3) The arbitral tribunal shall be constituted ad hoc as follows. Each Contracting Party shall appoint one arbitrator and these two arbitrators shall agree upon a national of a third State as chairman. The arbitrators shall be appointed within three months, the chairman within five months from the date on which either Contracting Party has informed the other Contracting Party that it intends to submit the dispute to an arbitral tribunal.

(4) If with in the periods specified in paragraph (3) of this Article the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to make any necessary appointments. If the President is a national of either Contracting Party or if he is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the necessary appointments. If the Vice-President is a national of either Contracting Party or if he too is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Contracting Party shall be invited to make the necessary appointments.

(5) The arbitral tribunal shall decide on the basis of respect for the law, including particularly the present Agreement and other relevant Agreements existing between the two Contracting Parties and the generally acknowledged rules and principles of international law.

(6) The arbitral tribunal shall reach its decision by a majority of votes. Such decision shall be binding on both Contracting Parties.

Each Contracting Party shall bear the cost of its own member of the tribunal and of its representation in the arbitral proceedings. The cost of the chairman and the remaining costs shall, in principle, be borne in equal parts by the Contracting Parties.

The tribunal may, however, in its decision direct that a higher proportion of costs be borne by one of the two Contracting Parties and this award shall be binding on both Contracting Parties.

The tribunal shall determine its own procedure.

ARTICLE 10

Settlement of Disputes between an Investor and a Contracting Party

(1) Any dispute between an investor of a Contracting Party and the other Contracting Party concerning an obligation of the latter under this Agreement, in relation to an investment of the former, shall, if possible, be settled amicably.

(2) If the dispute cannot thus be settled within six months following the date on which the dispute has been raised by either party to the dispute, it may be submitted, upon the request of the investor concerned, either to:

- the competent tribunal of the Contracting Party in whose territory the investment has been made, or
- international arbitration according to the provisions of paragraph (3).

Where an investor has submitted a dispute to the aforementioned competent tribunal of the Contracting Party where the investment has been made or to international arbitration, this choice shall be final.

(3) In case of international arbitration, the dispute shall be submitted, at the investor's choice, either to:

- the International Centre for the Settlement of Investment Disputes (I.C.S.I.D.) created by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature in Washington on 18 March 1965, or
- an ad hoc arbitration tribunal to be set up in accordance with the arbitration rules of the United Nations Commission on International Trade Law (U.N.C.I.T.R.A.L).

Each Contracting Party hereby consents to the submission of such dispute to international arbitration.

(4) The arbitration tribunal shall decide in accordance with the provisions of this Agreement, the laws of the Contracting Party involved in the dispute, including its rules on conflict of law, the terms of any specific agreement concluded in relation to such an investment and the relevant principles of international law.

(5) The arbitral decisions shall be final and binding for the parties to the dispute. Each Contracting Party shall execute such decisions in accordance with its laws.

(6) During arbitration or the enforcement of an award, the Contracting Party involved in the dispute shall not raise the objection that the investor of the other Contracting Party has received compensation under an insurance contract in respect of all or part of the damage.

ARTICLE 11

Consultations

Representatives of the Contracting Parties shall, whenever necessary, hold consultations on any matter affecting the implementation of this Agreement. These consultations shall be held on the proposal of one of the Contracting Parties at a place and at a time to be agreed upon through diplomatic channels.

ARTICLE 12

Application of the Agreement

(1) This Agreement shall also apply to investments made prior to its entry into force by investors of either Contracting Party in the territory of the other Contracting Party, in accordance with the latter's legislation, but shall not apply to any dispute, claim or difference which arose before its entry into force.

(2) The provisions of this Agreement shall not apply to to the investments made in the territory of the Republic of Argentina by natural persons who are nationals of the Hellenic Republic if such persons have, at the time of the investment, been domiciled in the Republic of Argentina for

more than two years, unless it is proved that the investment was admitted from abroad.

ARTICLE 13

Entry into force - Duration - Termination

(1) This Agreement shall enter into force thirty days after the date of exchange of the instruments of ratification.

It shall remain in force for a period of ten years. Thereafter it shall remain in force unless either Contracting Party notifies in writing the other Contracting Party one year in advance of its intention to terminate this Agreement.

(2) In respect of investments made prior to the date when the notice of termination of this Agreement becomes effective, the provisions of Articles 1 to 12 shall continue to be effective for a further period of ten years from that date.

Done at Athens, on October 26th 1999, in duplicate, in the Greek, Spanish and English languages, the three texts been equally authentic.

In case of divergence in interpretation, the English text shall, however, prevail.

FOR THE GOVERNMENT OF THE HELLENIC REPUBLIC **FOR THE GOVERNMENT OF THE REPUBLIC OF ARGENTINA**

Άρθρο δεύτερο

Η ισχύς του παρόντος νόμου αρχίζει από τη δημοσίευσή του στην Εφημερίδα της Κυβερνήσεως και της Συμφωνίας που κυρώνεται από την πλήρωση των προϋποθέσεων του άρθρου 13 αυτής.

Παραγγέλλομε τη δημοσίευση του παρόντος στην Εφημερίδα της Κυβερνήσεως και την εκτέλεσή του ως νόμου του Κράτους.

Αθήνα, 25 Οκτωβρίου 2000

Ο ΠΡΟΕΔΡΟΣ ΤΗΣ ΔΗΜΟΚΡΑΤΙΑΣ

ΚΩΝΣΤΑΝΤΙΝΟΣ ΣΤΕΦΑΝΟΠΟΥΛΟΣ

ΟΙ ΥΠΟΥΡΓΟΙ

ΕΞΩΤΕΡΙΚΩΝ — **Γ. ΠΑΠΑΝΔΡΕΟΥ**

ΕΘΝΙΚΗΣ ΟΙΚΟΝΟΜΙΑΣ ΚΑΙ ΟΙΚΟΝΟΜΙΚΩΝ — **Γ. ΠΑΠΑΝΤΩΝΙΟΥ**

ΑΝΑΠΤΥΞΗΣ

Ν. ΧΡΙΣΤΟΔΟΥΛΑΚΗΣ

Θεωρήθηκε και τέθηκε η Μεγάλη Σφραγίδα του Κράτους

Αθήνα, 26 Οκτωβρίου 2000

Ο ΕΠΙ ΤΗΣ ΔΙΚΑΙΟΣΥΝΗΣ ΥΠΟΥΡΓΟΣ

Μ. ΣΤΑΘΟΠΟΥΛΟΣ