

# Agreement between the Government of the Socialist Republic of Vietnam and the Government of the Republic of Latvia for the Promotion and Protection of Investments

The Government of the Socialist Republic of Vietnam and the Government of the Republic of Latvia, hereinafter referred to as the "Contracting Parties";

Desiring to expand and deepen economic and industrial cooperation on a long term basis, and in particular, to create favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party;

Recognising the need to protect investment by investors of both Contracting Parties and to stimulate the flow of investments and individual business initiative with a view to the economic prosperity of both Contracting Parties;

Have agreed as follows:

## Article 1. Definitions

For the purpose of this Agreement:

(a) "investment" means every kind of asset invested in connection with economic activities by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with the laws of the later and in particular, though not exclusively, includes: movable and immovable property and any other property rights, such as mortgages, liens and pledges and similar rights; shares, stocks and debentures of companies or interests in the property of such companies; a claim to money or a claim to any performance having economic value associated with an investment; intellectual and industrial property rights, including rights with respect to copyrights, patents, trademarks, trade names, industrial designs, trade secrets, technical processes and know-how and goodwill; business concessions conferred by law or under contract, including concessions to search for, cultivate, extract, or exploit natural resources.(i) Movable and immovable property and any other property rights, such as mortgages, liens and pledges and similar rights;

(ii) Shares, stocks and debentures of companies or interests in the property of such companies;

(iii) A claim to money or a claim to any performance having economic value associated with an investment;

(iv) Intellectual and industrial property rights, including rights with respect to copyrights, patents, trademarks, trade names, industrial designs, trade secrets, technical processes and know-how and goodwill;

(v) Business concessions conferred by law or under contract, including concessions to search for, cultivate, extract, or exploit natural resources.

Any alteration of the form in which assets are invested shall not affect their classification as investments, provided that such alteration is not contrary to the laws and regulations of the Contracting Party in the territory of which this investment has been made;

(b) "returns" means the amount yielded by an investment and in particular, though not exclusively, includes profits, interest, capital gains, dividends, royalties or fees.

Returns from investment and from re-investment shall enjoy the same protection as investment;

(c) "investor" in respect of either Contracting Party means: any natural person having the nationality of a Contracting Party in accordance with its laws; or any corporation, partnership, trust, joint-venture, organisation, association or enterprise duly constituted in accordance with the laws and regulations of the Contracting Party; any entity or organization established in accordance with the laws of any third State which is controlled by nationals of that Contracting Party or by entities having their seat in the territory of that Contracting Party;(i) Any natural person having the nationality of a Contracting Party in

accordance with its laws; or

(ii) Any corporation, partnership, trust, joint-venture, organisation, association or enterprise duly constituted in accordance with the laws and regulations of the Contracting Party;

(iii) Any entity or organization established in accordance with the laws of any third State which is controlled by nationals of that Contracting Party or by entities having their seat in the territory of that Contracting Party;

(d) "territory" means: with respect to the Socialist Republic of Vietnam, all land territory (including islands), maritime and submarine areas over which the Socialist Republic of Vietnam exercises, in accordance with national and international law, sovereignty, sovereign rights and jurisdiction. with respect to the Republic of Latvia, the territory of the Republic of Latvia, including the territorial sea and any maritime or submarine area within which the Republic of Latvia exercises, in conformity with international law, sovereign rights with regard to the seabed and subsoil and the natural resources of such areas;(i) With respect to the Socialist Republic of Vietnam, all land territory (including islands), maritime and submarine areas over which the Socialist Republic of Vietnam exercises, in accordance with national and international law, sovereignty, sovereign rights and jurisdiction.

(ii) With respect to the Republic of Latvia, the territory of the Republic of Latvia, including the territorial sea and any maritime or submarine area within which the Republic of Latvia exercises, in conformity with international law, sovereign rights with regard to the seabed and subsoil and the natural resources of such areas;

(e) "freely convertible currency" means the currency that is widely used to make payments for international transactions and widely exchanged in the principal international exchange markets.

## **Article 2. Promotion and Protection of Investments**

(1) Each Contracting Party shall encourage and create favourable conditions for investors of the other Contracting Party to make investments in its territory, and shall admit such investments, in accordance with its laws and regulations.

(2) Investments of investors of either Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party.

## **Article 3. Most-favoured-nation Provisions**

(1) Investments made by investors of either Contracting Party in the territory of the other Contracting Party shall receive treatment which is fair and equitable, and not less favourable than that accorded to investments made by investors of any third State.

(2) Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot in the territory of the latter Contracting Party shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favourable than that which the latter Contracting Party accords to investors of any third State.

## **Article 4. Exceptions**

The provisions of this Agreement relative to the granting of treatment not less favourable than that accorded to the investors of any third State shall not be construed so as to oblige one Contracting Party to extend to the investors of the other the benefit of any treatment, preference or privilege resulting from:

(a) Any existing or future customs union or free trade area or a monetary union or similar international agreement or other forms of regional economic cooperation to which either of the Contracting Parties is or may become a party; or

(b) The adoption of an agreement designed to lead to the formation or extension of such a union or area within a reasonable length of time; or

(c) Any international agreement or arrangement relating wholly or mainly to taxation or any domestic legislation relating wholly or mainly to taxation.

## **Article 5. Expropriation**

(1) Neither Contracting Party shall take any measures of expropriation, nationalization or any dispossession, having effect

equivalent to nationalization or expropriation against the investment of investors of the other Contracting Party, except under the following conditions:

- (a) The measures are taken for a public purpose and under due process of law;
  - (b) The measures are non-discriminatory;
  - (c) The measures are accompanied by provisions for the payment of prompt, adequate and effective compensation. The compensation shall be equivalent to the market value of the expropriated investments immediately before the expropriation occurred or the impending expropriation became public knowledge and shall be paid without undue delay. The compensation shall include interest calculated on the LIBOR basis from the date of expropriation. The compensation shall be effectively realizable and freely transferable.
- (2) Investors, whose assets are being expropriated, have a right to prompt review by appropriate judicial or administrative authorities of the expropriating Contracting Party to determine whether such expropriation, and any compensation therefore conforms to the principles of this Agreement and the laws of the expropriating Contracting Party.
- (3) Investors referred to in Article 1, paragraph (c), point (iii), may not raise claims under paragraphs of this Article if compensation has been paid pursuant to a similar provision in another Investment Protection Agreement concluded by the Contracting Party in the territory of which the investment has been made.

## **Article 6. Transfers**

- (1) Each Contracting Party shall, subject to its laws and regulations, guarantee without unreasonable delay the transfer in any freely convertible currency of:
- (a) The net profits, dividends, royalties, technical assistance and technical fees, interest and other current income, accruing from any investment of the investors of the other Contracting Party;
  - (b) The proceeds from the total or partial liquidation of any investment made by investors of the other Contracting Party;
  - (c) Funds in repayment of loans related to an investment; and
  - (d) The earnings of citizens and permanent residents of one Contracting Party who are employed and allowed to work in connection with an investment in the territory of the other Contracting Party.
- (2) The exchange rate applicable to the transfer referred to in paragraph (1) of this Article shall be the rate of exchange prevailing at the time of remittance.
- (3) The Contracting Parties undertake to accord to the transfers referred to in paragraph (1) of this Article treatment as favourable as that accorded to transfers originating from investments made by investors of any third State.

## **Article 7. Settlement of Investment Disputes between a Contracting Party and an Investor of the other Contracting Party**

- (1) For the purpose of solving disputes with respect to investments between a Contracting Party and an investor of the other Contracting Party, consultations will take place between the parties concerned with a view to solving the case, as far as possible, amicably.
- (2) If these consultations do not result in a solution within six months from the date of request for settlement, the investor may submit the dispute, at his choice, for settlement to:
- (a) The competent court of the Contracting Party in the territory of which the investment has been made; or
  - (b) The International Centre for Settlement of Investment Disputes (ICSID) having regard to the applicable provisions of the Convention on the Settlement of Investment Disputes between States and Nationals of the other States opened for signature at Washington D.C. on March 18, 1965, in the event Contracting Parties shall have become a party to this Convention; or
  - (c) An ad hoc arbitral tribunal which, unless otherwise agreed upon by the parties to the dispute, shall be established under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

(3) Each Contracting Party hereby consents to the submission of an investment dispute to international conciliation or arbitration.

(4) The Contracting Party which is a party to the dispute shall, at no time whatsoever during the procedures involving investment disputes, assert as a defence its immunity or the fact that the investor has received compensation under an insurance contract covering the whole or part of the incurred damage or loss.

(5) The arbitral decisions shall be final and binding on both parties to the dispute. Each Contracting Party shall execute them in accordance with its laws and in accordance with the 1958 United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention), if the Contracting Parties are members of that Convention.

IN WITNESS WHEREOF, the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

Done in duplicate at..... on ..... in the Vietnamese, Latvian and English languages, all texts being equally authentic. In the case of divergence between the texts of this Agreement, the English text shall prevail.