Agreement between the Government of the Republic of Finland and the Government of the Republic of Slovenia on the Promotion and Protection of Investments

The Government of the Republic of Finland and the Government of the Republic of Slovenia, hereinafter referred to as the "Contracting Parties",

Desiring to intensify economic cooperation to the mutual benefit of both countries and to maintain fair and equitable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party,

Recognizing that the promotion and protection of investments on the basis of this Agreement will stimulate business initiatives,

Have agreed as follows:

Article 1. Definitions

For the purpose of this Agreement:

1. The term "Investment" shall mean every kind of asset invested by investors of one Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the latter including, in particular, though not exclusively:

a) Movable and immovable property and any property rights such as leases, mortgages, liens and pledges;

b) Shares, stocks, debentures and any other participation in a company;

c) Claims to money or to any performance having an economic value;

d) Intellectual property rights; and

e) Concessions conferred by law, by administrative act or under a contract, by a competent authority, including concessions to search for, develop, extract or exploit natural resources.

No change in the form in which an asset is invested or reinvested affects the classification of the asset as an investment.

2. "Return" means the amount of money generated by an investment and includes, in particular, but is not limited to, profits, dividends, interest, royalties, capital gains or other income related to the investment.

3. "Investor" means:

a) natural persons who are nationals of either Contracting Party in accordance with its laws and

b) legal entities established under the laws of that Party.

4. The term "territory" means, for either Contracting Party in respect of the area subject to its sovereignty, including the territorial waters and airspace, as well as the sea areas in which the Contracting Party concerned to exercise full sovereign rights or jurisdiction in accordance with the laws of their own country and international law.

5. "Host Party" means the Party in whose territory the investment is made.

Article 2. Investment Promotion and Protection

1. The Host Party to promote the other Contracting Party in its territory investments by investors and authorize the entry of investments in its territory in accordance with its laws and regulations.

2. The host Party shall grant the other Contracting Party to investments of investors in its territory fair and equitable treatment and full and constant protection and security.

3. The host Party shall not be unreasonable, arbitrary or discriminatory measures impair treatment of the other Contracting Party on investments, maintenance, use, enjoyment or sale.

4. The host Party will sympathetically examine, within their legislation, the applications of investors of the other Contracting Party regarding the necessary permits in connection with investments in its territory of tasks, including permission to work at its option, regardless of the managerial and technical personnel of their nationality.

Article 3. Treatment of Investments

1. Investments made by investors of one Contracting Party in the territory of the other Contracting Party, or returns related thereto, shall be accorded treatment which is not less favourable than the host Part accords to the investments and returns made by its own investors or by investors of any third State, whichever is the more favourable.

2. Investors of one Contracting Party shall be accorded by the other Contracting Party, as regards the management, maintenance, use, enjoyment or disposal of their investments, treatment which is not less favourable than the host Party accords its own investors or to investors of any third State, whichever is the more favourable.

3. The provisions of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege by virtue of:

a) Any existing or future free trade area, customs union or common market to which either of the Contracting Party is or may become a Party,

b) Any international agreement or any domestic legislation relating wholly or mainly to taxation, and

c) Any multilateral convention or treaty related to investments, of which one of the Contracting Parties is or may become a Party.

Article 4. Expropriation

1. Investments made by investors of a Contracting Party in the territory of the host Party shall not be expropriated, nationalized or subject to any other measure having effect equivalent to expropriation or nationalization (hereinafter referred to as "expropriation") except for a public interest, on a non-discriminatory basis, under due process of law and against prompt, adequate and effective compensation.

2. Such compensation shall amount to the fair market value of the expropriated investment at the time immediately before the expropriation became known (hereinafter referred to as the "valuation date").

3. Such fair market value shall be expressed in a freely convertible currency on the basis of the market rate of exchange existing for that currency on the valuation date. Compensation shall also include interest at the three month London Interbank Offered Rate (LIBOR) from the date of expropriation until the date of actual payment.

4. The investor whose investments are expropriated, shall have the right to the prompt review by a judicial or other competent authority of that Contracting Party of its case and of valuation of its investments in accordance with the principles set out in this Article.

Article 5. Compensation for Losses

Investors of one Contracting Party whose investments have suffered losses owing to war or other armed conflict, revolution, national uprising, state of emergency or any similar event in the territory of the host Party shall be accorded by this Contracting Party treatment in relation to such losses, including compensation, indemnification or restitution, no less favourable than that which the latter Contracting Party accords to its own investors or investors of any third State, whichever is more favourable to the investor. Any payment made under this Article shall be immediately realisable and freely transferable.

Article 6. Transfer of Payments

1. Each Contracting Party shall guarantee investors of the other Contracting Party the free transfer of funds related to their investments and in particular, though not exclusively:

a) Initial capital and additional contributions for the maintenance or development of the investments;

b) The returns;

c) Funds in repayment of loans related to an investment;

d) Proceeds from the sale or liquidation of all or part of an investment;

e) Any compensation or other payment referred to in Articles 4 and 5 of this Agreement;

f) Payments arising out of the settlement of a dispute;

g) Earnings and other remuneration of nationals engaged from abroad in connection with the investment.

2. Each Contracting Party shall further guarantee that transfers shall be made at the market rate of exchange existing on the date of transfer with respect to spot transactions in the currency to be transferred.

Article 7. Subrogation

If a Contracting Party or its designated agency makes a payment to its investor under an indemnity given in respect of an investment in the territory of the other Contracting Party, the latter Contracting Party shall, without prejudice to the rights of the former Contracting Party under Article 9, recognize the assignment to the former Contracting Party or its designated agency of all rights and claims of the investor which that Contracting Party or its designated agency shall be entitled to exercise by virtue of subrogation to the same extent as the Party indemnified.

Article 8. Disputes between an Investor and a Contracting Party

1. Any dispute between an investor of one Contracting Party and the other Contracting Party shall be settled amicably.

2. If such a dispute cannot be settled within a period of three (3) months from the date of request for settlement, the investor concerned may submit the dispute either to:

a) The competent court of the Contracting Party; or

b) Conciliation or arbitration through the International Centre for the Settlement of Investment Disputes (ICSID), established under the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature in Washington D.C., on March 18, 1965; or

c) An ad-hoc tribunal which, unless other-wise 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. The award shall be final and binding on both parties to the dispute and shall be executed in accordance with national law.

Article 9. Disputes between the Contracting Parities

1. Disputes between the Contracting Parties concerning the interpretation and application of this Agreement should, as far as possible, be settled through negotiations.

2. If the dispute cannot thus be settled within six (6) months, following the date on which such negotiations were requested by either Contracting Party, it shall at the request of either Contracting Party be submitted to an Arbitral Tribunal.

3. Such an Arbitral Tribunal shall be constituted for each individual case in the following way. Within two (2) months of the receipt of the request for arbitration, each Contracting Party shall appoint one member of the Tribunal. Those two members shall then select a national of a third State who on approval by the two Contracting Parties shall be appointed Chairman of the Tribunal. The Chairman shall be appointed within three (3) months from the date of appointment of the other two members.

4. If within 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 is otherwise 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 or is otherwise prevented from discharging the said function, shall be invited to make the necessary appointments.

5. The Arbitral Tribunal shall reach its decision by a majority of votes. The decisions of the Tribunal shall be final and binding on both Contracting Parties. Each Contracting Party shall bear the costs of the member appointed by that Contracting Party and of its representation at the arbitral proceedings. Both Contracting Parties shall assume an equal share of the cost of the Chairman, as well as any other costs. The Tribunal may make a different decision regarding the sharing of the costs. In all other respects, the Arbitral Tribunal shall determine its own rules of procedure.

Article 10. 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 this Agreement contain a regulation, whether general or specific, entitling investments made by investors of the other Contracting Party to a treatment more favourable than is provided for by this Agreement, such provisions shall, to the extent that they are more favourable, prevail over this Agreement.

Article 11. Application of the Agreement

This Agreement shall apply to all investments, whether made before or after its entry into force, but shall not apply to any dispute concerning an investment which arose, or any claim concerning an investment which was settled, before its entry into force.

Article 12. Entry Into Force, Duration and Termination

1. The Contracting Parties shall notify each other when the constitutional requirements for the entry into force of this Agreement have been fulfilled. The Agreement shall enter into force on the thirtieth (30) day after the date of receipt of the last notification.

2. This Agreement shall remain in force initially for a period of fifteen (15) years and shall be considered as renewed on the same terms for a period of fifteen (15) years and so forth, unless at least twelve (12) months before its expiration either Contracting Party notifies the other in writing of its intention to terminate the Agreement.

3. In respect of investment made prior to the date of termination of this Agreement the provisions of Articles 1 to 11 shall remain in force for a further period of fifteen (15) years from the date of termination of this Agreement.

IN WITNESS WHEREOF, the undersigned representatives, duly authorized thereto, have signed the present Agreement.

Done in duplicate at Helsinki on 01 June 1998 in the English language.

For the Government of the Republic of Finland

Ole Norrback

For the Government of the Republic of Slovenia

Marjan Senjur