

AGREEMENT BETWEEN THE GOVERNMENT OF THE HELLENIC REPUBLIC AND THE GOVERNMENT OF THE PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA ON THE RECIPROCAL ENCOURAGEMENT AND PROTECTION OF INVESTMENTS

The Government of the Hellenic Republic and the Government of the people's Democratic Republic of Algeria, hereinafter referred to as the contracting parties, "

Desiring to intensify economic cooperation by creating favourable conditions for investments by nationals of one Contracting Party in the territory of the other contracting party.

Recognizing the need to promote and protect investment, each other with a view to fostering the transfer of technology and capital in the mutual interest of both Contracting Parties,

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1 The term investment means every asset owned by an investor of a Contracting Party, invested in the territory of the other contracting party, in accordance with the laws and regulations of the latter, and, in particular, though not exclusively:

- a) Movable and immovable property as well as any other rights in rem, such as mortgages, liens, pledges and similar rights usufruits,;
- b) The actions, shares or other forms of equity participation in an enterprise established in the territory of one of the contracting parties;
- c) The obligations and rights, claims to any performance having an economic value;
- d) Intellectual property rights;
- e) The concessions granted under law or contract, including concessions to search for, extract or exploit natural resources;

2 The term "" means, the amounts resulting from an investment such as profits, dividends, interests, capital gains, royalties and other fees;

3 The term refers investor with regard to either Contracting Party:

- a) Natural persons who have the nationality of that Party in accordance with its laws;
- b) Legal persons or any other entity constituted or organised under the applicable laws and regulations of that Contracting Party and have their real economic activities in the territory of that same Contracting Party.

4 The term shall mean territory in respect of either Contracting Party, the territory under its sovereignty, including the territorial sea and beyond, the maritime areas over which in accordance with international law, the contracting party exercises sovereign rights or jurisdiction.

Article 2. Promotion and Protection of Investments

1 Each Contracting Party recognizes and encourages, within the framework of its laws and the provisions of this Agreement, the investments made within its territory by investors of the other contracting party.

2 Investments made by investors of either Contracting Party shall be accorded in the territory of the other contracting party fair and equitable treatment and full protection and security and constant, excluding any unjustified or discriminatory measure which could impair the management, maintenance, use, enjoyment or disposal of such investments.

3 Any alteration of the form of investment does not affect their status as an investment, provided that such change is not contrary to the legislation of the Contracting Party concerned.

4 Income and, in the event of their income from such reinvestment reinvestment, shall enjoy the same protection as the original investment.

5 Investments in respect of a particular undertaking of either Contracting Party with regard to an investor of the other Contracting Party, shall be governed, without prejudice to the provisions of this Agreement, the terms of that commitment to the extent that it is more favourable provisions than those laid down in this Agreement.

Article 3. Treatment of Investments

1 Each Contracting Party shall accord to investments made in its territory by investors of the other contracting party treatment no less favourable than that it accords to its own investors to investors or of any third State, whichever is more favourable treatment.

2 Each Contracting Party shall accord to investors of the other Contracting Party in respect of activities related to investments in its territory treatment no less favourable than that it accords to its own investors to investors or of any third State, whichever is more favourable treatment.

3 This treatment does not extend to the privileges or advantages which either Contracting Party accords to investors of a third State:

- a) By virtue of its participation in or association or a customs union, a common economic market or a free trade area, a regional economic integration organization, as well as any other similar institution.
- b) By virtue of a double taxation agreement or other agreements to fiscal nature.

Article 4. Expropriation

Investments of investors of either Contracting Party shall not be expropriated or nationalized, subject to any other measure having an effect equivalent to expropriation or nationalization (hereinafter referred to as expropriation) except where such expropriation:

- a) Is for reasons of public interest and in the manner prescribed by law,
- b) Is not discriminatory; and
- c) Shall be accompanied by the payment of prompt, effective and adequate compensation.

The amount of compensation shall correspond to the market value of the investment concerned on the eve of the day on which the measure was taken of expropriation or made public, the first panellist shall be selected.

The compensation shall be freely transferable in convertible currency without delay. it shall produce commercial interest at a rate established on the market conditions, calculated from the date of expropriation until the date of actual payment.

Article 5. Compensation

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, state of emergency, national civil disturbance or other similar events in the territory of the other Contracting Party, shall be accorded by the latter, as regards compensation, restitution, compensation or other indemnities, treatment no less favourable than that it accords to its own investors to investors or of any third State, whichever is more favourable treatment.

Where an investor of a contracting party which, in any of the situations referred to in the preceding paragraph, suffers a loss in the territory of the other Contracting Party resulting from requisitioning of its investment by the competent authorities of that Contracting Party, shall be accorded by the latter a refund or prompt, effective and adequate compensation.

Article 6. Transfers

1 Each Contracting Party in whose territory investments have been made by investors of the other Contracting Party shall grant those investors, after fulfilment of tax obligations and other financial obligations relating to investment, the free transfer of payments including but not limited to:

- a) The initial capital and additional amounts needed for the maintenance of the development or investment;
- b) Income;
- c) Such as regularly contracted loans related to an investment;
- d) The proceeds of the sale of or the partial or total liquidation of an investment;
- e) Compensation paid pursuant to articles 4 and 5 of this Agreement; articles 4 and 5 of this Agreement;

2 The transfers referred to in paragraph 1 of this article shall be made without delay in a freely convertible currency, at the official rate of exchange prevailing on the date of transfer in the territory of the Contracting Party where the investment has been effectué.paragraphe 1 of this article shall be made without delay in a freely convertible currency, at the official rate of exchange prevailing on the date of transfer in the territory of the Contracting Party where the investment has been made.

Article 7. Subrogation

1 If the investment of an investor of one Contracting Party is insured against non-commercial risks under a system established by law, any subrogation of the insurer resulting from the terms of the insurance agreement shall be recognized by the other contracting party, without prejudice to the rights of the investor under article 9 of this accord.article 9 of this Agreement.

2 The insurer shall not be entitled to exercise greater rights than those that the investor would have been entitled to exercise.

3 Disputes between a Contracting Party and an insurer shall be settled in accordance with the provisions of article 9 of this accord.article 9 of this Agreement.

Article 8. Settlement of Disputes between the Contracting Parties

1 Any dispute between the contracting parties concerning the interpretation or application of this Agreement shall be settled through diplomatic channels.

2 If a dispute cannot be settled in this way within six months after the beginning of negotiations, it shall be submitted, at the request of either contracting party to an arbitral tribunal.

3 The arbitral tribunal shall be constituted ad hoc as follows: each Contracting Party shall appoint one arbitrator and the two arbitrators shall select a national of a third State as Chairman of the arbitral tribunal. the arbitrators shall be appointed within three months and the Chairman within five months from the date of receipt of the notice of arbitration.

4 If within the periods spécifies 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 the necessary appointments. if the President is a national of either Contracting Party or if he is unable for any reason to carry out those functions, the Vice-President of the Court of Justice shall be invited to make the necessary appointments. if the Vice-President is a national of either Contracting Party or if he is also prevented from carrying out the function, the said member of the Court next in authority immediately and who is not a national of either Contracting Party shall be invited to make the appointments nécessaires.paragraphe 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 the necessary appointments. if the President is a national of either Contracting Party or if he is unable for any reason to carry out those functions, the Vice-President of the Court of Justice shall be invited to make the necessary appointments. if the Vice-President is a national of either Contracting Party or if he is also prevented from carrying out the function, the said member of the Court next in authority immediately and 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, the provisions of this Agreement and the rules and principles of international law, generally recognized.

6 The arbitral tribunal shall determine its own procedure. it interprets the award at the request of either Contracting Party.

the tribunal shall reach its decision by a majority of votes. such decision shall be final and binding on the parties.

7 Each Contracting Party shall bear the cost of its own arbitrator and its representation. the costs of the Chairman as well as any other costs shall be borne in equal parts by the contracting parties, unless the court decides to another distribution.

Article 9. Settlement of Disputes between an Investor and a Contracting Party

1 Any dispute between a Contracting Party and an investor of the other Contracting Party, shall, as far as possible, be settled amicably.

2 If such a dispute cannot be settled within six months from the time at which it was raised by either party to the dispute shall be submitted, at the request of the investor, either to national jurisdiction of the Contracting Party, Party to the dispute or to international arbitration.

Each Contracting Party gives its unconditional consent to such a dispute is submitted to international arbitration in accordance with this article.

Once the investor has submitted the dispute to the courts of the Contracting Party concerned or to international arbitration, the choice shall be final.

3 If a dispute is referred to international arbitration, the investor concerned may submit the dispute to:

- or the International Centre for Settlement of Investment Disputes (ICSID) established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature at Washington DC on 18 March 1965;

- or to an ad hoc arbitral tribunal to be established under the Arbitration Rules of the United Nations Commission on United Nations Commission on International Trade Law.

Article 10. Consultations

The Contracting Parties shall enter into consultations, whenever it considers appropriate, on any matter relating to the implementation of this Agreement. such consultations shall be held on the proposal of one of the Contracting Parties at the time and place to be agreed upon through diplomatic channels.

Article 11. Application of other Provisions

If the legislation of a Contracting Party or international obligations existing or future agreements concluded between the parties in addition to the present Agreement contain a general or specific regulations to accord investments of investors of the other contracting party to more favourable treatment than that provided for by the present Agreement, such rules shall to the extent that it is more favourable prevail over the present Agreement.

Article 12. Implementation

This Agreement shall also apply to investments made by investors of one Contracting Party in the territory of the other contracting party, in accordance with its laws, before the entry into force of this Agreement.

However, the Agreement shall not apply to disputes which occurred prior to its entry into force.

Article 13. Entry Into Force - Duration and Termination

1 This Agreement shall enter into force thirty days after the date of the exchange of instruments of ratification. it shall remain in force for a period of ten years.

2 Unless one of the Contracting Parties denounces it in writing at least one year before the expiry of the initial period of validity, this Agreement shall be extended tacitly for consecutive periods of ten years. each Contracting Party may denounce it then, with a written notice of at least one year.

3 In respect of investments made prior to the expiration of the validity of this Agreement, they will continue to benefit from the protection of its provisions supplémental for a period of ten years.

In the event of any inconsistency, the English text shall prevail.

For the Government of the republic hellenique.

Ms. Rodoula Zissi Minister Delegate to the economy and international cooperation.

For the Government of the Democratic People's and Algerian Republic.

Mr. Abdelaziz Ziari Minister Delegate to the Minister of Foreign Affairs, on the Community 1996-2000 national and regional cooperation.