

AGREEMENT BETWEEN THE GOVERNMENT OF THE ARGENTINE REPUBLIC AND THE GOVERNMENT OF THE FRENCH REPUBLIC ON THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the French Republic and the Government of the Argentine Republic referred to hereinafter as the "Contracting Parties",

Desiring to enhance economic cooperation between the two States and to create favourable conditions for French investments in Argentina, and Argentinean investment in France,

Convinced that the promotion and protection of such investments will be conducive to the stimulation of capital and technology transfer between the two countries in the interest of their economic development,

Have agreed as follows:

Article 1.

For the purposes of this Agreement:

1. The term "investment" means assets, such as property rights and interests of every kind, including but not limited to:

- a) Movable and immovable property as well as any other rights in rem such as mortgages, liens, usufruits, deposits and similar rights;
- b) Shares, share premiums and other forms of participation, even if minority or indirect, in companies incorporated in the territory of one of the Contracting Parties;
- c) The obligations, claims and rights to any benefits that have an economic value;
- d) Copyrights, industrial property rights, such as patents, licences, trademarks, industrial designs or models, technical processes, trade names and goodwill;
- e) Concessions granted by law or under contract, including concessions to search for, culture, extract or exploit natural resources including those situated in maritime area of contracting parties, provided that such assets must be or have been invested and in accordance with the provisions of this Agreement, the rights as defined in conformity with the legislation of the Contracting Party in the territory or maritime area in which the investment is made before or after the entry into force of this Agreement.

Any alteration of the form in which assets are invested shall not affect their classification as investment, provided that such change is not contrary to the legislation of the Contracting Party in the territory or maritime area in which the investment is made.

2. The term "investor" means:

- a) Natural persons who, according to the legislation of either Contracting Party, shall be treated as nationals;
- b) Legal persons constituted in the territory of one of the Contracting Parties in accordance with their legislation and having their registered office;
- c) Legal persons effectively controlled directly or indirectly by nationals of either Contracting Party, or by a juridical person with its head office in the territory of one of the Contracting Parties and in accordance with its law.

3. The term "returns" means all amounts yielded by an investment interests, such as profits, royalties or during a period of time.

Investment income and in case of reinvestment, income from their reinvestment shall enjoy the same protection as the investment.

4. This Agreement shall apply to the territory of each Contracting Party as well as the maritime area of each of the Contracting Parties, hereinafter referred to as defined as the economic zone and the continental shelf extending beyond the limits of the territorial waters of each of the Contracting Parties and on which they have, in accordance with international law, sovereign rights and jurisdiction for the purpose of exploitation and exploration for and preservation of natural resources.

Article 2.

Each Contracting Party recognizes and encourages, within the framework of its laws and the provisions of this Agreement, the investments of investors of the other party in its territory and in the maritime area.

Article 3.

Each Contracting Party undertakes to provide, in its territory and in the maritime area, fair and equitable treatment in accordance with the principles of international law, to investments of investors of the other party and to ensure the enjoyment of the right thus recognized is hampered in either law or in fact.

Article 4.

Each Contracting Party shall apply, in its territory and in its maritime area, to the investors of the other Party, in respect of their investments and the activities connected therewith, treatment no less favourable than that accorded to its own investors, or the treatment accorded to the investors of the most favoured nation if the latter is more advantageous. For the same reason, nationals of one of the Contracting Parties who are authorized to work in the territory and maritime area of the other Contracting Party must be able to enjoy appropriate facilities for the exercise of their professional activities

This treatment shall not apply to privileges which either Contracting Party accords to investors of a third State by virtue of its association or participation in a free trade area, customs union, Common Market or any other form of regional economic organization.

Similarly, such treatment shall not apply to privileges which either Contracting Party accords to investors of a third State by virtue of an agreement for the avoidance of double taxation or other tax convention.

Article 5.

1. Investments made by investors of either Contracting Party shall enjoy, in the Territory and in the maritime zones of the other contracting party; protection and security, pursuant to the principle of fair and equitable treatment referred to in article 3 of this Agreement.

2. The Contracting Parties shall not, directly or indirectly, measures of expropriation or nationalization or any other similar measures having an effect equivalent dispossession, except for a public purpose and provided that they are neither discriminatory nor contrary to a specific engagement.

The measures referred to above that could be taken shall be subject to the payment of prompt and adequate compensation in the amount calculated on the real value of the investment concerned must be assessed in relation to a normal economic situation and prior to any threat of dispossession.

Such compensation, its amount and has no later than the date of dispossession. the compensation shall be paid without delay, and effectively realisable freely transferable. it produces until the date of payment, shall include interest at an appropriate rate of interest.

3. Investors of one Contracting Party whose investments have suffered losses due to a war or any other armed conflict, revolution, state of emergency or national revolt occurring in the territory or maritime zones of the other contracting party benefit, on the part of this latter, from a treatment no less favourable than that accorded to its own investors or to those of the most favoured nation.

Article 6.

1. Each Contracting Party in the territory or maritime area in which the investments were made by investors of the other

Contracting Party shall grant those investors the free transfer of their assets, and in particular:

- a) Profits, dividends and other current income;
- b) The amounts required for the repayment of loans regularly contracted directly related to the implementation of the development or investment and interests;
- c) The proceeds of the sale of or the partial or total liquidation of the investment, including the value of the investment capital;
- d) Compensation paid pursuant to article 5 above;
- e) Royalties arising out of intangible rights referred to in paragraph 1 (d) and (e) of article 1;

The nationals of either Contracting Party who have been authorised to work in the territory or maritime zones of the other Contracting Party in respect of an approved investment shall also be authorised to transfer their country of origin in a proportion appropriate remuneration.

2. The transfers referred to in the preceding paragraphs shall be effected without delay in the normal rate of exchange applicable on the date of transfer, in accordance with the procedures laid down by the legislation of the country concerned, provided that they are not denied, suspend or distort the free transfer.

Article 7.

If the legislation of either contracting party provides a guarantee for investments abroad, it may be granted within the framework of a case-by-case review, to investments made by investors of that Party in the territory or maritime zones of the other party.

Investments made by investors of one Contracting Party in the territory or maritime zones of the other party may request the Security referred to in the preceding paragraph only if they have previously obtained accreditation of that other party.

Article 8.

1. Any dispute concerning investment within the meaning of this agreement between one of the Contracting Parties and an investor of the other Contracting Party shall as far as possible, be settled amicably between the two parties concerned.
2. If the dispute has not been settled within a period of six months from the time at which it was raised by one or both of the parties concerned, it shall be submitted, at the request of the investor:
 - or to national jurisdiction of the Contracting Party involved in the dispute;
 - or to international arbitration, under the conditions set out in paragraph 3 below.

Once the investor has submitted the dispute to the courts of the Contracting Party concerned or to international arbitration, the choice of one of these procedures is final.

3. In the event of recourse to international arbitration, the dispute may be submitted to one of the arbitral tribunals referred to below, at the choice of the investor:
 - The International Centre for the 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 on 18 March 1965, when each State Party to this Agreement has acceded to it. as long as this requirement is not fulfilled, each Contracting Party consents that the dispute be submitted to arbitration under the Additional Facility Rules of ICSID;
 - to an ad hoc arbitration tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

4. The arbitration panel shall decide on the basis of the provisions of this Agreement, the Law of the Contracting Party Party to the dispute, including the rules relating to conflicts of law, of the terms of any specific agreement which may have been entered into regarding the investment as well as the Principles of International Law.

5. The arbitral awards shall be final and binding upon the parties to the dispute.

Article 9.

If one of the Contracting Parties, by virtue of a guarantee given in respect of an investment in the territory or maritime zones of the other party makes payment to one of its investors it is thereby entered into the rights and claims of the national or company, in particular those defined in article 8 of this Agreement.

Article 10.

Investments in respect of a particular undertaking of either Contracting Party to the investors 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 11.

1. Disputes concerning the interpretation or application of this agreement should, if possible, be settled through diplomatic channels.
2. If, within a period of six months from the time at which it was raised by either contracting party, the dispute is not settled, it shall be submitted, at the request of either contracting party to an arbitral tribunal.
3. The Tribunal shall be constituted for each individual case in the following way:

Each Contracting Party shall appoint one member and these two Members shall designate by common agreement, a national of a third State who shall be chairman appointed by both contracting parties. all members shall be appointed within two months from the date one Contracting Party has informed the other contracting party of its intention to submit the dispute to arbitration.
4. If the periods specified in paragraph 3 above have not been made, either Contracting Party, in the absence of any other agreement, invite the Secretary General of the United Nations to make the necessary appointments. If the Secretary-General is a national of either Contracting Party or if he is otherwise prevented from exercising this function, the Under-Secretary-General the oldest and who is not a national of either Contracting Party shall make the necessary appointments.
5. The Court will take its decisions by majority vote. These decisions shall be final and enforceable as of right for the Contracting Parties.

The Court shall determine its own rules of procedure. It shall interpret the judgment at the request of any of the Contracting Parties. Unless the Court determines otherwise, taking into account particular circumstances, the costs of the arbitration proceedings, including the remuneration of the arbitrators, shall be borne equally by the Parties.

Article 12.

This Agreement shall not apply to differences or disputes which arose prior to the date of signature of this Agreement.

Article 13.

Each Party shall notify the other of the completion of the internal procedures required for the entry into force of this Agreement, which shall take effect one month after the date of receipt of the last notification.

This Agreement is concluded for an initial period of ten years and shall continue in force thereafter the term unless one of the Parties denounces through diplomatic channels with one year notice.

Investments made during the period of validity of this Agreement shall continue to be subject to the protection of its provisions even after the expiry of the period of validity of this Agreement for a further period of fifteen years.

Done at Paris, on the third day of July 1991, in two original copies, each in the Spanish and French languages, both texts being equally authentic

For the Government of the French Republic:

Dominique Strauss-Kahn

For the Government of the Argentine Republic:

