AGREEMENT BETWEEN THE GOVERNMENT OF THE HELLENIC REPUBLIC AND THE GOVERNMENT OF THE CZECH AND SLOVAK FEDERAL REPUBLIC FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Hellenic Republic and the Government of the Czech and Slovak Federal Republic

Hereinafter referred to as the Contracting Parties.

DESIRING to intensify their economic cooperation to the mutual benefit of both countries on a long term basis,

HAVING as their objective to create favourable conditions for investments by investors of either Party in the territory of the other Party,

RECOGNIZING that the promotion and protection of investments, on the basis of the present Agreement, will stimulate the initiative in this field.

HAVE AGREED AS FOLLOWS :

Article 1. Definitions

For the purposes of this Agreement :

1 . "Investment" means every kind of asset and in particular, though not exclusively, includes :

(a) Movable and immovable property and any other property rights such as mortgages, liens or pledges,

(b) Shares in and stock and debentures of a company and any other form of participation in a company,

(c) Loans, claims to money or to any performance under contract having a financial value,

(d) Intellectual property rights, goodwill technical processes and know-how,

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

2 . "Returns" means the amounts yielded by an investment and in particular, though not exclusively, includes profit, interest, capital gains, dividends, royalties and other fees :

3 . "Investor" shall comprise with regard to either Contracting Party :

(a) Natural persons having the nationality of that Contracting Party in accordance with its law

(b) Legal persons constituted in accordance with the law of that Contracting Party.

4 . "Territory" means in respect of either Contracting Party, the territory under its sovereignity as well as the territorial sea and submarine areas, over which that Contracting Party exercises, in conformity with international law, sovereign rights or juristiction.

Article 2. Promotion and Protection of Investment

1 . Each Contracting Party promotes in its territory investments by investors of the other Contracting Party and admits such investments in accordance with its legislation.

2 . A possible change in the form in which the investments have been made does not affect their substance as investments, provided that such a change does not contradict the laws and regulations of the relevant Contracting Party.

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

Article 3. Most Favoured-nation and National Treatment Provisions

1 . Neither Contracting Party shall subject investments in its territory owned or controlled by investors of the other Contracting Party to treatment less favourable than that which it accords to investments of its own investors or to investments of investors of any third State.

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 which it accords to its own investors or to investors of any third State.

3 . Such treatment shall not relate to privileges or advantages which either Contracting Party accords to investors of third States :

(a) On account of its membership of, or association with, a customs or economic union, a common market, a free trade area or similar institutions.

(b) By virtue of a double taxation agreement or other agreements regarding matters of taxation.

Article 4. Expropriation

1 . Investments by investors of either Contracting Party shall enjoy full security in the territory of the other Contracting Party.

2 . Investments by investors of either Contracting Party shall not be expropriated, nationalized or subjected to any other measure the effects of which would be tanta-mount to expropriation or nationalization in the territory of the other Contracting Party except under the following conditions :

(a) The measures are taken in the public interest and under due process of law,

(b) The measures are clear and not discriminatory, and

(c) The measures are accompanied by provisions for the payment or prompt, adequate and effective compensation. Such compensation shall amount to the market value of the investments affected immediately before the measures reffered to above in this paragraph occured or became public knowledge and it shall be freely transferable in convertible currencies from the Contracting Party, at the official rate of exchange prevailing on the date used for the determination of value. The compensation shall be transferable without delay in a freely convertible currency. The compensation shall include interest until the date of payment as an appropriate commercial rate as determined by the Central Bank of the Contracting Party, and its amount shall be subject to review by due process of law.

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, revolution, a state of national emergency or other exceptional situations in the territory of the latter Contracting Party shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnificaton, compensation or other settlement, no less favourable than that which the latter Contracting Party accords to its own investors or to investors of any third State. Resulting payments shall be freely transferable.

Article 6. Repatriation of Investment and Returns

1 . Each Contracting Party shall guarantee, in respect of investments of investors of the other Contracting Party, the unrestricted transfer of the investment and its returns.

The transfers shall be effected, without delay, in a freely convertible currency to be agreed upon between the investor and the Contracting Party concerned and at the rate of exchange applicable on the date of transfer.

2 . Such transfers include in particular, though not exclusively:

(a) Capital and additional amounts to maintain or increase the investment;

(b) Profits, interest, dividends and other current income;

(c) Funds in repayment of loans;

(d) Royalties and other fees;

(e) Proceeds of sale or liquidation of the whole or any part of the investment.

Article 7. Subrogation

If the investments of an investor of one of the Contracting Parties are insured under a legal system of guarantee, any subrogation of the insurer or re-insurer into the rights of the said investor pursuant to the terms of such insurance shall be recognized by the other Contracting Party.

Article 8. Application

This Agreement shall also apply to investments made prior to its entry into force and after 1.1.1950 by investors of either Contracting Party in the territory of the other Contracting Party consistent with the latter's legislation.

Article 9. Disputes between the Contracting Parties

1 . Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall, if possible, be settled through diplomatic channels.

2 . If the dispute 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 arbitration tribunal.

3 . The arbitration 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 arbitration tribunal.

4 . If within the periods specified in paragraph 3 of this Article the necessary appointments have not been made, any Party to the dispute 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 of the Court is a national of any Party to this dispute or if he is otherwise prevented from discharging the said function, the Vice-President or if he is a national of any Party or is otherwise prevented from discharging the said function, the Member of the Court next in seniority who is not a national of any Party to the dispute shall be invited to make the necessary appointments.

5 . The arbitration 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 . Unless the Parties decide otherwise, the tribunal shall determine its own procedure.

7 . The tribunal shall reach its decision by a majority of votes. Such decision shall be final and binding on the Parties.

8 . Each Contracting Party shall bear the cost of the arbitrator appointed by itself and of its representation. The cost of the chairman as well as the other costs will be born in equal parts by the Contracting Parties.

Article 10. Settlement of Disputes between an Investor and a Host State

1 . Any dispute between either Contracting Party and an investor of the other Contracting Party concerning investments including disputes on expropriation or nationalization of an investment shall as far as possible be settled by the disputing parties in an amicable way.

2 . If such disputes cannot be settled within six months from the date either party requested amicable settlement, the investor concerned may submit the dispute either to the competent court of the Contracting Party, or to an international arbitration tribunal. Each Contracting Party herewith declares its acceptance of such an arbitration procedure. In the latter case, the provisions of article 9, par. 3–8 shall be applied mutatis mutandis. Nevertheless the President of the Court of the

International Arbitration of the International Chamber of Commerce in Paris shall be invited to make the necessary appointments whereas the arbitration tribunal shall determine its procedure by applying the UNCITRAL Arbitration Rules, as then in force. The award shall be binding and enforced in accordance with domestic law.

3 . 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.

4 . In case both Contracting Parties have become members of the Convention of 18 March 1965 on the Settlement of Investment Disputes between States and Nationals of the Other States, disputes between either Contracting Party and the investor of the other Contracting Party under the first paragraph of this Article may, at the request of the investor concerned, be submitted for settlement by conciliation or arbitration to the International Centre for the Settlement of Investment Disputes.

Article 11. 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 contain a regulation, whether general or specific, entitling investments by investors of the other Contracting Party to a treatment more favourable than is provided for by the present Agreement, such regulation shall, to the extent that it is more favourable, prevail over the present Agreement.

Article 12. 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 agreed upon through diplomatic channels.

Article 13. Entry Into Force, Duration, Termination

1 . This Agreement shall enter into force one month after the date of exchange of the Instruments of Ratification. It shall remain in force for a period of 10 years.

2 . Unless notice of termination has been given by either Contracting Party at least six months before the date of expiry of its validity, this Agreement shall be extended tacitly for periods of 10 years, each Contracting Party reserving the right to terminate the Agreement upon notice of at least six months before the date of expiry of the current period of validity.

3 . In respect of investments made prior to the date of the termination of this Agreement the foregoing Articles shall continue to be effective for a further period of 10 years from that date.

Done in duplicate in Prague on this day of June 3, 1991 in the Greek, Czech and English languages, all texts being equally authoritative. In case of differences in interpretation, the original in the English language shall prevail.

For the Government of the Hellenic Republic Republic

For the Government of the Czech and Slovak Federal Republic