Agreement between the Belgian-Luxembourg Economic Union and the Czechoslovak Socialist Republic on the reciprocal promotion and protection of investments.

The Belgo-Luxembourg Economic Union, and the Czechoslovak Socialist Republic,

Desiring to:

- develop their friendly relations based on the principles of the Helsinki Final Act of the Conference on Security and Cooperation in Europe, signed at Brussels on 1 August 1975;

- and enhance regional economic cooperation through the creation of favourable conditions for investment by investors of one Contracting Party in the territory of the other Contracting Party;

Article 1.

1. The term investor means:

(a) As regards the belgo-luxembourg Economic Union:

(aa) Any natural person who, according to the laws of Belgium or Luxemburg, is a citizen of the Kingdom of Belgium or the Grand Duchy of Luxembourg;

(ab) Any legal person constituted under the laws of Belgium or Luxemburg having its head office in the territory of the Kingdom of Belgium or the Grand Duchy of Luxembourg;

(b) As regards the Czechoslovak Socialist Republic:

(ba) Any legal person constituted under the laws of Czechoslovakia having its head office in the territory of the Czechoslovak Socialist Republic;

(bb) Any natural person who is a citizen of the Czechoslovak according to the legislation of the Czech and Slovak Federal Republic and provided that it is authorized to act as an investor Czechoslovak under the law.

2. The term investment means every asset and any direct or indirect in all enterprises in any sector of the economy, and in particular:

(a) Movable and immovable property as well as any other rights in rem;

(b) The actions and other forms of participation in companies;

(c) Claims and rights to any performance having an economic value;

(d) The industrial and intellectual property rights and goodwill.

Any modification of the legal form of investment or reinvestment shall not affect their classification within the meaning of this Agreement.

Article 2.

1. In order to ensure the development of their economic relations between them, each Contracting Party shall admit in its territory and in accordance with its laws, the investments of investors of the other contracting party.

2. This Agreement shall also apply to all Existing investment in the territory of one of the Contracting Parties and made by investors of the other contracting party.

3. Each Contracting Party shall ensure to investments in its territory by investors of the other contracting party treatment excluding any unlawful or discriminatory measure which could adversely affect their management, maintenance, use, enjoyment or disposal.

4. Subject to the measures necessary for the maintenance of public order, such investments shall be accorded a constant protection and security, which are equivalent to those enjoyed by investments belonging to investors of the most favoured nation.

5. Notwithstanding the provisions of paragraphs 3 and 4 shall not extend to the privileges which either Contracting Party shall accord to investors of a third State by virtue of: paragraphs 3 and 4 shall not extend to the privileges which either Contracting Party shall accord to investors of a third State by virtue of:

(a) Its participation in an economic union, a customs union, a free trade area or international economic associations, such as the European Economic Community and the Council for Mutual Economic Assistance;

(b) An agreement for the avoidance of double taxation or any other arrangement relating to taxation.

Article 3.

1. Investments made by investors of one Contracting Party in the territory of the other Contracting Party shall not be expropriated or subjected to any other measures of dispossession either directly or indirectly, in whole or in part, having a similar effect unless the measures:

(a) Shall be taken in accordance with due process and are not discriminatory;

(b) Are accompanied by provisions for the payment of compensation to be paid to investors in convertible currency and paid without delay. it shall correspond to the real value of the investment immediately before the date on which the measures taken or are publicly available.

2. Investors of either Contracting Party whose investments suffer damages in connection with an armed conflict, a state of emergency, or disturbances occurring in the territory of the other Contracting Party, shall be accorded by the latter of non-discriminatory treatment and equal to that accorded to investors of the most favoured nation as regards all forms of restitution or compensation.

3. The provisions of paragraphs 1 and 2 shall apply to investors, holders of either contracting party of any form of participation in an enterprise in the territory of the other party contractante.paragraphes 1 and 2 shall apply to investors, holders of either contracting party of any form of participation in an enterprise in the territory of the other contracting party.

4. In all cases referred to in this article, each Contracting Party shall accord to investors in its territory of the other Contracting Party that accorded the same treatment to investors of the most favoured nation.

Article 4.

1. Each Contracting Party shall ensure to investors of the other Contracting Party the free transfer of funds in convertible currency related to an investment; and in particular:

(a) Where an amount of capital complementary to maintain or increase the investment;

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

(c) The amounts required for the repayment of loans;

(d) The proceeds from a total or partial liquidation of the investment;

(e) The compensation pursuant to article 3 3.article.

2. The transfers referred to in paragraph 1 shall be made at the rate of exchange applicable on the date of transfer pursuant to the exchange regulations in force in the territory of each party contractantes.paragraphe 1 shall be made at the rate of exchange applicable on the date of transfer pursuant to the exchange regulations in force in the territory of each of the Contracting Parties.

3. Each Contracting Party shall take the necessary steps to ensure that after completion of the formalities prescribed by its laws, transfers are provided without undue delay and without any fees or other charges that the usual costs.

4. The guarantees provided for in paragraphs 1, 2 and 3 shall be equal to those accorded to investors of the most favoured nation, subject to the provisions of article 2, paragraph 1, 2 and 3 5.paragraphes shall be equal to those accorded to investors of the most favoured nation, subject to the provisions of article 2, paragraph 5.

Article 5.

1. If under a legal or contractual guarantee compensation is paid by an insurer to an investor of one of the Contracting Parties to the investment has produced in the territory of the other contracting party, the latter shall recognize the subrogation into the insurer of the Rights of the said investor.

2. In accordance with the guarantee given to the Investment, the insurer concerned shall be entitled to claim all the rights that the investor might exercise if the insurer had not been subrogated.

3. Any dispute between one Contracting Party and the insurer of an investor of the other Contracting Party shall be settled in accordance with the provisions of article 8 of this accord.l' Article 8 of this Agreement.

Article 6.

1. This Agreement shall not prevent investors to rely more favourable provisions contained in the legislation of the Contracting Party in whose territory the investment has been made or in the international agreements to which both contracting parties.

2. Investors of one Contracting Party may conclude with the other contracting party specific agreements which cannot be contrary to this Agreement. these investments under specific agreements shall be governed by the provisions of the latter and in the alternative, by those of this Agreement.

Article 7.

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

2. In the absence of rules in this way, the dispute is submitted to a joint commission composed of representatives of the Contracting Parties. this committee shall meet without delay and at the request of either of the Contracting Parties.

3. If the dispute cannot be settled in this way within six months after the beginning of negotiations, it shall be submitted to an arbitral tribunal at the request of one of the Contracting Parties.

4. The arbitral tribunal shall be constituted in the following manner and on a case-by-case basis: each Contracting Party shall appoint one arbitrator and the two arbitrators shall appoint a third arbitrator who is a national of a third State, who shall be Chairman of the Tribunal. the arbitrators shall be appointed within three months and the Chairman within five months from the date on which either Contracting Party has informed the other contracting party of its intention to submit the dispute to an arbitral tribunal.

5. If the time limits set out in paragraph 4, have not been observed, the Secretary-General of the United Nations shall be invited to make the appointments nécessaires.paragraphe 4, have not been observed, the Secretary-General of the United Nations shall be invited to make the necessary appointments.

6. The arbitral tribunal shall decide on the basis of the provisions of this Agreement and the rules and principles of International Law recognized.

7. Before the arbitral tribunal shall determine its own rules of procedure.

8. The arbitral tribunal shall reach its decisions by a majority of the votes; they shall be final and binding on the contracting parties.

9. Each Contracting Party shall bear the costs of its own arbitrator and its representation in the arbitration proceedings. the cost of the Chairman and the remaining costs shall be borne in equal parts by the contracting parties.

Article 8.

1. Disputes between one of the Contracting Parties and an investor of the other contracting party relating to compensation pursuant to Article 3, paragraphs 1 and 3 are subject to a written notification, including a detailed memorandum addressed

by the investor and the Contracting Party concerned. as far as possible, the dispute shall be settled in the amiable.paragraphes 1 and 3 are subject to a written notification, including a detailed memorandum addressed by the investor and the Contracting Party concerned. as far as possible, the dispute shall be settled amicably.

2. If the dispute cannot be settled within six months from the date of the written notification mentioned in paragraph 1 and in the absence of any other settlement agreed between the parties to the dispute shall be submitted, at the request of the investor, to arbitration before a court ad hoc.paragraphe 1 and in the absence of any other settlement agreed between the parties to the dispute shall be submitted, at the request of the investor to arbitration, before an ad hoc tribunal.

3. The ad hoc tribunal shall be constituted for each individual case in the following way: each party to the dispute shall appoint one arbitrator and the two arbitrators shall appoint a third arbitrator who is a national of a third State, who shall be Chairman of the Tribunal. the arbitrators shall be appointed within two months and the Chairman within three months from the date on which the investor Party to the dispute, the Contracting Party concerned notified its intention to resort to arbitration.

If the time limits referred to above have not been complied with, either party to the dispute may request the President of the Arbitration Institute of the Stockholm Chamber of Commerce to make the necessary appointments.

The members of the ad hoc tribunal must be nationals of States with which both contracting parties maintain diplomatic relations.

4. The Ad Hoc Tribunal shall establish its own rules of procedure in accordance with the provisions of the United Nations Commission on United Nations Commission on International Trade Law adopted by the Conference on 15 December 1976.

5. The Tribunal shall decide on an ad hoc basis:

- The national law of the Contracting Party, Party to the dispute, in the territory of which the investment is located, including its rules on the Conflict of Laws;

- The provisions of this Agreement;

- The provisions of a specific commitment in connection with the investment;

- The rules and principles of International Law recognized.

Article 9.

Each Contracting Party may propose to the other contracting party consult each other on any manner relating to the application or interpretation of this Agreement.

Each Contracting Party shall take the necessary steps to make this possible consultation.

Article 10.

1. This Agreement shall enter into force one month after the date on which the contracting parties have notified each other that the constitutional procedures required in their respective countries have been complied with.

2. This Agreement shall remain in force for a period of ten years. unless one of the Contracting Parties denounces it at least six months before the expiration of the period of validity, whenever it shall be automatically renewed for a further period of ten years.

3. Investments made prior to the termination of this Agreement shall continue to be submitted for a period of ten years from the date of its termination.

Done at Brussels on 24 April 1989, each in two originals in the Czech and French languages, both texts being equally authentic.

For the Belgo-Luxembourg Economic Union:

Robert Urbain.

For the Czechoslovak Socialist Republic:

Jan Stejskal.

Protocol to the agreement between the belgo-luxembourg economic union and the czechoslovak socialist republic on the reciprocal promotion and protection of investments

Upon signature of the Agreement between the belgo-luxembourg Economic Union and the Czechoslovak Socialist Republic on the reciprocal promotion and protection of investments, the undersigned representatives have agreed as follows:

"The provisions of article 4, paragraph 1, letters (b) and (c) shall apply with respect to the Czechoslovak Socialist Republic, so that the free transfer is made from the assets in freely convertible currencies of the enterprise for the participation of foreign capital, unless otherwise agreed by the investor to the Belgo-Luxembourg Economic Union and the Czechoslovak authorities concerned. ".

This Protocol shall form an integral part of the said Agreement.

Done at Brussels, this 24th day of April 1989, in two originals, each in the Czech and French languages, both texts being equally authentic.

For the Belgo-Luxembourg Economic Union:

Robert Urbain.

For the Czechoslovak Socialist Republic:

Jan Stejskal.