AGREEMENT BETWEEN THE GOVERNMENT OF THE PEOPLE'S DEMOCRATIC REPUBLIC OF BANGLADESH AND THE GOVERNMENT OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA ON THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the People's Republic of Bangladesh and the Government of the Democratic People's Republic of Korea hereinafter referred to as the "Contracting Parties",

Desiring to intensify economic cooperation to the mutual benefits of both States,

Intending to create and maintain favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party,

Recognizing the need to promote and protect foreign investments with the aim to foster the economic prosperity of both States,

Have agreed as follows:

Article 1. Definitions

For the purpose of this Agreement:

(1) The term "investor" raters with regrad to either Contracting Party to: (a) Natural persons who, according to the law of that contracting Party, are considered to be its citizens;

(b) Legal entities, including companies, corporations, business associations and other organizations, which are constituted or otherwise duly organised under the law of that Contracting Party and have their seat, in the territory of that same Contracting Party.

(2) The term "investment" shall include every kind of assets and particularly: (a) Movable and immovable property, as well as any other rights, such as servitude's, mortgages, liens, leases, pledges ;

(b) Shares, slocks, debentures or any other kinds of participation in companies;

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

(d) Intellectual property rights, including copyrights, patents, industrial designs or models, trade or service marks, trade names, know-how, goodwill, marks of origin and any other similar rights;

(e) Concessions under public law, including concessions to search for, extract, or exploit natural resources as well as all other rights given by law, by contracts or by decision of the authority in accordance with the law.

Any alteration of the form in which assets are Invested or reinvested does not affect their character us investment.

(3) The term "returns" means amounts yielded by an investment and includes in particular, though not exclusively, profits, dividends, interests, capital gains royalties, or fees.

(4) The term "territory" means in respect of each Contracting Party the territory under its sovereignly as well as the exclusive maritime zones over which the State concerned exercises sovereign rights or jurisdiction in accordance with international law.

Article 2. Promotion and Admission

(1) Each Contracting Party shall in its territory promote investments by investors of the other Contracting Party and admit such investments in accordance with its laws and regulations.

(2) When a Contracting Party shall have admitted an investment in its territory, it shall, in accordance with its laws and regulations, grant the necessary permits in connection with such an investment and with the carrying out of licensing agreements and contracts for technical, commercial or administrative assistance, which Contracting Party shall, whenever needed, endeavor to issue the necessary authorization concerning the activities of consultants and oilier qualified persons of foreign nationality.

Article 3. Protection and Treatment

(1) Each Contracting Party shall protect within its territory investments made in accordance with its laws and regulations by investors of the other contracting Party and shall not impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment, extension, sale or liquidation of such investments.

(2) Each Contracting Party shall ensure fair and equitable treatment within its territory of the investments of the investors of the other Contracting Party. This treatment shall not be less favourable than that granted by each contracting Party to investments made within its territory by its own investors, or than that granted by each Contracting Party to the investments. made within its territory investors of any third Slate, if this latter treatment is more favourable.

(3) The most favoured nation clause of paragraph (2) of this Article shall not be construed so as to oblige a Contracting Party to extend to the investors of the other Contracting Party the advantages granted to investors of any third State resulting from its membership in any existing or Inline (unreadable text) union or a free trade area or by virtue of an agreement on avoidance of double taxation or any other reciprocal agreements, to which either of the Contracting Parties is or becomes a member.

Article 4. Transfer of Capital and Returns

(1) Each Contracting Party in whose territory investments have been made by investors of the other Contracting Party shall grant those investors the free transfer of the payments relating to these investments, particularly of:

(a) Capital and any additional contributions for maintenance or development of an investment;

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

(c) Repayments of loans incurred for an investment;

(d) Royalties and other payments deriving from rights enumerated in Article-1, paragraph (2),(d) of this Agreement;

(e) Proceeds accruing from the total or partial sale, alienation or liquidation of an Investment :

(f) Salaries or other legitimate income earned by persons of foreign nationality employed for an investment.

(2) Transfers shall be made without delay at the official rate of exchange applicable on the date of transfer.

(3) Each Contracting Party shall accord to investors of the other Contracting Party with respect to their transfers treatment which shall in no case be less favourable than that accorded to investors of any third State.

Article 5. Expropriation and Compensation

(1) Neither of the Contracting Parties shall lake, either directly or indirectly, measures of expropriation, nationalization or any other measures having the same nature or the same effect against investments of investors of the other Contracting Party, unless the measure are taken in the public interest, on a non discriminatory basis, and under due process of law, and provided that provisions be made for effective and adequate

The amount of compensation shall amount to the market value of the investment before the expropriation or Impending expropriation became known, and include internal hom the (Unclear text) of expropriation until the date of payment, Such compensation shall he paid in a convertible currency without delay to the person entitled thereto. (2) The investors of one Contracting Party whose investments have suffered losses due lo a war or any other armed conflict, revolution, state of emergency or rebellion, which took place in the territory of the other Contracting Party shall benefit, on the part of this latter, from a treatment in accordance with Article-3 paragraph (2) of this Agreement.

Article 6. Principle of Subrogation

(1) If either Contracting Party or its designated agency makes payment to one of its investors under any financial guarantee against non-commercial risks it has granted in regard of an investment in the territory of the other Contracting Party, the latter shall recognize:

(a) The assignment, whether under the law or pursuant to a legal transaction, of any right or claim by the investor to the former Contracting Party or to its designated agency and

(b) That the former Contracting Party or its designated agency is entitled by virtue of subrogation lo exercise the rights and enforce the claims of that Investor.

(2) The subrogated rights or claims shall not exceed the original rights or claims of the investor.

Article 7. Disputes between a Contracting Party and an Investor of the other Contacting Party

(1) Any dispute which may arise between an investor of one Contracting Party and the other Contracting Party in connection with an investment shall, as far as possible, be settled amicably ' through consultations between the parties to the dispute.

(2) If these consultations do not result in a solution within six month from the date of request for settlement, the investor shall be entitled to submit the case to the competent court of the Contracting Party in the territory of which the investment has been made.

Article 8. Disputes and Consultations between Contracting Parties

Disputes between Contracting Parties regarding the interpretation, application or implementation of the provisions of this Agreement shall be friendly settled through diplomatic channels.

Each Contracting Party, who receive the proposal to enter consultations from the other Contracting Party, shall make the necessary arrangements for holding these consultations without delay.

Article 9. More Favourable Provisions and other Obligations

(1) If the legislation of either Contracting Party or international agreements applicable to both Contracting Parties or any agreements, reached between either of the Contracting Parties and an investor of the other Contracting Party contain provisions entitling investments by investors of the other Contracting Party to treatment more favourable than is provided for by this Agreement, such provisions shall to the extent that it is more favourable prevail over this Agreement.

(2) Each contracting Party shall observe any other obligations it has assumed with regard lo investments in its territory by investors of the other Contracting Party.

Article 10. Applicability of this Agreement

The provisions of this Agreement shall apply to all investments made in the territory of one contracting Party prior to or after the entry into force of the Agreement by Investors of the other Contracting Party. It shall, however, not be applicable to divergences or disputes which have arisen prior to its entry into force.

Article 11. Entry Into Force, Duration and Termination

(1) This Agreement shall enter into force thirty days after the dale on which both Contracting Parties shall have notified each other that their legal requirements for the entry into force of this Agreement have been fulfilled.

(2) This Agreement shall remain in force for a period often years. Thereafter, it shall automatically continue to be valid for further successive periods of ten years unless either Contracting Party notifies in writing at least twelve months prior to its expiry dale the other Contracting Party of its decision to terminate the Agreement.

(3) In case of notice as to the termination of the present Agreement, the provisions of Articles 1 to 11 shall, in respect of investments made before the notice was given, continue to be effective for ten years from the respective dales of such Investments.

Done in Dhaka on the Twenty-first Day of June of the Year Nineteen Hundred and Ninety Nine in three originals in Bengali, English and Korean languages, all texts being equally authentic, In case of divergence of interpretation, the English text shall prevail.

For the Government of the People's Republic of Bangladesh

Abul Hasan Chowdhury

Minister of State For Foreign Affairs

For the Government of the Democratic People's Republic of Korea

Ri Sang Il

Ambassador Extraordinary andPlenipotentiary of the Democratic People's Republic of Korea in Bangladesh