

# **AGREEMENT BETWEEN THE GOVERNMENT OF THE ARGENTINE REPUBLIC AND THE GOVERNMENT OF THE PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA ON THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS**

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

Desiring to intensify economic cooperation between the two States and create conditions conducive to increased investment in their respective territories;

Convinced that the promotion and protection of such investment based on an agreement, it is appropriate to encourage economic initiative and individually, and to facilitate the transfer of capital and technology between the contracting parties, in the interest of economic development and prosperity, thus increasing in both States;

Have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Agreement,

(1) The term investment means: in accordance with the laws and regulations of the Contracting Party in whose territory the investment means any kind of asset invested by an investor of one Contracting Party in the territory of the other contracting party according to the legislation of the latter. includes in particular, though not exclusively.

- a) Movable and immovable property as well as any other rights in rem such as mortgages, privileges and guarantees, bonds, usufructs and similar rights;
- b) Stocks, shares, debentures and other securities and any other kind of participation in companies;
- c) Claims and rights to contractual benefits with economic value;
- d) Loans regularly contracted for a productive investment;
- e) Copyrights and industrial property rights, such as patents, licences, trademarks, industrial designs and models, technical processes, trade names and goodwill.
- f) Economic concessions granted by law or under contract, including concessions relating to prospecting, cultivate, extract or exploit natural resources.

Any alteration of the form of investment affect their qualification of investment, provided that such change is not contrary to the legislation of the contracting party receiving.

(2) The term investor means:

- a) Any natural person who, in accordance with the legislation of the contracting parties is a national of one of the Contracting Parties,
- b) Any legal person constituted under the laws and regulations of the contracting parties and having their headquarters in the territory of the Contracting Party and making an investment in the territory of the other contracting party.

Subject to the provisions laid down in articles 5 and 8, natural persons who are nationals of a Contracting Party and having its registered office in the territory of the Contracting Party where the investment is located, may only take advantage of treatment accorded by that contracting party to its own nationals.

(3) The term means all returns amounts resulting from an investment interests, such as profits, dividends, royalties, capital gains.

(4) The term means territory: the territories of each contracting party circumscribed by land borders, the territorial sea and any maritime areas adjacent to the outer limit of the territorial sea over which the contracting party exercises, in accordance with international law, sovereign rights and jurisdiction.

## **Article 2. Investment Promotion**

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

## **Article 3. Protection of Investments**

(1) Each Contracting Party shall at all times fair and equitable treatment to investments of investors of the other Contracting Party and shall not affect their management, maintenance, use, enjoyment or exploitation; through disposal, unjustified or discriminatory measures.

(2) Each Contracting Party shall ensure to investments admitted in its territory full legal protection and treatment no less favourable than that accorded to its own investments or investors of third States;

(3) Without prejudice to the provisions of paragraph 2 of this article, the Most-favored-nation treatment does not extend to the advantages or privileges and preferences accorded to investors of a third State because of its association or participation in a free trade area, customs union, or regional common market agreements.

(4) The treatment provided for in paragraph 2 of this article do not reach nor to advantages accorded by a contracting party to investors of third States by virtue of an agreement for the avoidance of double taxation or any other arrangement relating to taxation.

(5) The provisions of paragraph 2 of this article shall not be construed as to oblige the investors of the other contracting party to extend the benefit of any treatment, preference or privilege resulting from the bilateral agreements on specified concessional financing signed by the Argentine Republic with the Italian Republic on 10 December 1987 and the Kingdom of Spain on 3 June 1988.

## **Article 4. Expropriation and Compensation**

(1) Neither Contracting Party shall take, directly or indirectly, measures of expropriation or nationalization or any other measures having similar effect against investments in its territory and belonging to investors of the other contracting party;

(2) In the event that requirements of public interest justify a derogation from paragraph 1 of this article, the following conditions shall be complied with:

a) Such measures shall be taken under due process of law;

b) They are not discriminatory;

c) They are accompanied by provisions for the payment of prompt, effective and adequate compensation.

(3) The amount of such compensation shall correspond to the real value of the investment concerned have on the eve of the day on which these measures were taken or published. The amount of compensation shall interest from the date of expropriation to the interest rate in effect on trade. The compensation shall be paid without delay and shall be effectively realizable and freely transferable.

(4) The Investor affected shall have the right under the laws and regulations of the contracting party making the expropriation, to prompt review of its case and of the valuation of its investment in accordance with the principles set out in this article by a judicial authority or any other independent authority of that Contracting Party.

(5) Investors of one Contracting Party whose investments were made in the territory of the other Contracting Party who suffer losses owing to war or other armed conflict, revolution, state of emergency, national revolt riot, insurrection or by the latter shall be accorded treatment no less favourable than that accorded to its own investors or to investors of third States, as regards restitution, indemnification, compensation or other forms of redress.

## **Article 5. Transfers and Returns of Investments**

(1) Each Contracting Party shall guarantee to investors of the other Contracting Party the free transfer of investments and returns, and in particular, though not exclusively:

- a) Profits, dividends, interests;
- b) Royalties, including those resulting from the intangible rights referred to in Article 1 paragraph 1.E.
- c) The capital and additional amounts necessary for the maintenance and development of the investment;
- d) The amounts required for the repayment of loans as defined in paragraph 1 (d) of article 1;
- e) The proceeds of the total or partial sale or liquidation of the investment (including capital gains of invested capital);
- f) The compensation provided for in article 4;
- g) The earnings of nationals of one Contracting Party who have been authorised to work in an investment in the territory of the other contracting party.

(2) Transfers shall be effected without delay and at the rate of exchange applicable on the date of transfer in freely convertible currency in which the capital was originally invested or in any freely convertible currency which have agreed on by the investor and the contracting party receiving such investment, and according to the procedures laid down by this contracting party.

(3) Transfers shall be made within a period of two (2) months from the notification of the deposit of documentation duly established.

## **Article 6. Subrogation**

(1) If a Contracting Party or any of its agencies, undertake a payment to one of its investors under a guarantee or a contract of insurance it has completed an investment, in connection with the other Contracting Party shall recognize the subrogation of the first party or contracting agency thereof in the rights of the said investor.

The Contracting Party or any of its agencies, shall be authorized to exercise the rights which the investor would have been entitled to exercise.

(2) In the case of subrogation pursuant to paragraph 1 of this article, the investor shall not pursue a claim unless he is authorized to do so by the Contracting Party or an agency of the latter.

## **Article 7. Implementation of other Rules**

If the legislation of either Contracting Party or existing obligations under international law or subscribed to by the Contracting Parties in addition to this Agreement, or if an agreement between an investor of one Contracting Party and the other contracting party contain rules whether general or particular that accorded to the investments made by investors of the other contracting party to a more favourable treatment than is provided for by the present Agreement, such investor may invoke the provisions that are more favourable.

## **Article 8. Settlement of Disputes between an Investor and the Host Contracting Party of the Investment**

(1) Investment disputes, within the meaning of this agreement between one Contracting Party 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 date on which it was raised by one or other of the Parties concerned shall be submitted at the request of the investor:

\* to national jurisdiction of the Contracting Party which is a party to the dispute;

\* to international arbitration under the conditions described in paragraph 3 below.

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

(3) If the dispute to international arbitration may be brought before one of these bodies of arbitration below shall at the

choice of the investor:

\* The International Centre for Settlement of Investment Disputes (c.i.a.d.i) 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 c.i.a.d.i.

\* to an ad hoc arbitration tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (c.n.u.m.d.i.);

(4) The arbitration body shall decide on the basis of:

\* of the provisions of this Agreement,

\* The Law of the Contracting Party which is a party to the dispute including its rules on the Conflict of Laws;

\* 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 arbitration awards shall be final and binding on the parties to the dispute.

Each Contracting Party shall execute the In accordance with its legislation.

## **Article 9. Settlement of Disputes between the Contracting Parties**

(1) Disputes between the contracting parties concerning the interpretation or application of this agreement should, as far as possible, be settled through diplomatic channels.

(2) If within a period of six months from the time that has been raised by one of the Contracting Parties to the dispute is not settled, shall be submitted at the request of either contracting party to an arbitral tribunal.

(3) The arbitral tribunal shall be constituted for each individual case in the following way:

a) Each Contracting Party shall appoint an arbitrator within two months of the receipt of the request for arbitration. Those two members shall then select a representative of a third State who on approval of the two Contracting Parties shall be appointed Chairman of the Tribunal.

The Chairman shall be appointed within two months from the date of appointment of the other two members of the Tribunal.

b) If within the periods specified in paragraph 3 of this article the arbitrators have not been appointed, 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 PANES or if he is otherwise prevented from exercising this function, the Vice-President shall be invited to make the appointments requested.

If the Vice-President is a national of one of the Contracting Parties, the member of the Court next in seniority who is not a national of either Contracting Party shall be invited to make the necessary appointments.

c) The arbitral tribunal shall determine its own rules of procedure. The arbitral tribunal shall reach its decision by a majority of votes. This decision shall be final and binding on both contracting parties.

Each Contracting Party shall bear the costs of the member of the Tribunal and of its representation in the arbitral proceedings. The costs of the Chairman and the remaining costs shall be divided equally between the two contracting parties. The arbitral tribunal may, however, decide that a higher proportion of the costs be faced by one of the Contracting Parties and this decision shall be binding on both contracting parties.

## **Article 10. 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 and regulations, prior to the Entry into Force of this Agreement to the extent that such investment in accordance with the laws and regulations of the Contracting Party in whose territory the investments were made at the date of Entry into Force of this Agreement.

In any case, this Agreement shall apply to disputes arising prior to

The date of its Entry into Force.

## **Article 11. Entry Into Force**

(1) This Agreement shall enter into force when each Contracting Party has notified the other contracting party of the fulfilment of its internal procedures necessary for the Entry into Force.

Entry into Force shall take effect from the date of receipt of the last notification.

(2) This Agreement shall be applied for an initial period of ten years. It shall remain in force after this period unless one of the Contracting Parties denounces through diplomatic channels with a pre-avis one year.

(3) Upon completion of the period of validity of the present Agreement, investments made while the agreement was in force will continue to benefit from the protection of its provisions for a further period of ten years. Done at Algiers on 4 October 2000, in two originals in English, French and Arabic, the three texts being equally authentic.

FOR THE GOVERNMENT OF THE ARGENTINE REPUBLIC

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FOR THE GOVERNMENT OF THE PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA

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