# AGREEMENT BETWEEN THE GOVERNMENT OF THE ITALIAN REPUBLIC AND THE GOVERNMENT OF THE EASTERN REPUBLIC OF URUGUAY ON THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Italian Republic and the Government of the Oriental Republic of Uruguay (hereinafter referred to as the Contracting Parties), wishing to create favorable conditions for greater economic cooperation between the two countries and, in particular, investments by investors of a Party Contracting Party in the territory of the other Contracting Party and recognizing that the promotion and mutual protection of such investments under the International Agreements will contribute to the stimulation of entrepreneurial initiatives capable of favoring the prosperity of the two Contracting Parties, have agreed as follows:

## Article 1. Definitions

For the purposes of this Agreement:

1. "Investment" means, irrespective of the legal form chosen and of the legal order of reference, any asset invested by natural or legal persons from one Contracting Party in the territory of the other in accordance with the laws of 1 January 1989 And the regulations of the latter. In this context of general nature, the term "investment" means:

a) property rights in movable and immovable property, as well as any other rights in rem, including, to the extent they are suitable for investment, security interests in third-party property;

b) shares, bonds, partnership interests, and any other debt instruments, as well as government securities in general

c) Financial claims or any other right for commitments or benefits of economic value relating to investments as well as, as defined in paragraph 5 of this Article, investment income reinvested;

d) Copyright, trademarks, patents, industrial designs and other intellectual and industrial property rights, know-how, trade secrets, firm and goodwill;

e) any economic right conferred by law or contract, as well as any license or concession granted in accordance with applicable regulations for the conduct of economic activities, including those related to the exploration, cultivation, extraction, and exploitation of natural resources.

2. "Investor" means a natural or legal person of a Contracting Party who has carried out or makes investments in the territory of the other Contracting Party from 1 January 1989.

3. "Natural person" means, for each Contracting Party, a natural person who, by law, has a nationality. For the purposes of this Agreement and for cases of dual Italian-Uruguay citizenship, each Contracting Party shall apply to its investors and investments made in its territory its domestic law. Each Contracting Party shall recognize the benefits of this Agreement to the citizens referred to in the preceding paragraph, provided that such investors are domiciled or domiciled in the territory of the other Contracting Party at the time of the investment.

4. "Legal person" means, with reference to each Contracting Party, any entity constituted or recognized in the territory of one of them by law, such as public institutes, corporations of persons or capital, foundations, associations and, , Regardless of whether the liability is limited or not.

5. "Income" means the sums earned or to be derived from an investment, including, in particular, profits or units of profits, interest, capital gains, dividends, royalties, service fees and technical services and other income, including reinvested earnings And capital increases.

6. "Territory" means, in addition to the land within the land borders, also "maritime areas". The latter include marine and submarine areas on which the Contracting States have sovereignty or exercise, under international law, sovereignty and

jurisdiction.

## Article 2. Promotion and Protection of Investment

1. Each Contracting Party shall encourage investors from the other Contracting Party to make investments in its territory and shall grant its approval in accordance with its laws.

2. Each Contracting Party will always ensure fair and equitable treatment for investors of the other. Each Contracting Party shall ensure that the management, maintenance, enjoyment, transformation, transfer, cessation and liquidation of investments made in its territory by investors of the other Party shall in no way be affected by unjustified or discriminatory measures. The same treatment will be applied to companies and companies in which such investments have been made.

## Article 3. National Treatment and Nation Clause

1. Each Contracting Party shall, in its territory, grant investment and the income of the investors of the other, a treatment no less favorable than that reserved for the investments and the incomes of its own investors or third-country investors.

2. The treatment accorded to investment-related activities of investors of each Contracting Party shall not be less favorable than that accorded to similar activities, connected with investments, own investors or any other third country.

3. Paragraphs 1 and 2 of this Article shall not apply to benefits and Privileges that a Contracting Party recognizes or recognizes in future to third countries as a result of its participation in Customs or Economic Unions, Common Market Associations, Free Trade Areas, Regional or Sub-Regional Agreements, International Multilateral Economic Agreements or Agreements Concluded to avoid double taxation or to facilitate cross-border trade.

## Article 4. Compensation for Damages or Losses

Where investors of one of the two Contracting Parties suffer losses in their investments in the territory of the other Party due to wars or other armed conflicts, emergency states or other similar political and economic events, the Contracting Party in which the investment invested will grant compensation in respect of compensation not less favorable than that accorded to its nationals or legal persons or investors of any third State. Payments will take place without undue delay and will be freely transferable.

## Article 5. Nationalization or Expropriation

1. a) Investments referred to in this Agreement may not be the subject of measures limiting the right of ownership, possession, control or enjoyment inherent in them, fixed or indefinite, except as provided for by law or by reason of judgments and orders of the competent judicial authorities.

b) Investment by investors of one of the Contracting Parties shall not be directly or indirectly nationalized, expropriated or subject to measures having similar effects in the territory of the other Party, except for public purposes, for reasons of national interest, against prior, full, effective and fair compensation and provided that such measures are taken on a non-discriminatory basis and in accordance with legal provisions and procedures.

c) The right amount of compensation will be equivalent to the actual market value of the investment immediately before the date on which nationalization or expropriation decisions have been legally announced or made public and will be determined on the basis of generally accepted valuation principles. Where market valuation difficulties are found, compensation will be determined on the basis of a fair valuation of the constituent elements and distinctive features of the company as well as of the components and results of related business activities. Compensation will include interest accrued on the date of payment, calculated at the LIBOR rate of six months, and from the date of nationalization or expropriation. In the absence of an agreement between the investor and the Obliged Party, the amount of compensation shall be determined in accordance with the dispute settlement procedures referred to in Article 9 of this Agreement. The compensation, once determined, will be readily paid and will be freely transferable.

2. The provisions of paragraph 1 of this Article shall also apply to income derived from an investment and, in the case of liquidation, income derived from the latter. Paragraph 1 of this Article shall also apply to income from an investment, and, in the case of liquidation, the proceeds of the latter.

## Article 6. Free Transfer of Capital, Profit and Wages

1. Each of the Contracting Parties will guarantee to investors of the other, after the investors have fulfilled all tax obligations, transfer abroad in any convertible currency and without undue delay:

a) Capital and additional capital shares used to maintain and increase investment;

b) Net income, dividends, royalties, fees for assistance and technical services, interests and any other profit;

c) Sums deriving from the total or partial sale or liquidation of an investment;

d) Sums for repayment of loans relating to an investment and the payment of interest thereon;

e) Remuneration and allowances received by citizens of the other Contracting Party arising from subordinated employment or services rendered in the performance of investments made in their territory, minus and according to the modalities provided for in the laws and regulations in force in force;

2. Subject to Article 3 of this Agreement, the Contracting Parties undertake to grant the transfers referred to in paragraph 1 of this Article the same treatment as those resulting from investments made by investors of non-member States, if more favorable.

## Article 7. Subrogation

If a Contracting Party or one of its institutions has provided insurance coverage against non-commercial risks for investments made by one of its investors in the territory of the other Contracting Party and has made payments under such coverage, it shall be deemed to have been subrogated by operation of law to the same position as the insured investor. For payments to be made to the Contracting Party or its Institution pursuant to such subrogation, Articles 4, 5, and 6 of this Agreement shall apply, respectively.

## Article 8. Transfer Mode

The transfers referred to in Articles 4, 5, 6 and 7 will take place without undue delay and in any case within three months, although in the meantime all tax obligations have been met. Such transfers will be made in currency convertible to the exchange rate applicable at the date of the transfer.

## Article 9. Settlement of Disputes between Investors and Contracting Parties

1. Disputes arising between one Contracting Party and an investor of the other Contracting Party in connection with investments made under this Agreement shall, as far as possible, be settled amicably.

2. If a dispute cannot be settled in accordance with paragraph 1 of this Article within six months from the date on which one of the parties concerned initiated the dispute, it shall, at the request of one of the parties, be submitted to the competent courts of the Contracting Party in whose territory the investment was made. If, within 18 months from the date on which the dispute was submitted to the aforementioned courts, no judgment has been rendered, the investor concerned may resort to an arbitral tribunal, which shall have jurisdiction to resolve such dispute.

3. The investor concerned may refer the matter to an arbitral tribunal if the competent court referred to in paragraph 2 of this Article has rendered a judgment that is considered to be in conflict with the rules of international law, with the provisions of this Agreement, or is manifestly unjust or constitutes a denial of justice. In such cases, the arbitral tribunal shall have jurisdiction to hear the dispute in its entirety.

4. The arbitral tribunal referred to in paragraphs 2 and 3 above shall be established in any case at the request of one of the parties. The provisions of paragraphs 3 and 4 of Article 10 shall apply mutatis mutandis, provided that the disputing parties shall appoint the members of the Arbitral Tribunal in accordance with paragraph 3 of Article 10 and that, in the event of failure to appoint within the time limits set forth therein, each of them may, in the absence of other provisions, request the President of the Arbitration Court of the Stockholm International Chamber of Commerce to make the necessary appointments. The arbitral award shall be final and binding on the parties.

5. If both Parties have acceded to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature in Washington on March 18, 1965, disputes between one Contracting Party and an investor of the other may be submitted for settlement by conciliation or arbitration to the International Centre for Settlement of Investment Disputes.

6. Neither Contracting Party shall initiate international litigation regarding a dispute that its own investor or the other Party

has submitted for decision to the competent court of the Party in whose territory the investment was made or to arbitration proceedings in accordance with the provisions of this Article, unless the latter Party has failed to enforce or comply with the judgments or awards rendered in respect of such dispute.

## Article 10. Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation and application of this Agreement shall be, as far as possible, amicably composed by diplomatic means.

2. In the event that such disputes can not be made in the six months following the date on which one of the Contracting Parties has made a written request, they shall, on the initiative of one of them, be subject to the jurisdiction of an arbitral tribunal ad hoc in accordance with To the provisions of this Article.

3. The Arbitral Tribunal shall be constituted as follows: Within two months from the date of receipt of the request for arbitration, each Party shall appoint a member of the Tribunal. These two members will then, as President, be a national of a third State. The President shall be appointed within three months of the date of the appointment of the two members.

4. If, by the deadline specified in paragraph 3 of this Article, the appointments have not yet been made, either Contracting Party may, in the absence of other agreements, request that the President of the International Court of Justice make the appointments within three months. If the President is a national of one of the Contracting Parties or, for any other reason, is unable to accept the appointment, the request shall be made to the Vice President of the Court. If the Vice President is also a national of one of the Contracting Parties or, for any other reason, is unable to accept the appointment, the most senior member of the International Court of Justice who is not a national of one of the Contracting Parties shall be invited to make the appointment.

5. The Arbitral Tribunal will decide by majority vote and its decisions will be binding. Each Contracting Party shall bear the costs of its arbitrator and those of his participation in the arbitration proceedings. The expenses for the President and the remaining expenses shall be borne by the two parties on an equal footing. The Arbitral Tribunal will establish its own procedures.

## Article 11. Relations between Governments

The provisions of this Agreement shall be applied irrespective of the existence of diplomatic or consular relations between the Contracting Parties.

## Article 12. Application of Various Provisions

1. Where a matter is governed by both this Agreement and any other International Agreement to which the two Contracting Parties have acceded, or otherwise regulated by the rules of general international law, the Contracting Parties and their investors shall apply the provisions of Times more favorable.

2. If a Contracting Party, by virtue of laws, regulations, provisions or specific contracts, has adopted, for investors of the other, rules which are more advantageous than those provided for in this Agreement, it will be subject to the same treatment as the most favorable treatment for its case .

## Article 13. Entry Into Force

This Agreement shall enter into force on the date on which the two Contracting Parties have exchanged their respective instruments of ratification.

## Article 14. Duration and Expiration

1. This Agreement shall remain in force for 10 years from the date of the exchange of the instruments of ratification referred to in Article 13 and shall be prolonged for a further period of five years, unless one of the two Parties has denounced it in writing at least one year before the expiry date.

2. For investments made before the expiry date referred to in the preceding paragraph, the provisions of Articles 1 to 12 shall remain in force for a further five years from the date of expiry of this Agreement. A

Done in duplicate at Rome on 21 February 1990 in the Italian and Spanish languages, both texts being equally authentic.

For the Government of the Oriental Republic of Uruguay

For the Government of the Italian Republic