

AGREEMENT BETWEEN THE GOVERNMENT OF THE HELLENIC REPUBLIC AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN ON THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Hellenic Republic and the Government of the Islamic Republic of Iran, hereinafter referred to as the "Contracting Parties".

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

Intending to utilize their economic resources and potential facilities in the area of investments as well as to create and maintain favourable conditions for investments of investors of the Contracting Parties in each other's territory, and

Recognizing the need to promote and protect investments of investors of the Contracting Parties in each other's territory.

Have agreed as follows:

Article 1. Definitions

For the purpose of this Agreement the meaning of the terms used therein are as

follows:

1. The term "investment" refers to every kind of property or asset invested by the investors of one Contracting Party in the territory of the other Contracting Party, in accordance with the laws and regulations of the other Contracting Party, including the following:

a) movable and immovable property as well as rights related thereto, such as usufructus, mortgages, liens or pledges;

b) shares, or any other form of participation in companies;

c) intellectual property rights;

d) rights conferred by law or contract concluded between the competent authorities of the host Contracting Party and the investor, including rights to search for, extract or exploit natural resources;

2. The term "investor" refers to the following persons of one Contracting Party who invest in the territory of the other Contracting Party within the framework of this Agreement:

a) natural persons who, according to the laws of a Contracting Party, are considered to be its nationals;

b) legal entities of a Contracting Party, which are constituted under the laws of that Contracting Party and have their real economic activities in the territory of that Contracting Party

3. The term "returns" refers to the amounts legally yielded by an investment including profit derived from the investment, interest, capital gains, dividends, royalties and fees.

4. The term "territory" refers to the territory under the sovereignty of either Contracting Party, including the territorial sea, and includes maritime areas over which either Contracting Party exercises sovereign rights or jurisdiction, in accordance with international law.

Article 2. Promotion of Investments

1. Each Contracting Party encourages its investors to invest in the territory of the other Contracting Party.

2. Each Contracting Party shall, within the framework of its laws and regulations, create favourable conditions for the

attraction of investments of investors of the other Contracting Party in its territory.

Article 3. Admission of Investments

1. Each Contracting Party shall admit investments of investors of the other Contracting Party in its territory, in accordance with its laws and regulations.
2. Once an investment is admitted, each Contracting Party shall, in accordance with its laws and regulations, facilitate the issuance of any necessary permits for the realization of such an investment.

Article 4. Protection of Investments

Investments by investors of a Contracting Party shall, at all times, be accorded fair and equitable treatment and shall enjoy Full protection and security in the territory of the other Contracting Party. Each Contracting Party shall ensure that the management, maintenance, use, enjoyment or disposal, in its territory, of investments of investors of the other Contracting Party, is not in any way impaired by unjustifiable or discriminatory measures. Returns from the investment shall enjoy the same protection as the initial investment.

Article 5. Treatment of Investments

1. Each Contracting Party shall accord to investors of the other Contracting Party and their investments, effected within its territory, treatment not less favourable than that accorded to its own investors and their investments or to investors of any third State and their investments, whichever is more favourable
2. If a Contracting Party has accorded or accords in the future special treatment, advantages or rights to investors of any third State by virtue of an existing or future agreement establishing a free trade area, a customs union, a common market or similar regional organization and/or by virtue of an arrangement on the avoidance of double taxation, it shall not be obliged to accord such treatment, advantages or rights to investors of the other Contracting Party

Article 6. More Favourable Provisions

Notwithstanding the terms set forth in this Agreement, more favourable provisions which have been or may be agreed upon by either Contracting Party with an investor of the other Contracting Party, are applicable.

Article 7. Expropriation and Compensation

1. Investments of investors of either Contracting Party shall not be nationalized, confiscated, expropriated or subjected to any other measure having equivalent effect, by the other Contracting Party, except in the case such measures are taken in the public interest, in accordance with due process of law, in a non-discriminatory manner and upon payment of compensation
2. The amount of compensation shall be equivalent to the value of the investment immediately before the measure of nationalization, confiscation or expropriation was taken or became publicly known,

In case of undue delay in payment, the compensation shall include the costs thereof, from the date on which the payment becomes due until the date of actual payment

Article 8. Losses

1. Investors of either Contracting Party whose investments suffer losses due to armed conflict, revolution, a state of emergency, civil disturbance or other similar events in the territory of the other Contracting Party, shall be accorded by the other Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favourable than that accorded to its own investors or to investors of any third State.
2. Without prejudice to paragraph 1 of this Article, investors of one Contracting Party who, in any of the situations referred to in that paragraph suffer losses in the territory of the other Contracting Party resulting from:
 - a) requisitioning of their investment or part thereof by the latter's forces or authorities, or
 - b) destruction of their investment or part thereof by the latter's forces or authorities, which was not required by the necessity of the situation.

Shall be accorded, without undue delay, restitution or just compensation

Article 9. Repatriation and Transfers

1. Each Contracting Party shall permit transfers related to investments made under this agreement, to be made freely and without delay Such transfers shall include:

- a) returns,
- b) proceeds from the sale or liquidation of all or any part of an investment,
- c) royalties and fees related to transfer of technology agreements,
- d) sums paid pursuant to articles 7 and 8 of this Agreement;
- e) loan installments related to an investment provided that they are paid out of such investment activities;
- f) monthly salaries, wages and other remuneration received by employees of an investor hired from abroad, who have obtained in the territory of the host Contracting Party the corresponding work permits related to an investment;
- g) payments arising from the settlement of disputes in accordance with Article 12

2. The above transfers shall be effected in a freely convertible currency, at the rate of exchange prevailing on the date of transfer, in accordance with the exchange regulations in force.

3. The investor and the host Contracting Party may agree otherwise on the mechanism of repatriation or transfers referred to in this Article.

4. Notwithstanding paragraphs 1 to 3, a Contracting Party may prevent a transfer through the equitable, non-discriminatory and good faith application of measures to protect the rights of creditors, or relating to, or ensuring compliance with laws and regulations on the requirements for transfers or ensuring fulfillment of all financial obligations or in connection with criminal offenses, orders or judgments in administrative and adjudicatory proceedings, provided that such measures and their application shall not be used as a means of avoiding the Contracting Party's commitments or obligations under this Agreement

Article 10. Subrogation

If a Contracting Party or its designated agency, within the framework of a legal system, subrogates an investor pursuant to a payment made under an insurance or guarantee agreement against non-commercial risks:

- a) such subrogation shall be recognized by the other Contracting Party;
- b) the subrogee shall not be entitled to exercise any rights other than the rights which the investor would have been entitled to exercise;
- c) disputes between the subrogee and the host Contracting Party shall be settled in accordance with Article 12 of this Agreement.

Article 11. Scope of the Agreement

This Agreement shall apply to investments made prior as well as after its entry into force by investors of one Contracting Party in the territory of the other Contracting Party, in accordance with the laws and regulations of the latter, provided that they have been approved, if so required by the relevant laws and regulations of the host Contracting Party, by the competent authorities of that Contracting Party However, this Agreement shall not apply to disputes which arose before its entry into force.

The competent authority in the Islamic republic of Iran, is the Organization for Investment, Economic and Technical Assistance of Iran (O.I.E.T.A I.) or the agency which may succeed it.

Article 12. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party

1. If any dispute arises between the host Contracting Party and an investor of the other Contracting Party with respect to an

investment, the parties to the dispute shall primarily endeavor to settle the dispute in an amicable manner through negotiation and consultation.

2. In the event that such disputes cannot thus be settled within six months from the date of notification of the request for amicable settlement, the investor concerned may submit the dispute either to the competent courts or arbitration of the host Contracting Party or to international arbitration.

Once the investor has submitted the dispute to the competent tribunal of the host Contracting Party or to international arbitration, that election shall be final.

3. Where the dispute is referred to international arbitration, the investor concerned may submit the dispute to:

a) the International Centre for the Settlement of Investment Disputes, established under the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature in Washington D C. on 15 March 1965, if or as soon both Contracting Parties have acceded to the said Convention, each Contracting Party hereby declares its acceptance of such an arbitral procedure

Or,

b) an ad hoc arbitral tribunal to be established under the arbitration rules of the United Nations Commission on International Trade Law (U.N.C.I.T.R.A.L.) or,

c) any other international arbitration or ad hoc arbitration tribunal agreed upon between the parties to the dispute.

4. The arbitration awards shall be final and binding on both parties to the dispute.

Article 13. Settlement of Disputes between the Contracting Parties

1. All disputes arising between the Contracting Parties relating to the interpretation or application of this Agreement shall, in the first place, be settled amicably, by consultations.

2. If the dispute cannot thus be settled within six months from the beginning of the consultations, it shall, upon request of either Contracting Party, and, with due regard to its laws and regulations, be submitted to an arbitral tribunal, while sending a written notification to the other Contracting Party.

3. In case the dispute is referred to an arbitral tribunal, such tribunal shall be constituted in each individual case as follows: Each Contracting Party shall appoint one arbitrator and these two arbitrators shall select a national of a third State, who, upon approval by the two Contracting Parties, shall be appointed as chairman. The arbitrators shall be appointed within two (2) months and the chairman within four (4) months from the date of receipt of the request for arbitration.

4. If within the periods specified in paragraph 3 of this Article the necessary appointments have not been made, 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 Party or if he is otherwise prevented from discharging the said function, the Vice-President or if he too is a national of either Contracting Party or is otherwise prevented from discharging the said function, 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.

However, the Chairman of the arbitral tribunal shall be a national of a State having diplomatic relations with both Contracting Parties.

5. Unless the Contracting Parties decide otherwise, the arbitral tribunal shall determine its own procedure and the place of arbitration.

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

6. Each Contracting Party shall bear the cost of the arbitrator appointed by itself and of its representation in the arbitral proceedings. The cost of the Chairman as well as the other cost shall be born in equal parts by the Contracting Parties. The tribunal may, however, in its decision, direct that a higher proportion of costs shall be born by one of the two Contracting Parties and this award shall be binding on both Contracting Parties.

Article 14. Validity of the Agreement

1. This Agreement is subject to ratification by each Contracting Party. This Agreement shall enter into force thirty (30) days

after the date of the last notification of either Contracting Party informing the other Contracting Party that the procedures required by its laws for its entry into force, have been completed

2. This Agreement shall remain in force for a period of ten (10) years. It shall remain in force thereafter, unless one of the Contracting Parties notifies the other Contracting Party in writing of its unwillingness to continue with it, at least one year prior to the expiration of the initial period of its validity or termination thereof.

3. After the expiration or termination of this Agreement, its provisions shall continue to apply to investments under this Agreement for a further period of ten (10) years.

This Agreement is done in duplicate, in the Greek, Persian and English languages, all texts being equally authentic. In case of divergence, the English text shall prevail.

Signed in Athens, on 13 March 2002, corresponding to Esfand 22, 1380, by duly authorized representatives of the Government of the Hellenic Republic and the Government of the Islamic Republic of Iran

GOVERNMENT OF THE HELLENIC REPUBLIC